WATER DISTRICT 37

BASIC FINANCIAL STATEMENTS
AND
SELECTED OTHER FINANCIAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Water District 37
Shoshone, Idaho 83352

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Water District 37 as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Water District 37, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Water District 37 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and certain pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted the required Management Discussion and Analysis from these financial statements. Our opinion on the financial statements is not affected by this missing information. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Condie, Stoker & Brown

Condie Stoker & Brown
Rupert, Idaho

June 25, 2025

Condie Stoker & Brown
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Water District 37
Shoshone, Idaho 83352

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Water District 37, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Water District 37's basic financial statements, and have issued our report thereon dated June 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Water District 37's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Water District 37's internal control. Accordingly, we do not express an opinion on the effectiveness of Water District 37's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Water District 37's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Condie Stoker & Brown
Rupert, Idaho

June 25, 2025

WATER DISTRICT 37

STATEMENT OF NET POSITION
DECEMBER 31, 2024

ASSETS	
Current Assets	
Cash and Cash Equivalents	423,323
Assessments Receivable	7,027
Total Current Assets	430,350
Property and Equipment	
Machinery and Equipment	91,495
Total Property and Equipment	91,495
Less Accumulated Depreciation	(80,114)
Net Property and Equipment	11,381
Other Assets	
Restricted Cash	286,439
Total Assets	728,170
Deferred Outflow of Resources	
Deferred Outflows of Resources from Pensions	43,533
LIABILITIES	
Current Liabilities	
Accounts Payable	9,482
Payroll Taxes and Wages Payable	7,458
Total Current Liabilities	16,940
Long-Term Liabilities	
Net Pension Liability	163,126
Total Long-Term Liabilities	163,126
Total Liabilities	180,066
Deferred Inflow of Resources	
Deferred Inflow of Resources from Pensions	7,973
NET POSITION	
Net Investment in Capital Assets	11,381
Restricted	
Water Measuring Station	264,767
Acquisition of Equipment	21,672
Unrestricted	285,844
Total Net Position	583,664

WATER DISTRICT 37

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2024

Operating Revenues:	
Assessments	655,463
Miscellaneous Income	50,077
Total Operating Revenues	705,540
Operating Expenses:	
Salaries and Wages	239,130
Payroll Taxes	18,970
Insurance	18,913
Retirement	38,957
Workers Compensation	3,364
Auto Allowance	22,620
Rent	5,700
Field & Office Expense	23,357
Idaho Power/Cloud Seeding	95,072
Depreciation	3,640
Measuring and Telemetry	36,088
General Operations	12,480
Total Operating Expenses	518,291
Operating Profit (Loss)	187,249
Non-Operating Income (Expenses):	
Interest Income	34,002
Total Other Income (Expenses)	34,002
Change in Net Position	221,251
Net Position - Beginning of the Year	362,413
Net Position - End of the Year	583,664

WATER DISTRICT 37

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash Flows from Operating Activities	
Cash Received from Customers	700,544
Cash Payments to Vendors and Suppliers	(195,317)
Cash Paid to Employees	(246,204)
Cash Paid for Payroll Taxes and Benefits	(44,150)
Cash Paid for Pension	(27,148)
Net Cash (Used) Provided by Operating Activities	187,725
Cash Flows From Investing Activities:	
Interest Earned on Investments	34,002
Net Cash (Used) Provided by Investing Activities	34,002
Net Increase (Decrease) in Cash and Cash Equivalents	221,727
Cash and Cash Equivalents at Beginning of Period	488,035
Cash and Cash Equivalents at End of Period	709,762

Reconciliation of Net Position to Net Cash Provided by Operating Activities	
Change in Net Position	221,251
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	3,640
Non-Cash Pension Expense	11,809
Interest Earned on Investments	(34,002)
Change in Assets and Liabilities and Deferred Inflows/Outflows of Resources	
(Increase) Decrease in Accounts and Notes Receivable	(4,996)
Increase (Decrease) in Accounts Payable	(7,074)
Increase (Decrease) in Payroll Taxes and Wages Payable	(2,903)
Total Adjustments:	(33,526)
Net Cash (Used) Provided by Operating Activities	187,725

WATER DISTRICT 37

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Water District 37 (the "District") is a political subdivision of the State of Idaho, organized under State law by the landowners within the District who owned land susceptible to irrigation from a common source and system. The powers and duties of the District are dictated by State law, Federal law, and contract.

The Idaho Code provides the procedure for the organization of the District, the election of its Directors and the duties of its Directors and Officers. Idaho law further provides the method and procedure for the levying of operation and maintenance and construction assessments on land within the District and allows the assessments to become a lien upon the land for enforcement of the same. It further provides for the appropriation of water by the District for diversion and application to beneficial use.

The District's main source of revenue is generated from assessments on landowners within the Wood River Valley and Gooding areas.

The accounting policies of the District are to conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. Description of the Reporting Entity

The District's financial statements present the net position, results of operations and changes in net position, and cash flows. These financial statements include the accounts of all operations under the oversight authority of the Board of Directors and those under the direct jurisdiction and financial oversight authority of the District. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial inter-dependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

B. Basis of Accounting/Measurement Focus

The District is a Proprietary fund and Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities are included on the Statement of Net Position. Revenues are recognized when earned and expenses are recognized when the liability is incurred. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities are provided to outside parties. The District does not use formal budgetary or encumbrance accounting.

Non-operating revenues only include interest earned on investments and the sale of property and equipment.

C. Cash and Cash Equivalents

The District considers cash and cash equivalents to include cash on hand, deposits with financial institutions, and pooled investments with the State of Idaho Investment Pool.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

E. Property and Equipment

Property and equipment owned by the proprietary fund is stated at cost less an allowance for depreciation. Depreciation has been provided on assets over their estimated useful lives using the straight-line method. Estimated useful lives and accumulated depreciation at December 31, 2024 is as follows:

Description	Estimated Useful Lives	Accumulated Depreciation
Machinery and Equipment	5-20 years	(80,114)

E. Deferred Outflows/Inflows of Resources

The District complies with GASB No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and No. 65, Items Previously Reported as Assets and Liabilities. These standards establish accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. This item only arises under the full accrual basis of accounting. Accordingly, the item, Deferred Outflow of Resources From Pensions, is reported only on the Statement of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred Inflow of Resources From Pensions is only reported in the government-wide financial statements. The Statement of Net Position report defers pension cost, which will be recognized as an inflow of resources in the period in which the amounts are applied.

F. Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE B – CASH AND CASH EQUIVALENTS

There are three categories of credit risk that apply to the District's cash and investments:

1) Insured or collateralized for which the securities are held by the District or the District's agent in the District's name;
2) Uninsured and uncollateralized; or
3) Uninsured and unregistered for which the securities are held by the counter party or by its trust department or agent but not in the District's name. This category also includes repurchase agreements with no underlying securities.

NOTE B – CASH AND CASH EQUIVALENTS (Cont.)

Balances held in each category are as follows:

	Book Balance	Bank Balance
1) Insured (FDIC)	96,516	96,703
2) Uninsured and Un-collateralized	800	800
3) Uninsured and Unregistered	-	-
Amount Invested in State Investment Pool	612,446	612,446
Total Cash and Equivalents	709,762	709,949
Unrestricted Cash and Cash Equivalents	423,323	
Restricted Cash and Cash Equivalents	286,439	
	709,762	

The District has no restrictions on depositing public funds with state depositories except that the total aggregate amount shall not exceed the total capital and surplus or reserve of such public depositories and the State of Idaho does not require collateralization of public funds. The District complies with Idaho Code, Title 67, Chapter 12 in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Code. The Code also authorized the District to invest.

Amounts invested with the State of Idaho investment pool are collateralized by securities held by the counter party or its trust department, but not in the name of the District. The State of Idaho Investment Pool has not established a credit quality rating. Investments are stated at fair market value.

NOTE C – RESTRICTED CASH

The District has restricted cash that is reserved for water measuring stations and the acquisition of assets. The balance of restricted cash was $286,439 at December 31, 2024.

This amount is invested in the Idaho State Investment Pool.

NOTE D – ASSESSMENTS RECEIVABLE

Water assessments are levied in February and due by April 1 or before delivery of water. Assessments for water not paid are stated at original assessed amounts. It is the policy of the District to deliver water to only those who have paid their prior year water assessments in full. Due to historical trends of the ability of the District to collect all receivables, an allowance for doubtful accounts has not been established and would be immaterial.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment owned by Water District 37 is as follows:

	Balance 12/31/2023	Additions	Disposals	Balance 12/31/2024
Depreciable Assets:				
Machinery and Equipment	91,495	-	-	91,495
Total Property and Equipment	91,495	-	-	91,495
Less Accumulated Depreciation	(76,474)	(3,640)	-	(80,114)
Net Property and Equipment	15,021			11,381

NOTE F – ACCOUNTS PAYABLE

Accounts payable are recorded at cost and recognized liabilities for goods and services rendered to the District as of December 31.

NOTE G – LONG-TERM DEBT

As of December 31, 2024, the District has no long-term debt.

NOTE H – PENSION PLAN

Plan Description

The District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

NOTE H – PENSION PLAN (Cont.)

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2024, it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for public safety. The District's contributions were $27,148 for the year ended December 31, 2024.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the District's proportion was 0.00436091 percent.

For the year ended December 31, 2024, the District recognized pension expense of $38,957. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 25,971	$ -
Changes in assumptions or other inputs	$ 6,462	$ -
Net difference between projected and actual earnings on pension plan investments	$ (2,961)	$ -
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	$ -	$ 7,973
Employer contributions subsequent to the measurement date	$ 14,061	-
Total	$ 43,533	$ 7,973

The District reported $14,061 as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending December 31, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, the beginning of the measurement period ended June 30, 2023, is 4.6 and 4.6 years for the measurement period ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended December 31:	
2025	$ 8,051
2026	$ 30,415
2027	$ (5,245)
2028	$ (3,749)

NOTE H – PENSION PLAN (Cont.)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return – net of investment fees	6.35%
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries

- General Employees and All Beneficiaries – Males Pub-2010 General Tables, Increased 11%
- General Employees and All Beneficiaries – Females Pub-2010 General Tables, Increased 21%
- Teachers – Males Pub-2010 Teacher Tables, Increased 12%
- Teachers – Females Pub-2010 Teacher Tables, Increased 21%
- Fire & Police – Males Pub-2010 Safety Tables, Increased 21%
- Fire & Police – Females Pub-2010 Safety Tables, Increased 26%
- Disabled Members – Males Pub-2010 Disabled Tables, Increased 38%
- Disabled Members – Females Pub-2010 Disabled Tables, Increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

NOTE H – PENSION PLAN (Cont.)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2024.

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	-0.25%
TIPS	10%	-0.30%
Real Estate	8%	3.75%
Private Equity	8%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 309,991	$ 163,126	$ 43,175

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

NOTE I – RISK MANAGEMENT

The District has insurance to cover the risk of property loss and legal liability through the State of Idaho's Risk Management. The insurer provides a full schedule of coverage to meet various risks of loss related to torts, theft or damage to and destruction of assets, error and omissions, and natural disasters.

The basic insurance agreements cover claims against municipalities for all government functions, utilities, and services covered in the Plan. These include bodily injury, property damage, wrongful acts, personal injury, and related torts under the State tort claims law and federal civil rights laws.

All public officials, employees, services, and municipal functions are covered unless they are specifically listed as exclusions in the Plan.

NOTE J – SUBSEQUENT EVENTS

Management for the District reviewed significant subsequent events of June 25, 2025, which is the date the report was available to be issued, and was not aware of any subsequent events that need to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION

WATER DISTRICT 37

PENSION PLAN REQUIRED SUPPLEMENTARY INFORMATION
FOR YEAR ENDED DECEMBER 31, 2024 WITH JUNE 30, 2024 PERSI DATA

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 Fiscal Years *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of net pension asset (liability)	0.0043609%	0.0046752%	0.0051233%	0.0043877%	0.0044846%	0.0049589%	0.0049589%	0.0054015%	0.0051874%	0.0052704%
Employer's proportionate share of the net pension (asset) liability	$163,126	$186,572	$201,795	($3,465)	$51,190	$68,426	$77,945	$109,497	$72,866	$38,798
Employer's covered-employee payroll	$239,130	$209,293	$205,757	$177,900	$162,097	$157,376	$152,792	$154,019	$157,977	$154,991
Employer's proportional share of the net pension (asset) liability as a percentage of its covered-employee payroll	68.22%	89.14%	98.07%	-1.95%	31.58%	43.48%	51.01%	71.09%	46.12%	25.03%
Plan fiduciary net position as a percenage of the total pension (asset) liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

Data reported is measured as of June 30, 2024

Schedule of Employer Contributions
PERSI - Base Plan
Last 10 Fiscal Years *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$27,148	$23,599	$24,508	$21,252	$19,551	$19,067	$17,296	$17,435	$17,883	$17,545
Contributions in relation to the statutorily required contribution	$27,148	$23,599	$24,508	$21,252	$19,551	$19,067	$17,296	$17,435	$17,883	$17,545
Contribution (deficiency) excess	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Employer's covered-employee payroll	$239,130	$209,293	$205,757	$177,900	$162,097	$157,376	$152,792	$154,019	$157,977	$154,991
Contributions as a percentage of covered-employee payroll	11.35%	11.28%	11.91%	11.95%	12.06%	12.12%	11.32%	11.32%	11.32%	11.32%

Data reported is measured as of December 31, 2024

SUPPLEMENTARY INFORMATION

WATER DISTRICT 37

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance
Operating Revenues:			
Assessments	654,147	655,463	1,316
Miscellaneous Income	-	50,077	50,077
Total Operating Revenues	654,147	705,540	51,393
Operating Expenses:			
Salaries and Wages	298,050	239,130	58,920
Payroll Taxes	25,304	18,970	6,334
Insurance	43,056	18,913	24,143
Retirement	33,322	38,957	(5,635)
Workers Compensation	6,728	3,364	3,364
Auto Allowance	51,371	22,620	28,751
Rent	5,700	5,700	-
Field & Office Expense	22,500	23,357	(857)
Idaho Power/Cloud Seeding	105,191	95,072	10,119
Depreciation	-	3,640	(3,640)
Measuring and Telemetry	40,400	36,088	4,312
General Operations	22,525	12,480	10,045
Total Operating Expenses	654,147	518,291	135,856
Operating Profit (Loss)	-	187,249	187,249
Non-Operating Income (Expenses):			
Interest Income	-	34,002	34,002
Total Other Income (Expenses)	-	34,002	34,002
Change in Net Position	-	221,251	221,251