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DEPT. OF WATER RESOURCES  
EASTERN REGION**TREASURER STATEMENT OF FINANCIAL AFFAIRS**

TO: Idaho Department of Water Resources

FROM: Treasurer of Water District No. 34 Water District Name: Big Lost River

It shall be the duty of the water district treasurer to prepare a statement of the financial affairs of the district at the end of each fiscal year and to file the statement with the director of the department of water resources. (§ 42-619, Idaho Code)

An audit of the financial affairs of the district shall be made as required in § 67-450B, Idaho Code. A certified copy of the audit shall be filed with the director of the department of water resources following the audit. (§ 42-619, Idaho Code)

I, Crystal Roche, appointed treasurer of Water District No. 34, hereby submit the attached statement(s) for the district. These statement(s) document and account for all water district assets and finances including accounts receivable, accounts received, and monies disbursed on behalf of the district.

Please check the appropriate box

☐ Attached is a Statement of Financial Affairs of the district.☒ Attached is a Statement of Financial Affairs and certified copy of the audit as required by § 67-450B, Idaho Code

I hereby certify that the attachment(s) noted above are true and correct copies of the required statement(s) for Fiscal Year 2024.

Crystal Roche  
Treasurer Signature

Date

PO Box 53 Markay, ID 83251 208-588-3137 Waterdist 34  
Address Telephone E-Mail atnet.net

**WATER DISTRICT NO. 34**  
**AUDITED FINANCIAL STATEMENTS**  
**February 29, 2024**



**WATER DISTRICT NO. 34  
Mackay, Idaho  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Water District No. 34  
Mackay, Idaho

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the business-type activities of Water District No. 34 (the District), as of and for the year ended February 29, 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 District, as of February 29, 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 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 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 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 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. 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. Management has elected to not present MD&A.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2024, on our consideration of the 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 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 the District's internal control over financial reporting and compliance.

*Arritt Robins Waters CPAs PLLC*

Arritt Robins Waters CPAs PLLC

Burley, ID

June 12, 2024



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WATER DISTRICT NO. 34  
STATEMENT OF NET POSITION  
For year ended February 29, 2024

Assets	
Current Assets:	
Cash & Cash Equivalents	\$ 41,192
Assessments receivable	827
Prepaid Expenses	5,662
Total Current Assets	<u>47,682</u>
Total Assets	<u>\$ 47,682</u>
Deferred Outflows of Resources	<u>20,978</u>
Total Assets and Deferred Outflows of Resources	<u><u>68,660</u></u>
Current Liabilities:	
Accounts payable	-
Other Accrued Expenses	-
Payroll Liabilities	2,813
Prepaid Assessments	283
Total Current Liabilities	<u>3,097</u>
Long Term Liabilities:	
Net Pension Liability	<u>45,301</u>
Total Long-Term Liabilities	<u>45,301</u>
Total Liabilities	48,398
Deferred Inflows of Resources	-
Net Position	
Net investment in capital assets	-
Unrestricted net position	<u>20,262</u>
Total Net Position	<u>-</u>
Total Liabilities and Net Position	<u><u>\$ 68,660</u></u>

See accompanying notes to the financial statements.



WATER DISTRICT NO. 34  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For year ended February 29, 2024

Operating Revenues:	
Charges for Services	\$ 138,282
Other Revenues	<u>1,693</u>
Total Operating Revenues	139,975
Operating Expenses:	
Insurance	4,304
Legal & Professional	4,000
Operation and Maintenance	25,755
Other Expenses	4,925
Payroll Expenses	102,347
Recharge Expense	18,936
Rent Expense	<u>3,999</u>
Total Operating Expenditures	164,266
Income From Operations	(24,291)
Other Revenues and Expenses	
Interest income	10
Interest expense	-
Gain (Loss) on Sale of Assets	<u>-</u>
Total Other Revenues and Expenses	10
Increase in Net Position	(24,281)
Beginning Net Position	<u>44,543</u>
Ending Net Position	<u>\$ 20,262</u>

See accompanying notes to the financial statements.



WATER DISTRICT NO. 34  
STATEMENT OF CASH FLOWS  
For year ended February 29, 2024

Cash Flows From Operating Activities:		
Cash received from customers	\$ 140,085	
Payments for goods and services	(66,070)	
Cash payments to employees	<u>(95,717)</u>	
Net Cash Provided by Operating Activities		(21,702)
Cash Flows From Investing Activities:		
Interest on cash and cash equivalents	\$ <u>10</u>	
Net Cash Used by Investing Activities		10
Cash Flows From Financing Activities:		
Interest paid on long-term debt	\$ <u>0</u>	
Net Cash Provided by Financing Activities		0
Net increase in cash		<u>(21,692)</u>
Cash and cash equivalents beginning of the year		<u>62,884</u>
Cash and cash equivalents end of the year	\$	<u><u>41,192</u></u>

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

Cash Flows From Operating Activities:		
Income from operations	\$	(24,291)
Adjustments to reconcile net revenue over expenditures provided from operating activities:		
Net change in Pension Expense related to Net Pension Liability	3,817	
(Increase) Decrease in:		
Accounts receivable	110	
Prepaid Insurance	(1,896)	
(Decrease) Increase in:		
Accounts payable	0	
Other Accrued Expenses	(2,255)	
Payroll Liabilities	2,813	
Prepaid Assessments	<u>-</u>	
		<u>2,589</u>
Net Cash Provided by Operating Activities	\$	<u><u>(21,702)</u></u>

See accompanying notes to the financial statements.



**WATER DISTRICT NO. 34**  
**NOTES TO FINANCIAL STATEMENTS**  
**February 29, 2024**

**Note 1: Summary of Significant Accounting Policies**

Water District No. 34 is organized and operates under the provisions of Idaho Code Title 42 Chapter 6 and the accounting policies and practices of the District conform to generally accepted accounting principles (GAAP) as applied to governments, except for the exception noted hereafter: the District manages their daily operations on a cash basis, but the financial statements are reported in accordance with generally accepted accounting principles. A summary of the District's significant accounting principles applied in the preparation of the accompanying financial statements follows.

**Reporting Entity**

The financial statements included herein present the financial position, results of operations, changes in net position and cash flows for Water District No. 34. The business and property of the District is managed by the Watermaster who is empowered to sign contracts, documents, checks, and other instruments for the payment of money under the advice of the Advisory Board. All fees and charges for the District are established based on the expenses anticipated for the upcoming year.

**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 statement of net position 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**

Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term investments with original maturities of three months or less from the purchase date. Investments include pooled investments and certificates of deposit with original maturities greater than three months.

**Receivables**

Receivables from customers primarily include past due assessment fees. The receivable amounts are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

**Fixed Assets**

The District does not currently capitalize any fixed assets. As of February 29, 2024, the District did not have any capital assets.

**Long-Term Obligations**

In the financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bond using the straight-line method, which approximates the effective interest method. Any issuance costs are expensed in the period incurred.

**Deferred Outflows**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position that applies to a future period, or periods, so it will not be recognized as an outflow of resources until that time. The District has deferred outflows associated with the net pension liability.





**WATER DISTRICT NO. 34**  
**NOTES TO FINANCIAL STATEMENTS**  
**February 29, 2024**

**Note 1: Summary of Significant Accounting Policies (continued)**

Deferred Inflows

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to a future period, or periods, so it will not be recognized as an inflow of resources until that time. The District has deferred inflows associated with the net pension liability.

Net Position

The difference between assets and deferred outflows less liabilities and deferred inflows is reported as net position on the financial statements.

Revenues and Expenses

In proprietary fund accounting, revenues are recognized when earned and expenses are recorded when the related liability is incurred.

Operating revenue consists of income derived from user charges and other charges and fees. Operating expenses include costs of services, administrative and other expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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.

Budgets and Budgetary Accounting

The budget follows the requirements of Idaho Code as outlined in Code Section 22-307.

A. The District's Advisory Board meets in February of each year and reviews the budget that has been drafted by the Watermaster to indicate the amounts required to conduct the affairs of the District for the upcoming year.

B. The membership of the District meets in March of each year to approve or amend the budget as outlined.

C. Subsequent control of the budget following adoption is accomplished through a computerized budget expenditures control system maintained for management purposes. The budget is adopted on a cash basis.

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.

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 member in the District.

**Note 2: Cash and Cash Equivalents**

The District's cash and cash equivalents position at February 29, 2024 is as follows:

US Bank Checking	\$ 41,192
Total Cash and Cash Equivalents	<u>\$ 41,192</u>

The funds in US Bank are only FDIC insured to \$250,000. Therefore the entire amount held in US Bank is FDIC insured.

The deposits by the District are not collateralized nor are they required to be by Idaho State statute. The District follows the requirements of the Idaho Public Depository Law (Idaho Code Section 57-111), and applicable investment rights and restrictions cited by Idaho Code Sections 67-1210 and 67-1210A and Idaho Code Section 50-1013.



**WATER DISTRICT NO. 34**  
**NOTES TO FINANCIAL STATEMENTS**  
**February 29, 2024**

**Note 3: Long-Term Debt**

Long-term debt consists of the following at February 29, 2024:

	Balance 2/28/2023	Additions	Deletions	Balance 2/29/2024	Current Portion
Net Pension Liability	42,454	2,847	-	45,301	-
Totals	42,454	2,847	-	45,301	-

**Note 4: Related Party Transactions**

The District has not been directly involved in related party transactions that would violate Idaho Code or Federal Regulations.

**Note 5: Contingencies and Risk**

Litigation and Contingent Liabilities

There are several ongoing developments in many areas affecting water law. The District is at various times involved in claims arising from the ordinary course of operations. The estimated possible loss of these claims is uncertain as the likelihood of an unfavorable outcome is unknown. No accrual has been reflected in the financial statements for these matters. It is Management's opinion that unfavorable outcomes could have a detrimental effect on the District's financial condition.

Risk Management

The District is exposed to various risks related to torts: theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers.

**Note 6: 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](http://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.

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**WATER DISTRICT NO. 34**  
**NOTES TO FINANCIAL STATEMENTS**  
**February 29, 2024**

**Note 6: Pension Plan (continued)**

**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, 2023 it was 7.16% for general employees and 9.13% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% general employees and 12.28% for police and firefighters. The District's employer contributions were \$6,989 for the fiscal year ended February 29, 2024.

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

At February 29, 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, 2023, 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, 2023, the District's proportion was .00113517 percent.

For the year ended February 29, 2024 the District recognized pension expense (revenue) of \$3,817. At February 29, 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	\$ 7,765	\$ -
Changes in assumptions or other inputs	4,486	-
Net difference between projected and actual earnings on pension plan	4,252	
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	4,475	-
Total	<u>\$ 20,978</u>	<u>\$ -</u>

\$4,475 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 February 29, 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, 2023 the beginning of the measurement period ended June 30, 2022 is 4.6 and 4.4 for the measurement period June 30, 2023.

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,

2024	\$	5,869
2025	\$	2,758
2026	\$	8,579
2027	\$	(703)



**WATER DISTRICT NO. 34**  
**NOTES TO FINANCIAL STATEMENTS**  
**February 29, 2024**

**Note 6: Pension Plan (continued)**

**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, 2023 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 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, 2023 is based on the results of an actuarial valuation date of July 1, 2023.

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.

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:

<b>Asset Class</b>	<b>DB Plans</b>	<b>Sick Leave</b>
Core Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>





**WATER DISTRICT NO. 34**  
**NOTES TO FINANCIAL STATEMENTS**  
**February 29, 2024**

**Note 6: Pension Plan (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.05%. 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	\$ 81,476	\$ 45,301	\$ 15,735

**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](http://www.persi.idaho.gov).

**Payables to the Pension Plan**

At February 29, 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 7: Date of Management Review**

Management has evaluated subsequent events through June 14, 2024 the date which the financial statements were available to be issued.



## Required Supplementary Information

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Water District No. 34  
Required Supplementary Information  
As of February 29, 2024

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

	2023	2022	2021	2020	2019	2018	2017	2016
Employer's portion of net the pension liability	0.1077800%	0.0011771%	0.0010445%	0.0012506%	0.0012506%	0.0013202%	0.0013187%	0.0014009%
Employer's proportionate share of the net pension liability	\$ 42,454	\$ (930)	\$ 24,255	\$ 14,275	\$ 19,473	\$ 21,718	\$ 28,398	\$ 17,035
Employer's covered-employee payroll	\$ 42,500	\$ 43,925	\$ 42,272	\$ 42,475	\$ 42,475	\$ 42,296	\$ 42,918	\$ 40,975
Employer's proportional share of the net pension liability as a percentage of its covered- employee payroll	99.89%	-2.12%	57.38%	33.61%	45.85%	51.35%	66.17%	41.57%
Plan fiduciary net position as a percentage of the total pension liability	83.09%	100.36%	88.22%	93.79%	93.79%	91.69%	90.68%	87.26%

\* 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

Data reported is measured as of July 1, 2023 (measurement date)

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 6,989	\$ 4,774	\$ 5,075	\$ 5,245	\$ 4,982	\$ 4,808	\$ 4,808	\$ 4,695	\$ 4,638
Contributions in relation to the statutorily required contribution	\$ 6,989	\$ 4,774	\$ 5,075	\$ 5,245	\$ 4,982	\$ 4,808	\$ 4,808	\$ 4,695	\$ 4,638
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 60,920	\$ 39,984	\$ 42,500	\$ 43,925	\$ 42,475	\$ 42,475	\$ 42,475	\$ 41,475	\$ 40,664
Contributions as a percentage of covered-employee payroll	11.47%	11.94%	11.94%	11.94%	11.73%	11.32%	11.32%	11.32%	11.41%

\* 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

Data reported is measured as of February 29, 2024 (measurement date)

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## ARRITT ROBINS WATERS PLLC

### CERTIFIED PUBLIC ACCOUNTANTS

#### 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  
Mackay, Idaho

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 No. 34 (the District), as of and for the year ended February 29, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 12, 2024.

#### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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, ID  
June 12, 2024

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