NORTH SNAKE GROUND WATER DISTRICT
AUDITED FINANCIAL STATEMENTS
September 30, 2024

NORTH SNAKE GROUND WATER DISTRICT
Jerome, Idaho
TABLE OF CONTENTS

Independent Auditor's Report

Financial Statements

Balance Sheet

Statement of Revenues, Expenses, and Changes in Net Position

Statement of Cash Flows

Notes to Financial Statements

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Snake Ground Water District
Jerome, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the North Snake Ground Water District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the North Snake Ground Water 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 North Snake Ground Water District, as of September 30, 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 the North Snake Ground Water District 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 North Snake Ground Water 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 and *Government 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 and *Government 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 North Snake Ground Water 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 North Snake Ground Water 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 budgetary comparison 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 elected not to present MD&A. The omission of this information does not affect our opinion on the financial statements.

Accounting principles generally accepted in the United States of America require that the schedules of employer's share of net pension liability and of employer contributions be presented to supplement the basic financial statements. Such information, 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. 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 other assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2025, on our consideration of the North Snake Ground Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Snake Ground Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Snake Ground Water District's internal control over financial reporting and compliance.

Arritt Robins Waters CPAs PLLC

Arritt Robins Waters CPAs PLLC
Burley, Idaho
January 15, 2025

NORTH SNAKE GROUND WATER DISTRICT
BALANCE SHEET
at September 30, 2024

Assets and Deferred Outflows of Resources		
Current Assets:		
Unrestricted cash and cash equivalents	$ 4,878,470	
Prepaid Fees	2,198	
Assessments receivable	378,321	
Accrued interest receivable	10,222	
Note receivable-Carey Ground Water District-current	2,347	
Note receivable-Southwest Irrigation District-current	92,250	
Total Current Assets		5,363,809
Fixed Assets		
Land and Improvements	4,166,649	
Equipment	14,003	
Accumulated depreciation	(1,057,166)	
Total Fixed Assets		3,123,486
Other Assets:		
Note receivable-Carey Ground Water District	86,714	
Note receivable-Southwest Irrigation District-noncurrent	780,250	
Restricted Cash-Mellon Bank-Bond Agreement	1,194,446	
Easments	61,196	
Water rights	10,839,290	
Total Other Assets		12,961,896
Deferred Outflows of Resources		
Pension related items		14,092
Total Assets and Deferred Outflows of Resources		$ 21,463,284
Liabilities Deferred Inflows of Resources, and Net Position		
Current Liabilities:		
Accounts payable	69,621	
Payroll liabilities payable	3,158	
Accrued interest payable	57,050	
Bonds payable-current	738,000	
Notes payable-current	311,708	
Total Current Liabilities		1,179,537
Non-Current Liabilities:		
Net Pension Liability	62,942	
Bonds payable-noncurrent (net of premiums and discounts)	6,234,722	
Notes payable-noncurrent	636,974	
Total Long-Term Liabilities		6,934,638
Deferred Inflows of Resources		
Pension related items		0
Net Position		
Net Investment in Capital Assets	6,975,068	
Unrestricted net position	5,179,594	
Restricted net net position	1,194,446	
Total Net Position		13,349,109
Total Liabilities, Deferred Inflows of Resources, and Net Position		$ 21,463,284

See accompanying notes to the financial statements.

NORTH SNAKE GROUND WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For year ended September 30, 2024

Operating Revenues:		
Assessments	$ 2,185,212	
Overage assessments	349,114	
Conversion assessments	546,579	
Rent income	258,573	
Total Operating Revenues		3,339,478
Operating Expenses:		
Accounting	6,350	
County collection expense	22,791	
Depreciation	90,273	
Dues and subscriptions	26,529	
Meeting attendance	18,202	
Miscellaneous expense	(590)	
Mitigation expense		
Mitigation	511,379	
Conversion projects	591,725	
Office supplies	2,351	
Payroll expenses	92,319	
Rent	12,005	
Utilities	5,277	
WD 130 budget	9,980	
Total Operating Expenditures		1,388,590
Income From Operations		1,950,888
Other Revenues and Expenses		
Interest income	260,955	
Interest expense	(593,008)	
Total Other Revenues and Expenses		(332,053)
Increase in Net Position		1,618,834
Beginning Net Position		11,730,274
Ending Net Position		$ 13,349,109

See accompanying notes to the financial statements.

NORTH SNAKE GROUND WATER DISTRICT
STATEMENT OF CASH FLOWS
For year ended September 30, 2024

Cash Flows From Operating Activities:		
Receipts from assessments to members	$ 3,073,809	
Payments for goods and services	(1,229,589)	
Net Cash Provided by Operating Activities		1,844,220
Cash Flows From Investing Activities:		
Loans repaid by others	91,391	
Interest on cash and cash equivalents	261,997	
Purchase of Fixed Assets	(1,993)	
Investment-restricted cash	(53,881)	
Net Cash Used by Investing Activities		297,514
Cash Flows From Financing Activites:		
Interest paid on long-term debt	(607,100)	
Repayment of long-term debt	(998,704)	
Net Cash Provided by Financing Activities		(1,605,804)
Net increase in cash		535,930
Cash and cash equivalents beginning of the year		4,342,541
Cash and cash equivalents end of the year		$ 4,878,470

Reconciiation of Income from Operations to Net Cash Provided by Operating Activities

Cash Flows From Operating Activites:		
Income from operations		$ 1,950,888
Depreciation		90,273
Adjustments to reconcile net revenue over expenditures provided from operating activities:		
(Increase) Decrease in:		
Accounts receivable	(265,669)	
Prepaid Fees	(346)	
Deferred outflows of resources	17,120	
(Decrease) Increase in:		
Accounts payable	64,233	
Payroll liabilities	3,732	
Net pension liability	(16,010)	
Deferred inflows of resources	0	
		(196,941)
Net Cash Provided by Operating Activites		$ 1,844,220

See accompanying notes to the financial statements.

NORTH SNAKE GROUND WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note 1: Business Activity

The North Snake Ground Water District is located in portions of Gooding, Jerome, and Lincoln Counties of southern Idaho. The District was formed February 1, 1996 to provide ground water users in the District with litigation, measurement, and mitigation services. The District is governed by a seven member board.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting
The accounting principles of the District conform to accounting principles generally accepted in the United States of America applicable to enterprise funds. Accordingly, the balance sheets and the statements of revenues, expenses and changes in net assets have been prepared using the economic resources measurement focus and the accrual basis of accounting.

The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, the Accounting Principles Board (APB) opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the District considers money market funds and investments in the state investment pool to be cash and cash equivalents.

Receivables
Water users are subject to liens against their lands for delinquent assessments with the exception of the municipal assessments. Eligibility for delivery of water is contingent upon payment of the assessments. In the case of the municpal assessments receivable, the bad debts are insignificant and are written off in the period in which they occur.

Related Party Transactions
The members of the Board of Directors are also patrons of the District. These individuals are treated the same as any other land owner in the District.

Fixed Assets
Fixed assets include property, plant equipment, and land. Fixed assets are depreciated over their estimated useful life. Purchased or constructed fixed assets are recodred at cost. Donated fixed assets are recorded at their estimated fair market value at the date received. A useful life of 40 years is used on the hatchery facilities. Depreciation of $90,273 was recorded during the fiscal year.

Income Taxes
The District is a quasi-governmental entity, and as such is not required to pay federal or state income taxes. Therefore, no provision for income taxes is reflected on the accompanying financial statements.

Pensions
For purposes of measuring the net pension liability and pension expenses, 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.

NORTH SNAKE GROUND WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note 3: Cash and Cash Equivalents

The District's cash and cash equivalents position at September 30, 2024 is as follows:

Farmers National Bank-Checking	$	166,567
US Bank-Hatcheries	$	59,627
State of Idaho -LGIP	$	4,652,277
Total Cash and Cash Equivalents	$	4,878,470

The funds in Farmers National Bank are only FDIC insured to $250,000. As the balance is below that amount, all of the funds held there are FDIC insured. The funds in the State of Idaho-Investment Pool are not insured by the FDIC.

Note 4: Assessments Receivable

This account represents un-remitted assessments revenues levied by the District.

Assessments are levied on or before the first day of December of each year and recognized as revenue when the assessment notices are printed. These assessment notices indicate the time for collections and are due and payable on or before December 31 of each year. If unpaid on the due date a penalty is charged to the property and is classified as past due subject to interest.

Although small amounts of delinquent assessments are collected 60 days following the close of the District's fiscal year (September 30), the District feels secure in the right to take deeds on property for the collection of assessments. Therefore, deferred revenue has been recorded as recommended by NCGA Interpretation #3, "Revenue Recognition of Assessments", but an allowance for uncollectible assessments receivable has not been established.

Note 5: Fixed Assets

	Balance 9/30/2023	Additions	Deletions	Balance 9/30/2024
Land and improvements	$ 4,166,649	$ -	$ -	$ 4,166,649
Equipment	$ 12,010	$ 1,993	$ -	$ 14,003
Less: Accumulated Depreciation	$ (966,893)	$ (90,273)	$ -	$ (1,057,166)
Total Fixed Assets	$ 3,211,766	$ (88,280)	$ -	$ 3,123,486

Note 6: Restricted Cash

The District issued bonds in February, 2012 to finance the purchase of aquaculture facilities and water rights. The Bond agreement provided that the District had to put the reported amount in a bank account at Mellon Bank, and that this amount had to remain in the bank account until the bond obligation is satisfied.

Note 7: Long-Term Debt

Long-term debt consists of the following at September 30, 2024:

	Interest Rate	Balance 2023	Additions	Deletions	Balance 2024	Current Portion
IWRB-Pristine Sprgs	4.88%	1,245,886	0	(297,204)	948,682	311,708
IWRB-2012 Bonds	4.80%	7,682,000	0	(702,000)	6,980,000	738,000
Bond Premium		611	0	(611)	0	0
Bond Discount		(8,389)	0	1,111	(7,278)	1,111
Totals		8,920,108	0	(998,704)	7,921,404	1,050,819

Note 8: Long-Term Debt (continued)

Schedule of Five Year Maturities of Long-Term Debt:

Year	Principal	Interest	Total
2025	1,049,708	384,905	1,434,613
2026	1,098,919	334,638	1,433,558
2027-2031	4,756,055	949,031	5,705,086
2032	1,024,000	51,200	1,075,200
Total	7,928,682	1,719,774	9,648,456

A loan in the amount of $10,000,000.00 was established to finance the purchase of water rights. This loan was entered into jointly with Magic Valley Ground Water District. The two Districts are jointly and severally liable for the repayment of the note. The note requires fifteen annual installments of $717,607.00 ($358,803.50 each) each year beginning January 10, 2013. The note carries an interest rate of 4.876%, and is secured by the water rights.

Bonds in the amount of $33,890,000.00, were issued on February 8, 2012, in order to finance the purchase of three fish farms along with all associated water rights. The District entered into the agreement with three other ground water districts. Each district is jointly and severally liable for the repayment of the bonds. The bonds require 41 semi-annual payments of varying amounts beginning September 12, 2012, and carry interest rates that vary from 4.0% to 5.25%. The District's share of the bonds is 40% of the balance owed on the bonds.

Note 9: Contingencies and Risk

Concentration of Credit Risk

The District has money invested with the State Investment Pool. This account is not FDIC Insured. As of September 30, 2024 the balance was $4,652,277.

Contingent Liabilitiy-Idaho Water Resource Bonds.

The District issued Idaho Water Resource Revenue Bonds jointly with three other water districts on February 12, 2012. The Districts share of the bond liability is shown on the financial statements. However, the District is contingently liable for the entire amount of the bond obligation. The total amount owed by the four water districts at September 30, 2024 is $17,450,000. This obligation is secured by a lien on the revenues of the four water districts.

Water Litigation

The District relies on the availability of water. There are several ongoing developments in many areas affecting water law. These include, but are not limited to, objections to the District's water rights claims, the Snake River Basin Adjudication, and several claims and suits involving the endangered species act. The effect of these has not been determined. However, unfavorable outcomes of one or more of these could have a detrimental effect on the District's financial condition.

Economic Risk

The Districts only customers are land owner's in the district. The district is dependent upon the land owner's ability to pay their assessments and the availability of water.

Note 10: Retirement 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 a 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.

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 and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. This board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2024 it was 6.71%. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% of covered compensation. The District's employer contributions were $9,219 for the year ended September 30, 2024.

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

At September 30, 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 .0016826%.

For the year ended September 30, 2024 the District recognized pension expense (revenue) of $15,412. At September 30, 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	$ 10,021	$ -
Changes in assumptions or other inputs	2,493	-
Net difference between projected and actual earnings on pension	(1,142)	
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	
Employer contributions subsequent to measurement date	2,720	-
Total	$ 14,092	$ -

Note 10: Retirement Plan (continued)

$2,720 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 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, 2024 the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 for the measurement period 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 End September 30,	
2025	$ 3,799
2026	$ 11,736
2027	$ (2,024)
2028	$ (1,447)

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, 2022 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%, Salary inflation 3.05%, Investment rate of return 6.35%, net of investment expenses, and Cost of living adjustments 1%.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Benficiaries Males Pub 2010 General Tables, increased 11%. General Emploees 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 10: Retirement Plan (continued)

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 2023:

Asset Class	**DB Plans**	**Sick Leave**
Core Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0%

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

	1% decrease (5.35%)	Current discount rate (6.35%)	1% increase (7.35%)
District's proportional share of net pension liability	$ 119,609	$ 62,942	$ 16,659

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.

At September 30, 2024, the District did not have payables to the defined pension plan for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note 11: Date of Management Review

Management has evaluated subsequent events through January 15, 2025, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

North Snake Ground Water District
Required Supplementary Information
As of September 30, 2024

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

	2024	2023	2022	2021	2020	2019	2018
Employer's portion of net the pension liability	0.0016826%	0.0019784%	0.0018764%	0.0018854%	0.0018870%	0.0021440%	0.0016915%
Employer's proportionate share of the net pension liability	$ 62,942	$ 78,952	$ 73,907	$ (1,489)	$ 43,835	$ 24,473	$ 24,950
Employer's covered-employee payroll	$ 83,534	$ 89,789	$ 63,798	$ 63,464	$ 64,698	$ 59,313	$ 57,288
Employer's proportional share of the net pension liability as a percentage of its covered- employee	75.35%	87.93%	115.85%	-2.35%	67.75%	41.26%	43.55%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of June 30, 2024 (measurement date)

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

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ 9,502	$ 10,044	$ 8,752	$ 7,578	$ 7,725	$ 7,082	$ 6,840
Contributions in relation to the statutorily required contribution	$ 9,516	$ 10,044	$ 8,752	$ 7,578	$ 7,725	$ 7,082	$ 6,485
Contribution (deficiency) excess	$ 14	$ -	$ -	$ -	$ -	6840	-
Employer's covered-employee payroll	$ 83,534	$ 89,789	$ 63,798	$ 63,464	$ 64,698	$ 59,313	$ 57,288
Contributions as a percentage of covered-employee payroll	11.39%	11.19%	13.72%	11.94%	11.94%	11.94%	11.94%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the {Employer} will present information for those years for which information is available.

Data reported is measured as of September 30, 2024 (measurement date)

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
North Snake Ground Water District

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 North Snake Ground Water District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise North Snake GWD's basic financial statements, and have issued our report thereon dated January 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Snake Ground Water District'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 North Snake Ground Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of North Snake Ground Water District'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 North Snake Ground Water District'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.

Arritt Robins Waters CPAs PLLC

Arritt Robins Waters CPAs PLLC
Burley, Idaho
January 15, 2025