

CASSIA COUNTY, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2023

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Joseph W. Larsen

Clerk of the District Court

Ex Officio Auditor/Recorder

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April 18, 2024

TO: BOARD OF COUNTY COMMISSIONERS
CITIZENS OF CASSIA COUNTY

Idaho statute requires that all general-purpose local governments with annual expenditures that exceed two hundred fifty thousand dollars (\$250,000.00) submit a complete set of financial statements to the legislative council. The financial statements presented must conform to Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the attached Basic Financial Statements with Management's Discussion and Analysis of Cassia County, Idaho, for the fiscal year ended September 30, 2023. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Zwygart John and Associates, an accounting firm of licensed certified public accountants, has audited the county's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the county for the fiscal year ended September 30, 2023, are free of material misstatements. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the county's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with General Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A is designed to complement the letter of transmittal and should be read in conjunction with it. The county's MD&A can be found immediately following the report of the independent auditors.

Cassia County Government Profile

Cassia County is located, geographically, in the south central plain of the Snake River, bordered to the south by the State of Utah and surrounded by Oneida, Power, Blaine, Minidoka,

Jerome, and Twin Falls Counties. It is comprised of 2,565.08 square miles of land. The estimated Cassia County population base of 25,644 on July 1, 2021 increased slightly to 25,696 on July 1, 2022, which represented a .02% increase.

A three-member elected County Commission with overlapping terms governs the county. Responsibilities of the County Commissioners include passing ordinances and resolutions, adopting the budget, and appointing the heads of various departments. Six other elected officials in Cassia County include the Clerk of the District Court who serves as ex-officio Auditor and ex-officio Recorder, Assessor, Coroner, Prosecutor, Sheriff, and Treasurer.

The county provides a full range of services under its general governmental functions. These services include public safety and protection, sanitation services, health and social services, culture and recreation, road and bridge construction and maintenance, planning and zoning, and general administrative services. Also included are services related to property assessment, budget development and administration, financial management, tax collection, investment of county assets, court and jury service management, indigent public defense, public records maintenance, conducting and directing of elections, directing indigent medical and non-medical services, noxious weed and invasive species control, and educational extension services in conjunction with the University of Idaho. In addition, landfill sanitation and emergency 9-1-1 communications services are provided under an enterprise fund concept, with user charges to provide revenue to meet operating expenses.

Noteworthy of FY2023, the Idaho Public Defense Commission will be dissolved, a statutory statewide indigent defense system will be implemented, and funding for indigent services to counties will be concluded on September 30, 2024. However, costs for some guardian ad litem and other legal services will remain with counties despite the sequestration of funding. The Board of Commissioners adjusted most law enforcement and jail personnel compensation as well as all attorneys employed by Cassia County above those established, approved, and implemented for FY2023 and above that of other employees of Cassia County. The reason was to assist with mitigating difficulties with recruitment and retention of employees in those particular positions. Cassia County has acquired and is working on acquiring an unprecedented valuation of properties for capital improvements for enhanced services to Cassia County. The Noxious Weed and Pest department was relocated to an acquired Burley Highway District building. That will facilitate expansion of property for the Cassia County fairgrounds at their former location and will be a significant improvement from their former aged and inadequate facility. The former Burley Masonic Lodge Hall was acquired which adjoins county property across the road to the south of the Cassia County Courthouse and north of the parking area of the Cassia County Judicial Center on Overland Avenue. Demolition of the building is proposed and a new county services building is being discussed on that property. Further acquisition of property in that vicinity is hopeful to accommodate ownership of all real property between 15th and 16th Street north and south and between Overland and Albion Avenue east and west. Railroad property adjacent to the Cassia County fairgrounds was purchased for expanded parking. Grandstand bleachers were purchased to replace existing aged and wooden bleachers at the Cassia County fairgrounds. Funding for these projects has been years of accumulated reserves.

The County Commission is required to annually adopt a final budget by no later than the first Tuesday following the first Monday in September. This annual budget serves as the foundation for Cassia County's financial planning and control. The budget is prepared by fund,

department, activity, and object. Each elected official and department head are required to submit a budget request to the County Auditor which is to include a projection of operating and capital expenditures and identified revenues from which to allocate for those expenditures. The Clerk submits to the Board of County Commissioners such department requests including their recommendations, which follow directions of the Board of what is deemed appropriate. Funding must fall within the constraints of available and estimated revenue and income funding sources. The final governing authority, the Board of County Commissioners then considers and contrasts or modifies such budget recommendations to present at public hearing before approval. In addition, the County Auditor maintains ongoing internal budgetary controls throughout the fiscal year to ensure compliance with legal provisions embodied in the annual adopted budget process, adhering to Idaho budget statutes, and to comply with federal regulations. The adopted budget is then integrated with the county's accounting system to ensure reasonable and timely management control over County expenditures throughout the year. Final budget amounts are as originally adopted or as amended either by judicial order or by action of the Commissioners through scheduled budget hearing procedures. The necessity of budget amendments would be appropriate and legal for receipt of unscheduled revenues and to meet unexpected expenses above appropriated amounts approved following a public hearing and in compliance with Idaho statute.

During the fiscal year, the Board of County Commissioners may amend the annual appropriated budget by unanimous resolution in case of an emergency, through the courts, or by the budget hearing process. The appropriated budget can only be increased by an amount equal to unscheduled revenues and available reserves. In no event can property taxes be increased. Management at the departmental level does not have authority to amend the budget but only to request such to the governing Board of County Commissioners and when statutorily appropriate.

Local Economy

Cassia County's Comprehensive Plan reflects the preservation of an agriculture-based economy. Included are dairy and dry farm operations as well as waterway and deep well irrigation crop farms. Production crops include potatoes, sugar beets, beans, alfalfa, wheat, barley, and seed crop production. Some industrial development has occurred with many having a direct relationship to agricultural production. Ethanol production and wind power generation are part of the local economy as well.

Cassia County, as well as the rest of Idaho has seen considerable increases with both domestic and international industrial development. Recreation activities in Cassia County include those associated with the Snake River, a ski resort, mountain streams and lakes, the City of Rocks National Reserve, camping, hiking, hunting, and recreational vehicle exploration. The federal government continues to close miles of roads on BLM and US Forest Service ground previously used for that recreation and exploration, much to the dismay of most county officials and numerous recreationists.

Ongoing discussions and considerations surround the relocation of the current City of Burley-sponsored municipal airport from its current landlocked location adjacent to concentrated business and population to a more rural location. The amount of land needed to adequately facilitate a new airport in nearly all prospective locations identified, will include the purchase of at least some private agriculture property and the possible consideration of the use of eminent

domain to secure some portions of the needed real estate. Those dynamics leave the decision of such a move to the City of Burley who sponsors the Burley Municipal Airport. Following years of unsuccessful efforts by the City of Burley Administrator, requests for a multi-county sponsored airport met with universal opposition by Cassia and Minidoka County officials as current statute does not provide for establishment or funding for such. At present, it appears that the current City of Burley Airport may not receive further Federal Aviation Administration funding, efforts to upkeep and maintain the airport have been significantly and visibly reduced, and it appears abandonment of the present airport still may be a possibility. Unfortunately, the Mini-Cassia area could eventually be without an airport which would clearly elicit negative results to economic recruitment of industry and business to the Mini-Cassia area. Agricultural crop spraying, air freight, mail, emergency medical, and commerce activities could be adversely affected with the demise of the City of Burley Airport. Additionally, a recent tragic fatal accident of a young female pilot flying UPS freight into the Burley airport on an approach over the Burley Industrial Park has further caused concerns of the current airport and its location.

Financial Planning

Cassia County's 9-1-1/Emergency Communication services continues to evolve with telephone use funding to maintain and enhance communication ability throughout difficult and remote areas of the county. The cost to the county property taxpayer is very minimal to accomplish those needs.

The old 9-1-1 system was upgraded to include reverse 9-1-1 and eventually it is anticipated may include functions of cell phone text dissemination. The FCC-mandated narrow banding and all licenses and repeaters continue to be updated to be compatible with that mandate. Preparations are ongoing for a national implementation in the future of enhancements, improvements, and multi-agency and multi-geographical integration of 9-1-1 communications.

The County Road and Bridge department continues to work with roads within their jurisdiction to assist with the repair and maintenance needs of rural county roads that are within the boundaries of this district. Culvert and bridge maintenance repair in the Elba and Almo areas continue to be necessary. Work continues with grading roads and application of magnesium chloride for dust control in the areas most traveled. Following the Idaho Transportation Department (ITD) taking control over the road from Connor Creek to Elba and Almo, a cooperative agreement continues between ITD and the County Road and Bridge, where plowing of snow by the County is provided in exchange for road sand and salt from the State.

The Auditor's Office continues recommendations for prudent placement of funds in reserve each fiscal year for future capital needs. Some budgeted expenditures continue to merit scrutinization of the Board of Commissioners to minimize optional or non-statutory services and other expenditures that may affect the building of or the depletion of critical reserve funds.

The ongoing and clear concern of this budget officer is the reality of potential adverse results for continual reliance on Federally funded Payment in Lieu of Taxes (PILT) as an ongoing expected funding mechanism for critical services in Cassia County. Federal appropriations for ongoing full funding of PILT, though supported by all of Idaho's federal legislative delegates, continues to be in the balance year to year. A federal government impasse between the legislative and administrative branches presents a viable threat that could result in the loss of portions of or all of PILT funding. The end result to Cassia County would be the potential loss of nearly 8% of

Cassia County's annual budget or up to \$2.3 million of the current full funding of PILT, which would be devastating to essential County services. Additionally, the financial fairness and equity of a law enforcement agreement with the City of Burley is still questioned by this budget officer.

The continued dedication of Auditor's Office Lead Auditor Heather Evans as well as Deputy Auditors Sharene Ahlin, Michelle Wallace, and Cally Velasquez are worthy of commendation amidst the complexities of current accounting and reporting requirements. Those requirements include changes in Government Accounting Standards Board (GASB) publication compliance, PERSI retirement plan monitoring and oversight, American Rescue Plan Act (ARPA) accounting and reporting, daily and annual record-keeping and reporting to the IRS, federal Department of Labor compliance for compensation of county employees and unemployment processing, county taxing district levy oversight, public defense grant processing and tracking, ever increasing accountability of federal grant funds auditing, and compliance with the Idaho State Controllers Office's required submission of financial data for transparency. This office continues to require appropriate accountability and safeguarding of the financial resources of Cassia County. That ongoing commitment and effort will include in-house auditing in areas where the need arises and where quality control and efficiency can be improved. The Board of County Commissioners' engaged outside auditors, Zwygart John and Associates have been instrumental and extremely valuable in all aspects of consultation and recommendations for improvement in GASB, GAAP, and IRS required processes and internal financial control. Their experience with numerous other counties in Idaho and Oregon and in particular with our CAI accounting and programming professionals has been invaluable. Findings and recommendations for appropriate accounting processes as identified by Zwygart John and Associates will prove helpful for improvement and fulfilling of the Auditor's Office stewardship to maintain sound financial management and accounting. The ongoing goal of the Cassia County Auditor's Office is to mitigate any and all adverse findings and implement all recommendations of the outside auditor.

The submission of this annual financial report for Cassia County is, hereby, offered for consideration and review of the Board of County Commissioners, interested parties, and the citizens of Cassia County.

Respectfully,

A handwritten signature in black ink that reads "Joseph W. Larsen". The signature is written in a cursive style with a large initial "J".

Joseph W. Larsen
Clerk of the District Court
ex-officio Auditor/Recorder



Independent Auditor's Report

Board of Commissioners
Cassia County, Idaho
Burley, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Cassia County, Idaho (the County) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities: paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Cassia County, Idaho as of September 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Discretely Presented Component Unit, Each Major Fund, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component units, each major fund, and the aggregate remaining fund information of Cassia County, Idaho, as of September 30, 2023, and the respective changes in financial position 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 Cassia County, Idaho, 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.

Basis for Qualified Opinion on Governmental Activities

Management has not performed the actuarial calculations for other post-employment benefits for the governmental activities and, accordingly, has not considered the County's other post-employment benefit liability. Accounting principles generally accepted in the United States of America require that a liability be recorded for other post-employment benefits, which would decrease net position, increase liabilities, and increase expenses in the governmental activities. The amount by which this departure would affect net position, liabilities, and expenses in the governmental activities is not reasonably determinable.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Cassia County, Idaho'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 Cassia County, Idaho'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 Cassia County, Idaho'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 on pages 13 to 38, budgetary comparison information, schedule of the County's proportionate share of the net pension liability, and schedule of County contributions on pages 71 through 79 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 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 Cassia County, Idaho's basic financial statements. The combining and individual nonmajor fund financial statements, the combining and individual fiduciary fund financial statements, and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The supplemental information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section (Transmittal Letter) has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2024 on our consideration of Cassia County, Idaho'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 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 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 Cassia County, Idaho's internal control over financial reporting and compliance.

Zwyzart John & Associates CPAS, PLLC

Nampa, Idaho
April 18, 2024

Cassia County
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2023

I, Joseph W. Larsen, am the ex-officio auditor of Cassia County, Idaho. As such I function as the budget officer of the County pursuant to Idaho Statute § 31-1602. My duties thereunder are to “*compile and prepare a preliminary budget*” for consideration of our Board of County Commissioners. Following adoption of a final budget, my duty is “*to see that the provisions thereof are complied with.*” Each county official “*in charge of any office, department, service, agency, or institution*” must file with the budget officer “*an itemized estimate of both the probable revenues from sources other than taxation*” that will accrue to their area of oversight, “*and all expenditures required*” for their area of oversight.

This narrative is presented as an overview, analysis, and fiscal notes of interest and concern for the Cassia County governmental entity by the budget officer for the fiscal year beginning October 1, 2022 and ending September 30, 2023, hereafter referred to as FY2023.

As outlined in Idaho Statute § 31-1509, the Cassia County accounting system for reporting is expected to meet the requirements, standards, and guidance of Generally Accepted Accounting Principles (GAAP) and of the Governmental Accounting Standards Board (GASB).

GASB Pronouncements and Implementation Guides issued during FY2023 include:

- GASB Statement No. 99, *Omnibus 2022* – An omnibus statement that included extensions of previous statements, accounting, disclosures for nonmonetary transactions, pledges of future revenues, clarification of previous statements, terminology updates from previous statements, and pledges of future revenues.
- Requirements related to leases, Public Private Partnership (PPP)s, and Subscription-Based IT Arrangements (SBITA)s are effective for fiscal years beginning June 15, 2022 and thereafter.
- Requirements related to financial guarantees and classification and reporting of derivative instruments within the scope of Statement No. 53 are effective beginning June 15, 2024 and thereafter.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*
 - Enhances requirements to be more understandable, reliable, relevant, consistent, and comparable information for making decisions and assessing accountability.
 - Defines accounting changes as changes in accounting principles, estimates, and changes to and within the financial reporting entity and describes the transactions or other events that constitute those changes.
 - Requires reporting retroactively for prior periods of accounting changes and error corrections along with disclosure in notes of all changes noted in the financial statements.
- GASB Statement No. 101, *Compensated Absences* issued in June of 2022 effective for fiscal years beginning after December 15, 2023 and thereafter
 - Compensated absence obligations are represented on financial statements to meet information needs and for measurement guidance for compensated absences.
 - Changes in requirement shifted from gross increases and decreases in a liability for compensated absences to allow for reporting a net change in liability.
 - GASB expects this model’s benefits to be more “relevant, reliable, consistent, and comparable information.”

These new GASB Statements and Implementations Guides serve to provide the public and those interested with clearly identifiable disclosures regarding risk, compensated absences, changes in accounting, and correction of errors. These changes should have little, if any impact on accounting and financial statements for Cassia County for FY2023.

Elected Officials

A political subdivision of the State of Idaho, Cassia County has nine elected officials; three county commissioners, sheriff, prosecuting attorney, clerk, treasurer, assessor, and coroner. Every two years, two county commissioner terms are up for election; one for a two-year term and one for a four-year term. Elected officials at the end of FY2023 are:

Board of County Commissioners:

District 1 – Leonard M. Beck, Chair

District 2 – Bob Kunau

District 3 – Kent R. Searle

Leonard M. Beck was re-elected to a four-year term (2020 to 2024) for Commissioner District 1, Bob Kunau was re-elected to a four-year term (2022 to 2026) for Commissioner District 2, and Kent R. Searle was re-elected to a two-year term (2022 to 2024) for Commissioner District 3.

Clerk of the District Court:

Joseph W. Larsen

Joseph W. Larsen was re-elected to a four-year term (2022 to 2026). The Clerk of the District Court serves also as ex-officio Auditor, ex-officio Recorder, Chief Elections Officer, Social Services Officer, and Clerk of the Board of Commissioners.

Assessor:

Martin K. Adams

Martin K. Adams was elected to a four-year term (2022 to 2026). The Assessor determines property valuations, administers the property taxation system, and provides vehicle registration through the Idaho Department of Transportation.

Treasurer:

Laura Greener

Laura Greener was re-elected to a four-year term (2022 to 2026). The Treasurer is the County Tax Collector and ex-officio Public Administrator.

Prosecuting Attorney:

McCord Larsen

McCord Larsen was appointed and subsequently re-elected to a four-year term (2020 to 2024). The Prosecuting Attorney is the criminal prosecutor and counsel for civil matters in county government and for elected officials in Cassia County government.

Sheriff:

George Warrell

George Warrell was elected to a four-year term (2020 to 2024). The Sheriff is the chief law enforcement officer of the County and has statutory, supervisory, and financial oversight of the Mini-Cassia Criminal Justice Center (MCCJC).

Coroner:

Craig Rinehart

Craig Rinehart was re-elected to a four-year term (2022 to 2026). The coroner determines and certifies the manner and cause of death.

Statutory Requirements of the Board of County Commissioners

The Board of County Commissioners is “the chief executive authority of the county government” under Idaho Statute § 31-828. As such, they manage, preside over and are responsible for statutory compliance and adherence, more particularly relative to financial accounting and fiscal responsibility as follows:

- “...supervise the official conduct of all county officers, and appointed boards or commissions of the county charged with assessing, collecting, safekeeping, management of disbursement of the public moneys and revenues; see that they faithfully perform their duties...and when necessary, require them to make reports, and to present their books and accounts for inspection.” *Idaho Statute § 31-802*
- “...lay out, maintain, control and manage public roads...and bridges within the county, and levy such tax therefor as authorized by law...” *Idaho Statute § 31-805*
- “...preserve, take care of, manage and control the county property...” *Idaho Statute § 31-807*
- “...examine and audit the accounts of all officers having the care, management, collection or disbursement of moneys belonging to the county, or appropriated by law, or otherwise, for its use and benefit.” *Idaho Statute § 31-809*
- “...funds deposited in the county election fund...shall be used to pay for all costs in conducting political subdivision elections.” *Idaho Statute § 31-809A*
- “...examine, settle, and allow all accounts legally chargeable against the county...” *Idaho Statute § 31-810*
- “...levy such taxes annually on the taxable property of the county as may be necessary not exceeding the amount authorized by law...” *Idaho Statute § 31-811*
- “...fix the compensation of all county officers and employees, and provide for the payment of the same.” *Idaho Statute § 31-816*
- “...hold public fairs or exhibitions, to care for and maintain the same, regulate the use thereof...” *Idaho Statute § 31-822*
- “...levy a tax...for the purpose of creating a fund to be used for collecting, preparing and maintaining an exhibition of the products and industries of the county...for the purpose of encouraging immigration and increasing trade in the products of the State of Idaho, to pay premiums or prizes for, and any costs or expenses of collecting, preparing, maintaining, exhibiting and advertising of like exhibitions, exhibited by others than the county at any such domestic or foreign exposition.” *Idaho Statute § 31-823*
- “...employ inmates of the county jail upon public road work or other county work in the county...” *Idaho Statute § 31-824*
- “...contract to purchase and to purchase and provide for care by clerk of district court of such law books and pamphlets...as...necessary...” *Idaho Statute § 31-825*

- “...appropriate funds for demonstration work in agriculture and home economics...for the employment of a county agent or county agents in cooperation with the University of Idaho...” *Idaho Statute § 31-826*
- “...authority and power to enter into contracts...to promote, maintain, and administer projects and programs...of public benefit, and the purpose of which is to carry on programs concerning the aged.” *Idaho Statute § 31-866*
- “...may impose and collect fees for those services provided by the county...” *Idaho Statute § 31-870*
- “...shall provide misdemeanor probation services...shall not be obligated beyond the funds generated by the fees collected...and any additional funds that may be annually appropriated...” *Idaho Statute § 31-878*
- “...shall cause to be made, annually, a full and complete audit of the financial transactions of the county.” *Idaho Statute § 31-1701*
- “...shall...evaluate the need and provide to indigent person(s) nonmedical assistance in a temporary situation only when no alternative exists.” *Idaho Statute § 31-3401*
- For hospitals and indigent sick, “An approved application for financial assistance for services received through March 31, 2022, shall obligate an applicant to reimburse the obligated county and the state for such reasonable portion of the financial assistance paid on behalf of the applicant as the county commissioners may determine...” *Idaho Statute § 31-3503 (1) Note: Medical indigency obligations of counties in Idaho ceased after March 31, 2022.*
- “...estimate of expenditures...required...as finally fixed and adopted as the county budget...shall constitute the appropriations for the county for the ensuing fiscal year. Each and every county official or employee shall be limited in making expenditures or the incurring of liabilities to the respective amounts of such appropriations.” *Idaho Statute § 31-1606*
- “...shall cause to be made, annually, a full and complete audit of financial transactions of the county. Such audit shall be made by and under the direction of the board of county commissioners...” *Idaho Statute § 31-1707*
- “...Audits...are to be performed by independent auditors in accordance with generally accepted governmental auditing standards, as defined by the United States general accountability office.” *Idaho Statute § 67-450B.*

Statutory Budget Requirements

The common requirement of each elected official, each department head, and every employee of Cassia County is to provide the best possible service with available resources to every member of the public, in a courteous, equitable, efficient, and cost-effective way as prescribed in the constitution and laws of the State of Idaho. Objectives of department heads and elected officials should be to utilize any sensible means possible to prudently collect any and all available revenues as allowed by law, including proceeds from property and sales tax, grants, fees for services rendered, and fines. Those resources are to be used for goods and services rendered on behalf of the citizens and taxpayers of Cassia County. The County’s elected officials and department heads have the fiduciary responsibility and are accountable to the taxpayers and citizens of Cassia County and to all members of the public to sensibly and ethically:

- Promote any revenue generating functions of their respective departments with all due diligence and in compliance with the Constitution of the State of Idaho, all Idaho Statutes, and any applicable and required rules and regulations. Further, each must provide an accurate and honest accounting of such.
- Request, explain, and appropriately account for all requirements of funding in carrying out the duties of each office and elected position to the County Auditor during the budgeting process

and account for and remain within the parameters of the approved budget and established best practices throughout the fiscal year.

- Preserve all budgeted amounts that are not required to conduct the legitimate duties of each office and elected position during the current fiscal year to maintain positive beginning fund balances for the ensuing fiscal year.

The **Budget or Financial Officer** of Cassia County has the fiduciary responsibility for and is accountable to the Board of County Commissioners, the taxpayers and citizens of Cassia County, and to all members of the public to sensibly and ethically:

- Prepare a preliminary budget for consideration of the Board of County Commissioners. *Idaho Statute § 31-1602*
- See that the provisions of the adopted budget are complied with. *Id.*
- Notify each county official in writing to file with the budget officer an itemized estimate of probable revenues from sources other than taxation that will accrue to each county official's office and all expenditures required and a brief explanatory statement of the request for the fiscal year being budgeted for. *Id.*
- Prepare and file with the Board of County Commissioners a suggested budget for Cassia County for the ensuing fiscal year showing all contemplated expenditures and the source of revenues with which to pay the same. *Idaho Statute § 31-1603*
- Submit to the Board of County Commissioners a statement showing the expenditures and liabilities against each separate budget appropriation before the last day of each quarter of the fiscal year. That must include any and all facts indicating any possible deficit or excessive expenditure from any appropriation. *Idaho Statute § 31-1611*

The **Board of County Commissioners** of Cassia County has the fiduciary responsibility for and is accountable to the taxpayers and citizens of Cassia County and to all members of the public to sensibly and ethically:

- Convene to consider the proposed budget of the budget officer in detail and make any alterations allowable by law and which they deem advisable to agree upon a tentative budget to be allowed and appropriated for each office of Cassia County for the ensuing fiscal year. *Idaho Statute § 31-1604*
- Following establishment of tentative appropriations, to cause the Budget Officer to make notice to be published in the county-designated newspaper setting forth statutorily-required financial information regarding the ensuing fiscal year's proposed budget. *Idaho Statute § 31-1604*
- Fixing a time and place for a hearing to allow any taxpayer to appear and be heard upon any part or parts of the budget. *Idaho Statute §§ 31-1604-5.*
- Fix and determine a final budget and make appropriations to each county entity for the ensuing fiscal year. *Id.*
- Fix the levies for the ensuing fiscal year to raise the amount for expenditures prescribed by the adopted budget. *Idaho Statute § 31-1605.*
- Amend an adopted budget during the fiscal year to reflect unscheduled revenues, grants, or donations only after the annual budget procedure is complied with as nearly as practicable prior to such adjustment. *Id.*

Each **County Official and Employee** of Cassia County has the fiduciary responsibility for and is accountable to the Cassia County Board of Commissioners, the taxpayers and citizens of Cassia County, and to all members of the public to sensibly and ethically:

- Limit expenditures or the incurring of liabilities to the respective amounts of such appropriations. *Idaho Statute § 31-1606*

- Be aware that expenditures made, liabilities incurred, or warrants issued in excess of any budget appropriations shall not be the liability of the county, but the official incurring such shall be liable. *Idaho Statute § 31-1607*

Financial Actions of the Board of Commissioners

The Board of County Commissioners have regularly-scheduled meetings each Monday and at other times as planned and posted for the public during the fiscal year. All of their meetings, actions, and resolutions are public information obtainable from the Clerk of the Board of County Commissioners who is the custodian of records of the Board. A synopsis of the Board of Commissioner actions with noted impact to the operations of Cassia County, financial or otherwise, during FY2023 included, but are not limited to, the following:

- **October 3, 2022** – Action approved four levels of bonus pay for employees for average hours worked per week:
 - part-time employees (0-10 hours) receive a \$100.00 bonus
 - part-time employees (10-20 hours) receive a \$250.00 bonus
 - part-time employees (20-30 hours) receive a \$500.00 bonus
 - full-time employees receive a \$1,500.00 bonus
- **October 3, 2022** – Action to approve a FY2023 4.5% cost of living increases in rate of pay continued to be approved for employees of the county.
- **October 3, 2022** – Action to direct Assistant to the Board and Zoning and Building Coordinator Kerry McMurray to reexamine ag-residential zoning amendments to limit development of subdivisions.
- **October 3, 2022** – McMurray reviewed with the Board a written proposal from erstad Architects for the potential construction of a new County offices facility directly across the street to the south of the existing courthouse.
- **October 3, 2022** – Action to approve the purchase with trade-in of a new 4-wheeler in the amount of \$8,599.00 for the Noxious Weed Department.
- **October 3, 2022** – Action to approve declaring as surplus a 2014 Dodge Charger law enforcement vehicle that would be traded in for a new vehicle.
- **October 11, 2022** – Action to approve a FY2023 cost of living increases in rate of pay continued to be approved for employees of the county.
- **October 11, 2022** – Action to approve the trade-in of a 2014 Dodge Charger recently declared as surplus (\$5,000.00 value) towards the purchase of a 2022 Dodge Durango (\$37,103.00 value) for law enforcement. The net purchase price was \$32,103.00.
- **October 17, 2022** – Action to approve a FY2023 funding request for \$7,000.00 each from both the East and the West Cassia Soil and Water Conservation District.
- **October 17, 2022** – Action to approve a grant award letter from 911 Advisory Committee Facilitator McMurray submitted to transfer FY2022 funds in the amount of \$95,441.60 from the 911 Fund Mapping expense line to the Current Expense revenue line for expenditures of the Building and Zoning Department. That amount accounts for a reduction from 80% in previous years to 50% of wages and benefits of County employee Todd Quast for 911 mapping, database work, training, management, maintenance, and operations.
- **October 17, 2022** – Action to approve a Real Estate Contract for the purchase of property from Paul Lodge #77, A.F. & A.M., Inc. known as the Burley Masonic Lodge in the amount of \$450,000.00. Said property is contiguous to the parking area of the Cassia County Judicial Center on the south and to the parking area of the Cassia County Courthouse to the north.

- **October 17, 2022** – Action to approve a bid from Jackson Construction, LLC for the remodel of a portion of the Assessor’s Office in the amount of \$7,100.00.
- **October 24, 2022** – Action to approve the Notice of FY2022 Budget Amendment Publication that is proposed to include allocations of unscheduled revenue to the following funds to satisfy approved expenditures exceeding the published FY2022 budget:
 - Current Expense Fund - \$37,525.00
 - Road and Bridge Fund - \$87,760.00
 - Justice Fund - \$33,845.00
 - Physical Facilities Fund - \$402,000.00
 - Magistrate Fund - \$1,500.00
 - Employee Benefits Fund - \$235,300.00
 - Narcotic Seized Asset Fund - \$17,750.00
- **October 24, 2022** – Action to approve the purchase of a 2014 Western Star 4900 truck from Schow’s Truck Center for the Road and Bridge Department in the amount of \$40,000.00.
- **October 24, 2022** – Action to approve an additional amount of \$650 for cost overruns to an original bid of \$14,300 approved on 04/25/2022 to Catmull Plumbing for plumbing in the new Noxious Weed Department building.
- **October 28, 2022** – Action to approve a demand check written to Title One in the amount of \$451,599.68 for the approved purchase of the Burley Masonic Lodge and associated closing costs.
- **October 28, 2022** – Action to approve the revised Tax Year 2022 L-1 Certificate of County Levies reflecting Urban Renewal value changes due to calculation errors at the State Tax Commission.
- **October 28, 2022** – Brenda Blitman from Ameriben requested additional information from employee job descriptions to continue with their wage and salary study as contracted for by the Board.
- **November 7, 2022** – Action to approve payment of \$4,000.00 to IAC for the Valuation Litigation Fund.
- **November 7, 2022** – Action to continue forward with Ameriben for the wage and salary study to determine costs for completing the project.
- **November 7, 2022** – Action to approve the 2022 Emergency Management Performance Grant for law enforcement in the amount of \$46,924.62.
- **November 14, 2022** – Action to approve claim for reimbursement of \$455, 898.88 from the State Disaster Claim ERF186 for EY Road Repairs from flood damage in 2017.
- **November 14, 2022** – Action to approve the purchase of two 2021 Dodge Chargers for law enforcement not to exceed \$63,000.00.
- **November 14, 2022** – A hearing for amendments to the FY2022 Budget was held. Following the hearing, action was taken to approve Resolution No. 2022-023 approving presented amendments.
- **November 14, 2022** – Action to approve fire suppression system line repairs at the MCCJC in the amount of \$31,330.00.
- **November 14, 2022** – Action to approve replacement of an overhead garage door at the MCCJC in the amount of \$7,330.00.
- **November 21, 2022** – Action to approve signing a COPS Grant application for law enforcement.
- **November 28, 2022** – Action to approve acceptance of the bid from Ramsey’s Heating and Electric in the amount of \$6,486.00 to add a cooling unit in the Sheriff’s Office server room.

- **November 28, 2022** – A hearing was held to approve reserving of forgone amounts of taxation to preserve it for future use in compliance with statutes and rules of the State Tax Commission. Resolution No. 2022-025 was approved reserving forgone increases.
- **December 5, 2022** – erstad Architects advised McMurray that contracted costs of \$35,000 for their work with the proposed new County building does not include engineering work. The Board requested they appear before the Board for further discussions.
- **December 5, 2022** – Action of the Board approved setting aside up to \$7,000,000.00 for the possible construction of a new County building.
- **December 5, 2022** – To assist with temporary staffing issues at the MCCJC, the Board approved two additional jail tech graveyard positions, premium pay for current on-call jail deputies when they are called out, and premium pay for all extra shifts covered for 01/2023 and 02/2023. A reevaluation would take place on 03/01/2023.
- **December 5, 2022** – Action to approve extension of the ambulance contract with Intermountain Cassia Hospital from 10/1/2022 to 9/30/2023.
- **December 5, 2022** – Action to approve signing of the Local Assistance and Tribal Consistency Fund (LATCF) Agreement for FY2022.
- **December 19, 2022** – Action to approve increasing the Assessor’s Office Administration Fee for vehicle registrations from \$6.00 to \$7.00.
- **December 19, 2022** – The Board discussed concerns of what will be provided with the erstad Architects contract for \$35,000.00. They arranged to meet with erstad representatives in Boise at their office on 1/30/2023 when the Board will be there for the IAC Legislative Conference.
- **February 13, 2023** – The Board discussed a bid for needed elevator repairs in the courthouse to become ADA compliant in the amount of \$135,000.00. They held off on authorization of the proposed repairs.
- **February 13, 2023** – The Board approved adding \$1,520.00 to the original quote of \$19,535.00 for facility improvements done at the Cassia County Museum by R&H Construction for a total amended amount of \$21,055.00.
- **February 13, 2023** – An inventory and asset accounting compliance internal control process was discussed with the Board by the Auditor’s Office to address inadequacies of current practices in tracking vehicles, properties, titles and deeds. This was to comply with recommendations of our outside auditor for best practices.
- **February 27, 2023** – Action to approve a contract with erstad for specified professional services in the amount of \$35,000.000 for architectural work regarding construction of a proposed Cassia County Office Building. An hourly rate provision is included for additional services.
- **March 6, 2023** – Law enforcement determined to retain and repair a 2020 Dodge Charger slated for salvage.
- **March 13, 2023** – Action to approve a FY2024 funding request for \$8,000.00 each from both the East and West Cassia Soil and Water Conservation District.
- **March 13, 2023** – Action to formalize the Cassia County Elevator modernization proposal with TK Elevator Corporation in the amount of \$169,485.00.
- **March 13, 2023** – Action to fund the Idaho State Animal Damage Control Board for FY2023 in the amount of \$6,000.00.
- **March 13, 2023** – Action to approve the purchase of a Kubota in the amount of \$20,982.00 for the Noxious Weed Department.
- **March 13, 2023** – FY2024 Budget workshops were conducted with discussions taking place with department heads, including the Coroner’s Office and the Information Technology Department.

- **March 13, 2023** – Cassia County Fair Board member Todd Powers reported on the progress with the Board of the installation of grandstand bleachers purchased for the fairgrounds.
- **March 13, 2023** – Minidoka and Cassia Counties Boards discussed rate of pay increases. Minidoka County was considering a 2% to 3% increase with a bonus. Cassia County was considering a 5% increase, which would widen a disparity gap between both counties, but they did not desire to increase to levels unable to be reasonably sustained.
- **March 20, 2023** – Action to approve the bid of appraiser Doug Vollmer from Twin Falls in the amount of \$4,400.00 to appraise properties of interest the Board is considering for purchase.
- **March 20, 2023** – Action to approve payment to erstad Architects for services through February 28, 2023 in the amount of \$3,680.89.
- **March 20, 2023** – FY2024 Budget workshops were conducted with discussion taking place with department heads including the Treasurer, Assessor and Revaluation, Building and Zoning, 911, Public Defender, and Prosecuting Attorney.
- **March 27, 2023** – Action to approve amending the FY2023 Budget to fund a new well at the Malta Solid Waste Transfer Station estimated at \$30,000.00.
- **March 27, 2023** – Action to approve signing the title of a wrecked 2020 Dodge Charger law enforcement vehicle. It will be re-titled as salvage to be repaired and returned to service.
- **March 27, 2023** – Action to approve sink installation and floor drain repair at the MCCJC in the amount of \$8,940.00 and for kitchen office floor repair in the amount of \$3,350.00.
- **March 27, 2023** – Action to approve the purchase of a Husqvarna lawn mower for the Buildings and Grounds Department in the amount of \$4,399.99.
- **March 27, 2023** – FY2024 Budget workshops were conducted with discussion taking place with department heads including the Clerk’s Office, The Extension Office, Road and Bridge, Buildings and Grounds, and Noxious Weed Department.
- **April 3, 2023** – Action to approve the purchase of firearms for the MPO in the amount of \$6,015.00.
- **April 3, 2023** – Action to establish the FY2024 Budget Hearing on Monday, August 21, 2023 for Road and Bridge at 9:30 AM and for Cassia County at 9:40 AM.
- **April 3, 2023** – FY2024 Budget workshops were conducted with discussion taking place with department heads including the Cassia County Fair, MPO, the Sheriff’s Office, and the MCCJC.
- **April 3, 2023** – A current salary and wage spreadsheet was provided by the Auditor’s Office for the Board’s review for consideration of cost of living and other increases for FY2024.
- **April 10, 2023** – A joint budget discussion with Minidoka County included wage and salary discussions. Board Chair Beck said they had not yet received a “step and grade” or “kinds and levels” evaluation from Ameriben. They desired to hold off making recommendations for adjustments until that is reviewed. Minidoka County stressed that their abilities for increases were constrained and that the State of Idaho is offering \$1.25 per hour with enhancements for law enforcement, attorneys, and detention facility employees.
- **April 10, 2023** – The Budget office will distribute budget paperwork by the statutory deadline of 5/5/2023 which must be returned by department heads and elected officials by May 15, 2023.
- **April 17, 2023** – The Budget office reported that with 50% of the year gone by, revenues were at 50.7% and expenditures were at 44.5%. Also reported was that interest income from reserves and federal money received were higher than anticipated due to higher interest rates.
- **April 17, 2023** – Action to approve the purchase of two GMC Sierra ¾ ton 4-wheel drive pickups for law enforcement in the amount of \$44,842.00 per vehicle.
- **April 24, 2023** – Action to approve the purchase of three computers for dispatch in the Sheriff’s Office from 911 Funds in an amount up to \$13,000.00.

- **April 24, 2023** – Action to approve the hiring of an additional County patrol officer. Unscheduled revenues to partially fund two officers for a limited period of time was anticipated by Sheriff's Office Captain Jarrod Thompson to come from a COPS grant, though they have no certainty of a timeline when those funds will be received.
- **April 24, 2023** – The Budget Office provided a list of department requests for extraordinary expenditures to the Board and asked for all three Board members to rank their priorities for funding those extra requests. Chair Beck requested information from scenarios of a \$1,500.00 bonus with a 3% and a 4 ½% rate of pay increase for all employees. The Budget Office recommended a 10% cost of living increase with a \$1,500.00 bonus or a 12% cost of living increase. That recommendation was based on a history of significant uncheduled revenues and ever-increasing carryover reserve balances that should adequately be sustainable.
- **April 24, 2023** – Following a request from Commissioner Kunau, the Budget Office reported that there had been a 21.6% turnover of employees over the past 12 months, which was alarmingly one in five employees leaving employment in Cassia County. Law enforcement and jail employees account for 43% of that employee turnover.
- **April 24, 2023** – The Budget Office expressed concern that decisions for rate of pay adjustments were being unduly influenced by outside entities. Idaho ranks as the third worst amongst states in wage and salaries. The cost of buying a home and food price increases have exceeded the federally-published rate of inflation over the last year in our area with little to no relief predicted by the federal government. The Budget Office extolled those facts to warrant the increases as they had recommended.
- **May 1, 2023** – Action to approve termination of the County's contract for first level public defense with attorney Clayne Zollinger.
- **May 1, 2023** – Action to approve up to \$28,000.00 for the construction of a dairy barn on the Cassia County fairgrounds.
- **May 1, 2023** – Action to approve a contract form prepared by McMurray for Appointed Conflict Attorney for Legal Representation of Indigents. This is in response to requirements of the statute and multiple requests for a number of years from the Public Defense Commission (PDC) for attorneys providing required and County-funded indigent defense services. Funding from the PDC may be adversely affected without such agreements in place.
- **May 1, 2023** – Departments affected by the construction and move to a new County Offices facility provided input to the Board on their requirements and requests for space allocation in that building to conduct their business functions.
- **May 8, 2023** – It was presented to the Board that the State of Idaho offered employees a 4.9% to 6.9% cost of living increase and Social Security had an 8.7% cost of living increase. Following discussion of rate of pay increases for employees for FY2024, the Board took action to approve a 4.5% cost of living increase for all employees and a \$1,500.00 bonus at the start of FY2024.
- **May 8, 2023** – Brenda Blitman from Ameriben presented the results of their Internal Equity and External Market Compensation Study taking into consideration the Equal Pay Act. She reported that current wages paid are 1.5% below market. Law Enforcement specifically was 5.8% below market. She also provided recommendations for implementation of the new pay structure. The total cost of this study was \$28,382.50. The Budget Office had recommended the study to take place for years to solve ongoing issues of inequitable, non-uniform, and year-long demands of changing employee compensation to a formalized "step and grade" or "kinds and levels" structure. That recommendation has persisted as a remedy in assuring fair and equitable treatment of all employees in relation to their job descriptions, consistency with the Board's actions relative to employee compensation, time of service or tenure of each employee, and

especially to minimize emotions and politically-influenced compensation decisions. Unfortunately, there has been no Board-approved implementation of a employee compensation pay structure resultant from the Ameriben study during FY2023.

- **May 18, 2023** – The Budget Office discussed changes in internal control for accounting and reporting of County Fair capital improvements that are approved by and accounted for by the Cassia County Auditor’s Office and under the direct oversight of the County Commissioners. Cassia County’s contracted and engaged outside or independent auditor, Zwygart John and Associates will provide written guidance on that procedure.
- **May 18, 2023** – A joint powers meeting with Minidoka County officials for FY2024 budget consideration of joint agreements was held. The Board advised Minidoka County it had approved a 4 ½% rate of pay increase and a \$1,500.00 bonus for full time employees and a \$500.00 bonus for part time employees for FY2024. Budget workshops were held for the Mini-Cassia Public Defender (PD) Office, the Mini-Cassia Veterans Service Office (VSO), the Mini-Cassia Juvenile Detention Center (JDC), the Mini-Cassia Juvenile Probation Office (JPO), and the Mini-Cassia Adult Misdemeanor Probation Office (MPO). Minidoka County expected a 9.5% increase with their Gem Plan health insurance. Cassia County estimated a 4% increase with MBA health insurance.
- **May 22, 2023** – FY2024 Budget workshops continued and culminated with the following:
 - Action to approve the FY2024 VSO contract for both Minidoka and Cassia Counties with Chuck Driscoll in the amount of \$60,769.29 split equally.
 - Cassia County stood by their decision for a 4 ½% increase in rate of pay with a \$1,500.00 bonus. Minidoka County desired no bonus. Minidoka Chair Wayne Schenk requested a recess to discuss the matter in Executive Session with his Board separately. Prosecutor Larsen stated there was no legal grounds for such. After going into conference as specified in the Joint Powers Agreement, action was taken by both counties to approve a 4.5% cost of living increase with a \$1,500.00 bonus for employees of the PD Office, the MCCJC, and MPO.
- **May 30, 2023** – Action to approve the bid of \$11,323.00 from Ramsey’s Heating and Electric for the replacement of the Lennox air conditioning unit in the Sheriff’s Office.
- **May 30, 2023** – Discussions continued with the Budget Office regarding the FY2024 budget. Clerk Larsen explained changes in programming and increased costs in the financial accounting programming with Computer Arts, Inc., which was acquired by Harris Local Government. A scanner purchase and remodeling of the booking cage at the MCCJC was also discussed. Chair Beck instructed the Budget Office to include \$125,000.00 for a new equipment building for Road and Bridge in the FY2024 budget. The Budget Office requested from Chair Beck for a cost related to the Cassia County fairgrounds grandstand replacement. Chair Beck requested that the Fair Board and others prepare a 5-to-10-year capital expenditure projection. Auditor’s Office Director Heather Evans recommended from what she learned at the annual Government Finance Officers Association (GFOA) annual conference that we should have a strategic plan that ties in with a comprehensive plan for the County to follow to help reduce the amount of reactionary budget decisions that often plague government entities. During FY2023, that recommendation has not been acted on by the Board. Additionally, Evans stated the U.S. Treasury recommended that those receiving federal funds have a policy written specifically on how to apply for and allocate receipts of said funding. During FY2023, that recommendation has not been acted on by the Board.
- **June 5, 2023** – The Board was presented preliminary designs by erstad Architects for the new County offices building project.

- **June 5, 2023** – FY2024 Budget discussions included the following:
 - ICRMP estimated a 14% increase in costs for risk management for the MCCJC.
 - A Budget Office request was reiterated regarding the need for decisions to be made regarding joint budgets with Minidoka County.
 - Bowen insurance advised that we should plan for a 10% to 12% inflationary increase in medical provider expenses. Additionally, Kelly Bowen estimated preliminarily a 4.7% decrease in our stop loss premium.
 - The Budget Office initially recommended a 4% increase in employee benefits budget increases for FY2024 but preferred to wait to see where our trust balance is closer to when a decision must be made to take into consideration unknown medical claims.
- **June 12, 2023** – Discussion continued regarding the new proposed County offices building which included the following:
 - The merits of building on the east lot versus the west lot sides of the alleyway.
 - The Budget Office reported on training from The Department of Treasury at a recent GFOA Conference included strong encouragement to involve the public with projects of this magnitude and with the large amount of public funds being utilized.
 - Security issue concerns were discussed with the multiple building entryways proposed.
 - Limitations in the number of parking spaces was discussed.
 - Action was taken by the Board to direct erstad Architects to plan for the building on the west parking lot paralleling the Cassia County Courthouse facing Overland Avenue.
 - Concern was expressed in having the MPO Office located in the new building as that would be combining criminal and general public services.
- **June 12, 2023** – Earlier Board action was to reserve \$7,000,000.00 for capital projects. That amount was updated to reserve \$12,000,000.00 to include various Board-discussed future projects and as recommended by the Budget Office. That would set aside a more realistic amount for anticipated capital expenditures. That took into account the rough estimate of the new County building. Additionally, \$850,000.00 was taken into account for new grandstands at the fairgrounds even though Chair Beck felt that was an extremely high amount.
- **June 12, 2023** – Action to approve the engagement letter for the outside independent audit with Zwygart John and Associates CPA's, LLC in the amount of \$26,000.00.
- **June 12, 2023** – FY2024 budget discussions included the following:
 - Reallocation of PDC funding following the State of Idaho taking over indigent defense.
 - This is the last year for Secure Rural School allotments and concern with sustainability has been expressed with Payment in Lieu of Taxes (PILT) and Local Area Tribal Consistency Fund (LATCF) receipts.
 - The Board was advised to expect continual rising costs for insurance with ICRMP due to increases in claims and lawsuits and with the high loss ratio experienced by Cassia County.
- **June 20, 2023** – Action to approve FY2024 funding for Region IV Development in the amount of \$2,566.00.
- **June 20, 2023** – Action to approve additional funding for the MPO to standardize pay comparatively with the JPO in Minidoka County. It was determined an additional \$74,000 would be needed to increase all probation officers' rate of pay by 15% and all clerical by 5% in the FY2024 budget. About \$14,000.00 from each county would be needed to cover those increases for the remainder of FY2023, which the Misdemeanor Probation trust balances will be ample to cover that according to Commissioner Searle.

- **June 20, 2023** – Action to approve budgeted Election funds for the purchase of elections firmware upgrades, upgrade of a hardened election laptop, and training in the amount of \$10,089.00
- **June 26, 2023** – The FY2022 Audit Report was provided by contracted independent outside auditor Zwygart John and Associates CPA’s, LLC. and presented by John Russell, CPA.
- **June 26, 2023** – Action to approve a bid from Larry’s Electric and Heating for the purchase of a furnace for the Cassia County Museum in the amount of \$9,440.00.
- **June 26, 2023** – FY2024 Budget discussion included:
 - Sheriff Warrell presented a budget amount of \$2,251,566.00 for the Sheriff – City of Burley budget that he provided to the City Council with no negative reaction. The Budget Office will adjust their recommended amount to concur with the Sheriff’s request.
 - The Budget Office expressed concern that we are close to the levy limit of the Justice Fund and noted that expenses are increasing at a higher rate than our potential ability to levy funds.
 - The Fair Board budget had dramatic increases from FY2023 in some line-item requests. Chair Beck will discuss with the Fair Board about their revenue projections as the Budget Office said those projections are considerably lower than their revenue trends.
 - A letter of recommendation for budget processes from our outside independent auditor on current budget practices for the County Fair will be forthcoming.
- **July 10, 2023** – Action to approve a request for funding for the Middle Snake Regional Water Resource Commission in the amount of \$2,552.00.
- **July 10, 2023** – Action to approve a contract with Harris Local Government for financial software services for FY2024 in the amount of \$51,671.06.
- **July 10, 2023** – Action to approve a contract with WalkOn Solutions for engineering services for the Cassia fairgrounds grandstand replacement in the amount of \$21,700.00.
- **July 10, 2023** – The Budget Office reviewed with the Board recommendations of the outside independent auditor for the Auditor’s Office financial oversight of component and similar units of the County that use a separate accounting system through QuickBooks.
 - Identified component units include the Cassia County Fair, the Cassia County Historical Society/Museum, portions of the Sheriff’s Office and the Jail, and the Extension Office.
 - A semi-annual printout or copy of their Quickbooks data file is to be provided to the Auditor’s Office quarterly or semi-annually at a minimum.
- **July 12, 2023** – In a Special joint powers meeting, both Cassia and Minidoka Boards took the following action in regards to publishing the FY2024 budget:
 - Approve the Mini-Cassia JPO budget in the amount of \$252,031.10.
 - Approve the Mini-Cassia JDC budget in the amount of \$1,527,566.00 with Minidoka County’s allocation at \$681,830.27 and Cassia County’s allocation at \$553,944.58.
 - Approve the Mini-Cassia PD budget in the amount of \$5,313,930.00 with Minidoka County’s allocation at \$1,500,358.00 and Cassia County’s allocation at \$1,851,526.00.
 - Request for Minidoka County to approve Cassia County’s motion on June 26, 2023 to approve current compensation increases in wages and bonuses by \$564,565.00 for MPO deputy probation officers and clerical staff. The Minidoka County Board’s action followed this request.
- **July 17, 2023** – Action to approve the Cassia County Fair Board to use budgeted funds for the purchase of 25 picnic tables in the amount of \$8,081.42.

- **July 17, 2023** – Action to approve signing a juvenile indigent defender contact with Echelon Law in the amount of \$5,000.00 per month.
- **July 17, 2023** – Action to approve the Cassia County Fair Board request for the purchase of 25 corral panels from Steve Regan Company in the amount of \$3,776.00.
- **July 24, 2023** – Action to approve Chet Jackson’s bid of \$7,284.00 for construction of a divider wall in the larger former Burley Highway District building acquired by Cassia County to split off a portion of that building for storage of evidence and larger items for law enforcement.
- **July 31, 2023** – Action to approve the purchase of 20 fencing panels for the Cassia County fairgrounds in the amount of \$2,210.00.
- **July 31, 2023** – Action to approve the notice of publication of the FY2024 proposed budget.
- **August 7, 2023** – Action to approve a Stancil System Refresh to the 911 dispatch recording system with WesTek Marketing in the amount of \$16,674.40 to come from the 911 Fund.
- **August 21, 2023** – The Board discussed the law enforcement agreement with the City of Burley which included the following:
 - Commissioner Searle expressed concern with an item with the City of Burley’s proposed contract.
 - He recommended clarifying language regarding the use of carryover dollars as unanticipated revenue.
 - A policy on the budgeting and procurement of law enforcement vehicles was in need of being addressed.
 - To comply with county budgeting statutes, a date of June 30th of each year was to be the absolute latest date for the contract to be agreed upon. The Budget Office preferred a May 31st deadline to assist with completing the overall Cassia County budget for publication.
 - The contract amount for FY2024 the Board was seeking for the agreement with the City of Burley was \$2,176,326.00 with that amount including the purchase of two patrol vehicles. The Budget Office pointed out the irresponsibility of neglecting to include identified vehicle purchases within a budget line in an approved budget. The previous practice of using residual or remaining funds to do such was certainly not following best accounting and government practices and was disingenuous to taxpayers who participate in funding that with property tax and sales tax collections.
 - The Board approved tentative budget for publication was \$2,252,276.00 for fulfilling the City of Burley law enforcement contract agreement. Inasmuch as the City of Burley committed after the publication to only fund \$2,176,326.00. That left a deficit in funding of \$75,950.00. Lead Auditor Heather Evans addressed the Board regarding the source of funding for the shortfall. The Board approved using prior years contract carryover amounts to balance the budget to the published amount.
 - The Budget Office stressed that any other source of Cassia County revenue could easily be construed to be a misappropriation of funds in providing money for any shortfall under the City of Burley contract.
 - The City of Burley intended to only pay a contracted amount of approximately \$2.1 million.
- **August 21, 2023** – Action to approve, in compliance with statute, the FY2024 Road and Bridge Budget in the amount of \$754,095.00 and the Cassia County Budget in the amount of \$42,491,021.00. The Road and Bridge Budget is included in the overall Cassia County Budget.
- **August 21, 2023** – Action to approve the revised PDC Workload Financial Assistance Request. The FY2024 award was \$44,801.00 and estimated remaining amount not expended in FY2023 is

\$102,722.00 totaling \$147,523.00 for the Mini-Cassia PD Office. That was broken down by both counties with Cassia County's allocation at 53.29% or \$78,615.01 and Minidoka County's allocation at 46.71% or \$68,907.99.

- **August 24, 2023** – In an emergency joint powers meeting, both boards approved increases in rate of pay for two attorneys in the Mini-Cassia PD Office and authorized public defender Tim Schneider to negotiate with a maximum amount of \$110,000.00 for Mr. Hurley and \$95,000.00 for Ms. Lopez.
- **September 7, 2023** – In a special meeting, action was made by both Minidoka County's Board and Cassia County's Board to increase salaries in the PD office as follows:
 - Public defender Schneider's salary increased to \$120,000.00
 - Mr. Edwards' salary increased to \$110,000.00
 - A newly-hired deputy defender's salary to be set between \$95,000 and \$100,000.00, to include a signing bonus of \$5,000.00 which is to be paid at \$2,500.00 following hire and \$2,500.00 at the end of a year of employment, as well as moving expenses of up to \$5,000.00
 - Pursue a contract with Mr. Zollinger.
- **September 11, 2023** – Action to approve the purchase of computer and associated equipment for the Zoning and Building Department in the amount of \$5,039.55.
- **September 11, 2023** – Action to approve the purchase of a 2024 Chevrolet Silverado 1500 crew cab pickup in the amount of \$48,014.00 for the Zoning and Building Department.
- **September 18, 2023** – Action to approve Resolution No. 2023-011 for the recovery of foregone taxes.
- **September 18, 2023** – Action to approve the purchase of a camera upgrade system with M2 Automation for the MCCJC for a total of \$155,455.69. Action by the Minidoka County Board also approved that purchase.
- **September 18, 2023** – Action to approve the purchase of a body scanner for the MCCJC from Command Sourcing in the amount of \$155,380.00 pending successful grant funding.
- **September 18, 2023** – Action to approve the work order with Legacy Stucco and Stone, LLC in the amount of \$12,600.00 for the first phase of a project to repair or replace the stucco on the exterior of the MCCJC.
- **September 18, 2023** – Action to approve the purchase of an Apple laptop for the Extension Office in the amount of \$2,628.00.
- **September 20, 2023** – Action to approve an agreement with Elections Systems and Software for the purchase of elections equipment in the amount of \$106,905.00 and for the maintenance and licensing of that equipment in the amount of \$8,100.00.
- **September 20, 2023** – Action to approve the 2023 L-1 Certificate of Levies.
- **September 22, 2023** – In a special joint powers meeting with the Boards of both Minidoka County and Cassia County, action was taken to allow public defender Schneider to approve the hiring of former deputy public defender Atkins for a salary amount of \$95,000.00 for the year and for a \$5,000.00 bonus at the end of the year.
- **September 25, 2023** – Action to approve a Change of Status Request that included rate of pay increases as approved for FY2024.
- **September 27, 2023** – Action to approve Resolution No. 2023-012 to eliminate accruals for vacation and personal time off for non-hourly salaried exempt employees in line with Fair Labors Standard Act. All vacation accruals on September 29, 2023 will be paid

to affected employees as part of the September 29, 2023 payroll with no further accruals to be earned by non-hourly salaried employees going forward. Current payout amount totaled \$60,909.24. Action was made to approve payment of up to \$61,000.00 for that purpose.

- **September 27, 2023** – Action to approve the request of Prosecutor Larsen for a one-time payout of \$9,600.00 split equally between himself and his deputy prosecuting attorney that would have been paid for a third deputy prosecutor they have not been able to hire.
- **September 27, 2023** – Action to approve a law enforcement agreement with the City of Burley in the amount of \$2,176,326.00 for FY2024. The proposed contract was presented by the City of Burley. That presented agreement was reviewed and recommended for approval by Prosecutor Larsen and McMurray.
- **September 27, 2023** – Action to approve the purchase of two Dodge Durango vehicles at \$40,827.00 each to be paid from carryover money from the City of Burley law enforcement agreement.

Cassia County Economic and Financial Outlook

Cassia County is driven not only by its commerce of agriculture, but also by increasing industrial development. Irrigation means include canal systems originating from the Snake River as well as deep wells relying significantly on the aquifer system. That system has been challenged due to reductions of winter snowfall in the mountains and a significant increase in urban renewal, home building, and housing accumulations in area not contiguous with municipal services. County Planning and Zoning makes recommendations to the Board of Commissioners for establishment and changes of county code for residential, livestock and dairy operations. Crop farming includes primarily potatoes, sugar beets, wheat, barley, peas, carrots, and beans. Increased retail businesses, service industry, and population base are a secondary source of employment and tax revenue to the County.

The U.S. economy has seen considerable recovery from economic disruptions related to the global COVID pandemic. State of Idaho tax revenue sharing has continued largely without suppression during these challenging times. Additionally, revenue was realized from unscheduled and unbudgeted County receipts from property taxation due to state and local growth as well as from sales tax revenue sharing from the State of Idaho. Those revenues have assisted Cassia County in meeting ever increasing demands on our infrastructure, the administration of justice, and maintaining a competitive rate of pay for the Cassia County government workforce.

Additionally, Cassia County has experienced bolstered reserves for future identified expansion and improvement projects as well as to allay any unforeseen emergencies.

Consistent with the past several years, the budget officer has stressed implementation, adjustments, and prudence in following best accounting practices. That has included dedicating current unrealized and unscheduled revenues to future budget years to lessen the reliance year-to-year on federally-funded PILT receipts. Historically, nearly 9% of our annual budgeted revenue has relied on anticipated PILT receipts. Encouragement continues with lobbying efforts of county officials in Idaho with Federal legislators to approve funding of PILT on a permanent basis.

FY2023 has experienced the following:

- Interest rates have continued to increase dramatically due to inflation, providing an unprecedented return from investments of idle County funds. Federal funding received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 were allocated and expended prior to FY2023. Federal funding of The American Rescue (ARPA) Act of 2021 and the Local Assistance and Tribal Consistency Fund (LATCF). ARPA funds were to provide direct and

fast economic assistance and to accelerate recovery from the global pandemic. LATCF is a general revenue enhancement program for eligible revenue sharing counties.

- Despite Medicaid Expansion and legislation to terminate county obligations in Idaho for medical indigent claims, there continues to be a poverty gap that County resources are used for associated non-medical assistance required for disposition of the indigent deceased.
- The Affordable Care Act's requirement of individuals and families to have health insurance coverage still has many indigent and worthy poor residents who present to the County for non-medical assistance who either cannot afford or who have chosen not to purchase health insurance through the exchange under the Affordable Care Act.
- Additional time and resources are required to maintain reporting compliance with the IRS as part of the Affordable Care Act. Reporting on the Federal 1095-C Form includes every employee and whether or not they have participated month to month in County-provided healthcare.
- Federal and state-funded grant availability, which has been important historically, seems to have declined or have included increases in onerous financial matches of funding, compliance, and reporting. That funding has been critical in the past to supplement county programs for safety, enforcement of the law, prosecution of offenders of the law, court provisions for administering justice, specialty court implementations, and to meet expanding requirements to fund county government and to administer justice.
- Additional implemented standards for attorneys providing indigent legal assistance required by law and administered by the Idaho PDC has increased financial liability to the County. Those statutory requirements include continuing legal education (CLE) for professional development, workload standards to assure appropriate delivery of defense services, and reporting of all efforts with indigent clients have all contributed to the difficulty to recruit and retain qualified attorneys to serve as deputy public defenders and deputy prosecutors.
- Reduction of available financial resources to counties by way of property tax relief legislation makes it increasingly difficult to accommodate sustained and enhanced mandates or requirements for local government services. That is accentuated by the need to maintain qualified county officers and employees in an increasing competitive work environment.
- Our justice system continues to be burdened by escalating crimes relating to drug trafficking, substance abuse, addictions, sexual abuse, and unemployment. The courts are now trying to catch up with delays in the system related to the COVID pandemic, which presents additional financial challenges.
- Inadequate mitigation for the scores of mentally ill in dire need of critical care, facilities, counseling, medications, financial resources, and suicide prevention programs, has exceeded a state of crisis. Local suicide rates have dramatically increased, especially amongst teenagers.
- Costly court service security facilitation continues in an effort to provide enhanced protection of the officers of the court, legal counsel, the accused, and the public.

Legislative Impacts

During FY2023, implementation of House Bill 389 began one of the biggest changes seen in property tax law in the past 15 years. This year, property tax relief for Homeowner's Exemption increased from \$100,000 to \$125,000, Property Tax Relief programs were increased, exemptions of transient personal property tax were implemented, changes in requirements for reporting and future use of foregone taxes, vastly changed levy calculations, and transparency increased in required local government reporting to the State Controller's Office.

With the enactment of House Bill 316, no person eligible for Medicaid or insurance is eligible for medical health assistance through counties effective March 1, 2022. Funding to Health Districts from the State of Idaho general fund was shifted to funding by counties.

- House Bill 1 was enacted, increasing county responsibility with post-election audits through the Secretary of State.
- House Bill 70 was enacted, refining the definition of county jail inmate medical expenses and clarifying distribution of Catastrophic Health Care (CAT) Fund receipts.
- House Bill 292 was enacted, providing property tax relief now and into the future as follows:
 - The use of State money for the School District Facilities Fund to reduce reliance on property tax bonding and temporary supplemental levies
 - Homeowner Tax Reduction applied to parcels with a Homeowner's Exemption paid by the State as a credit to the parcel owner's tax bill
 - Additional Tax Relief provides relief to all property owners based on a percentage of property value paid by the State as a credit to the parcel owner's tax bill
- Other enhancements of legislation in FY2023 with financial ramifications:
 - Ongoing funding for transportation of \$41 million for counties, cities, and highway districts
 - \$100 million in local strategic initiative grants for local transportation projects
 - \$200 million in local bridge replacement funding
 - An additional \$2 million in State funding for county public defense for FY2024, the final year of counties providing those services
 - Increased access to the circuit breaker program to provide an estimated \$900 million in property tax relief statewide over the next five years
 - Jail medical expenses capped
 - Transition to a regional, state-based indigent public defense delivery system

Idaho legislators continue their advocacy efforts to substantially reduce personal property taxation obligations. The adverse financial impact to county government continues with the reduction or elimination of personal property-taxation receipts while attendant ongoing increases in required county services. Additionally, that reduction realistically is a tax shift to small business owners and homeowners.

Urban Renewal

Efforts of the Burley Development Authority (BDA) to expand commerce and economic development, though some aspects have positive benefits, does have an adverse effect with diverting of property taxes away from Cassia County and other taxing districts. Property tax receipts diverted to BDA results in a lost revenue source to Cassia County, the City of Burley, and to other local taxing entities such as fire, flood, and recreation districts. The employment enigma created by that urban development is increased competition for the skills and services of Cassia County employees. Many employers often provide higher wages and salaries, enhanced benefit packages, and elevated compensation than that which is offered by Cassia County government. That is then coupled with cost-of-living increases that exceed wage and salary increases for Cassia County employees. In summary, incremental tax receipts are decreased while employee compensation demands are increased with this urban renewal tax diversion.

Current expiring Urban Renewal (UR) and Revenue Allocation (RA) area property tax relief would normally be expected to allow Cassia County to recover those diverted property taxes. However, the City of Burley's continual expansion of UR and RA areas diverts those receipts yet again to the BDA. To

further exacerbate the financial impact to Cassia County, criminal activity increases due to population upswings, additional law enforcement personnel and equipment are needed, there are more juvenile and adult probationers, there are more trial court proceedings, jail costs are bolstered, and there are more demands for virtually all required county services.

PILT and SRS Funding

Some concern always exists without permanent funding designation by the federal government for PILT. There exists potential for reduction, sequestration, or even elimination of payments for non-taxed property in Cassia County that includes federally-owned land with the Bureau of Land Management (BLM) and U.S. Forest Service. 31 U.S.C. 39-6901 *et seq.*

Payment for Entitlement Land was enacted to prescribe federal funding to a unit of local government to "...use the payment for any governmental purposes." 31 U.S.C. 39-6902(a). Determination of payment under federal code is based on a complex formula involving population, published Consumer Price Index, acquisition or dissolution of governmental property, and specific geographical regions of the U.S. For the range of years from 2008 to 2014, PILT was formulated with an index-based change and was authorized by appropriations. 31 U.S.C. 39-6906.

Since 2014, appropriations of PILT have been year by year, and only after protracted legislative negotiations to identify a funding source from which to appropriate this critical payment of non-taxed county properties.

The uncertainty year-to-year is particularly concerning to Cassia County in that most of the full funding of PILT has historically been budgeted annually and is critical to meet ongoing operational expenditures. As previously pointed out, much of that allocation is already expended before federal funding is even authorized and subsequently paid.

PILT allocations for FY2023 totaled \$578.8 million nationally. The State of Idaho totaled \$38,197,782.00, of which Cassia County received \$2,732,328.00 as the second highest recipient county in the State of Idaho. That was a 9.63% increase from FY2022's payment of \$2,492,250.00. That constituted full payment and was received in Cassia County on June 15, 2023.

In the event PILT appropriations are ever reduced or discontinued during the year when it is budgeted, we could realistically have already expended nearly \$2,000,000.00 in budgeted PILT allocations to operate Cassia County. Should a sequestration of that funding ever happen, it is important to reiterate that meeting budgeted needs would have to come directly from County reserves and fund balances. That could leave Cassia County dangerously close to the inability to function as usual even in the short run. Then, in just a few short months, significant financial exhaustion of fund balances and County reserves would change the way we comply with our statutory obligations and likely necessitate emergency measures under the statute to carry on with the administration of justice and providing of required county services.

The Secure Rural School (SRS) program was enacted in 2000 in response to the decline of revenue-generating activities curtailed by the enactment of federal policies. It was designed to allay lost revenues spawned by those policies in an effort to revive rural counties and school districts. In 2008, SRS was reauthorized to continue on a sliding payment scale. Most recently, SRS was reauthorized retroactive on April 16, 2015 for fiscal years 2014 and 2015. SRS expired at the end of 2015. For fiscal years 2021-2023, the U.S. Congress reauthorized SRS under HR 3684 – Infrastructure Investment and Jobs Act, Title XII, Section 41202, Extension of Secure Rural Schools and Community Self-Determination Act of 2000. This is the final year of reauthorization under HR 3684.

Cassia County Road and Bridge received \$15,861.00 for FY2023's SRS allocation on April 27, 2023. That was a 26.04% increase from receipts in FY2022. It is certainly noteworthy that any lost federal allocations of PILT and SRS funds to Cassia County would create a devastating revenue loss.

Again, a sustainable long-term federal solution for permanent SRS funding would best facilitate road and bridge necessities for rural roads under Cassia County's jurisdiction.

Revenue Consideration and Impact Summary

Reduction of historical revenues have impacted available resources in funding Cassia County government. Those include, but are not limited to the following:

- Diminishing number of available sources of revenue by way of grant reimbursements and receipts.
- Continued desire of the Idaho legislature for the elimination of personal property taxes that are a critical source currently to fund county government.
- Court fees and fines have decreased since the pandemic as court activity has been lessened. Additionally, fees and fines are a functionality of law enforcement infractions and resultant prosecution for violations of the law, which can be volatile as a revenue source. Those receipts provide critical funding for law enforcement, the courts, and the jail.
- Uncollectable court and misdemeanor probation fees from offenders who have less ability to satisfy their obligations of late due to unemployment and inflation.
- Jail population volatility and delayed payments of income-producing rented space in recent years from outside entities including the Idaho Department of Corrections (IDOC), U.S. Marshalls, Immigration and Customs Enforcement (ICE), and courtesy holds from other jurisdictions.
- Recruiting efforts from business and industry growth have created a conundrum of competition for skilled employees for county governmental operations. That is further exacerbated by statutory caps with property tax levies. Additionally, policy makers have been reticent to equitably allocate ongoing funding capability as reported by the budget officer in a worthy effort to keep up with inflation with a needed employee compensation structure. To date, there has been no adoption of a "likes and kinds" or "step and grade" employee compensation policy following a Board of Commissioners contracted consultation and study with AmeriBen. During FY2023, increases in rate of pay for employees in law enforcement, in the jail, and for attorneys were approved by the Board of Commissioners after salaries, benefits, and detail of other expenses were "...fixed and adopted as the county budget..." for FY2023, which is intended to "...constitute the appropriations for the county for the ensuing fiscal year..." pursuant to Idaho Statute § 31-1606 (1). Said selective increases were publicly noticed by the Board to assist with recruitment and retention.
- Receipts of unscheduled revenues from federally-funded relief programs under the auspice of CARES and ARPA, have assisted with short term, temporary, or one-time expenses. That was intended to assist with recovery of lost revenue, helping with strategic planning to facilitate the conducting of business with enhanced safety protocols, temporary premium pay for overtime of employees filling in for people absent from the workplace due to the pandemic, and to basically jumpstart the economy following a global pandemic. However, additional revenues must be sought after and identified, expenditures must decrease or be eliminated, or taxation must be increased to cover funding shortfalls for the long term. The remaining solution continues to be reliance on County reserve funds for shortfalls, poor planning, inadequate bids for projects, and other non-scheduled revenues as budgeted. That could certainly curtail some discretionary spending as well as putting future capital projects at risk of being delayed or eliminated as reserve funds are depleted.
- The Board of Commissioners began deliberations regarding the use of the one-time funding from Federal ARPA receipts and existing reserves for capital improvements and property

acquisition. In addition to former Burley Highway District buildings and property previously acquired, sites were set on acquisition of the Burley Masonic Building adjacent to the judicial center parking lot and the Razor's Edge building and property. Securing both would result in Cassia County's ownership of all property between South Overland Ave and Albion Ave east and west and West 15th St and West 16th St north and south. That is intended to facilitate parking and construction of a new Cassia County office facility. The Board of Commissioners contracted with erstadt Architects for that project.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Taxation and Finance

Counties, as political subdivisions of the State of Idaho, but with closer relationships with the people, have a right and a responsibility to raise, within levy limitations, the necessary revenues in order to finance critical, basic public services of a wide variety, many of which are federally or state-mandated.

Property Taxes raise a substantial amount of money and are in fact, the largest single source of taxation revenue. The assessment of property valuations is required to be completed in a timely basis utilizing the most accurate procedures and in accordance with the standards of the International Association of Assessing Officers, as required under Idaho Statute and as promulgated by rule from the Idaho State Tax Commission. Property tax revenues continue to be insufficient to support all the functions of local government. The volatility of receipt of PILT funds, as previously stated, is critical to financial planning and functionality of Cassia County. As Justice Fund expenditures increase year to year, it becomes increasingly difficult to fund required administration of justice due to the following:

- Property tax relief from legislative action decreases tax collection receipts,
- Levy caps are very close in Cassia County, which would curtail our taxing authority for justice-related county functions in the Justice Fund,
- Escalation of criminal activity, prosecution, law enforcement, criminal detention, and court functionality consistently outpaces identified funding.

The collection of property taxes is administered and completed by the County Treasurer. Property tax drives occur two times a year with tax collection dates of December 20th and June 20th for the previous year's tax assessments. The seasonality of those proceeds emphasizes the critical nature of preserving carryover balances at the end of each fiscal year to conduct business until receipt of those collected taxes are realized.

Fund Financial Statements

Fund financial statements are accounting devices that the County uses to track sources of funding and spending for specific programs and to demonstrate compliance with various regulatory requirements. Fund financial statements generally report operation in more detail than the government-wide statements. This statement focuses on its most significant or "major" funds and not on the County as a whole.

County Funds

The taxing funds listed below have their own individual levy limits which are set by Idaho statute and cannot exceed maximum levy rates nor can they be intermingled with other funds. Those levied

funds are derived from taxation of property which are calculated by a formula of assessed property values multiplied by the current calculated levy rates.

Fiscal Year 2023 received generated funds from the 2022 property tax levies at the rates for the following listed funds. All levied amounts were below their attendant maximum levy rates specified by statute. Collectively, all levied funds were below the maximum overall County levy limitations of increase as specified by statute.

TAX YEAR 2022 LEVY RATES

<u>Fund</u>	<u>Current Levy Rate</u>	<u>Maximum Levy Rate</u>
Major Funds:		
Current Expense	0.000622464	0.002000000
Justice	0.001385033	0.002000000
Other Funds:		
Indigent Defense/Social Services	0.000000000 <i>(unlevied)</i>	0.001000000
District Court	0.000000000 <i>(unlevied)</i>	0.000400000
Noxious Weeds	0.000083213	0.000600000
Ambulance	0.000081364	0.000200000
County Fair Operations	0.000065593	0.000100000
County Fair Exhibits	0.000033688	0.000100000
Historical Society/Museum	0.000014793	0.000120000
Junior College Tuition	0.000000000 <i>(unlevied)</i>	0.000600000
Revaluation	0.000139798	0.000400000
Preventive Health Fund	0.000100706	0.000400000

County department heads and elected officials submit their budget requests before levy rates are established. The budget officer sums projected remaining fiscal year end balances in each fund with other identifiable and available revenues other than property tax allocations. Any needed property tax funding is then calculated and reported to the Idaho State Tax Commission by way of L-1 and L-2 Forms to establish that needs fall at or below required levy limits. The total of current levy rates for each fund establishes the total county levy rate which cannot exceed 3% more than the highest of the previous three fiscal year levy rates.

Tax Year 2022 Total Cassia County Levy Rate:
.002526652

Cassia County Operations Revenue

Fee Collections		
Collection of Solid Waste Fees	Drug Enforcement Seizures	911 Emergency Services
Parks & Recreation/Snowmobile	Waterways	Industrial Property Litigation
Domestic Abuse	Emergency Medical Services	Noxious Weed Enforcement
Optional Grants	Disaster Services Support	Misdemeanor Probation
Forest Service	Interlock Fund	Court Facilities
Juvenile Justice Lottery Proceeds		DMV Administrative Fee

Revenues for Major Funds

Remaining Cash Balance

(This is cash forward or carryover of fund balances critical to funding the first quarter of the ensuing budget year until the December property tax drive)

State Sales Tax Base and Excess Allocations

State Liquor Allocations

Federal Payment in Lieu of Taxes

State Licenses & Fees

County Licenses & Fees

Interest on Investments

Consolidated and Presidential Election Reimbursements

Federal Grants and Reimbursements

Agricultural Equipment Property Tax Replacement

Property Tax Levy

Other Miscellaneous Receipts

Federal and State Pandemic Relief Revenues

Coronavirus Aid, Relief, and Economic Security (CARES) Act

America Recovery Plan Act (ARPA)

Local Assistance and Tribal Consistency Fund (LATCF)

Financial Information

Accounting System and Budgetary Control: In developing and evaluating the County’s accounting system, consideration is given to the adequacy of internal accounting controls. Internal control is a process affected by the County’s governing board, elected officials, administration, department heads, and staff. It is designed to provide reasonable, but not absolute, assurance regarding the achievements of objectives in the following categories:

- 1) the effectiveness and efficiency of operations
- 2) reliability of financial reporting
- 3) compliance with applicable laws and regulations.

The concept of reasonable assurance recognizes that the cost of control should not exceed the benefit likely to be derived and that the evaluation of costs and benefits require estimates and judgments by management.

Budgetary control is maintained by the issuance of monthly financial statements which reflect current and year to date expenditures and encumbrances, in comparison to budgeted amounts. The portion of the year gone is compared to the portion of the budget amount expended when presented to the Board for authorization of payment. Anticipated expenditures are reviewed to determine that sufficient funds will be available prior to issuance of purchase approval or other commitments.

The financial statements meet requirements as set forth by the Governmental Accounting Standards Board (GASB) and with Generally Accepted Accounting Principles (GAAP) as applied to government units.

County Funds Financial Analysis

The Remaining Cash Balance below is a comparative of actual county resources at the end of FY2022 with that of the end of FY2023. For each year, it is reflective of the overall receipts of revenues for the fiscal year less all Board of Commissioner approved expenditures. Of note, there is yet again a large increase in the FY2023 ending balance in the major Current Expense Fund with the ever-stressed

Justice Fund experiencing just a small increase. Additionally, it is reflective of two other major factors evidencing prudent financial oversight; expenditures for FY2023 fell below what was budgeted and receipt of revenues exceeded anticipated budgeted amounts.

Major Funds – Cassia County’s two major funds established in accordance with Idaho statute include:

- The **Current Expense Fund** (or General Fund)
 - Allocations related to general operational expenditures, which include Auditor, Recorder, Assessor, Treasurer, Commissioners, Public Defender, Civil Defense, Buildings & Grounds, University of Idaho Agricultural Extension Service, County Elections, General Operations, Information Technology, Building & Zoning, and Veterans Service Officer
- The **Justice Fund**
 - Allocations related to administering justice and safety, which include District Court Clerks, Juvenile Probation, Prosecuting Attorney, Coroner, Sheriff, adult criminal detention and youth criminal detention
- Other Funds
 - Various dedicated funds for a specific purpose, which include Cassia County Road & Bridge, Emergency Medical Services, Ambulance Services, District Court, K-9 Expenses, Misdemeanor Probation, 911 Communications, Consolidated or Taxing District Elections, Medical and Non-Medical Indigent Services, Public Defender, Community College Tuition, Cassia County Fair, Historical Society (museum), Property Revaluation, Solid Waste Services, Waterways Services, Noxious Weed & Pest Control, Snowmobile, Physical Facilities, Magistrate Court, Health Districts, Court Facilities, ARPA Fund, Employee Benefits, Narcotic Seized Assets, Court Interlock, and Widows Benefits.

Remaining Cash Balance

	<u>Ending FY2022</u>	<u>Ending FY2023</u>	<u>Difference</u>	<u>Change</u>
Current Expense Fund:	\$1,652,479.20	\$2,279,594.86	\$627,115.66	+%37.95
Justice Fund:	\$1,240,565.31	\$1,286,740.76	\$46,175.45	+%3.72
All other dedicated funds:	<u>\$7,372,768.24</u>	<u>\$7,716,336.79</u>	<u>\$343,568.55</u>	+%4.66
Total Dedicated Fund Balances:	\$10,265,812.75	\$11,282,672.41	\$1,016,859.66	+%9.91
Reserve Fund: (Carryover not allocated to other funds for expenditures)				
	\$9,794,375.85	\$18,145,254.77	\$8,350,878.92	+%85.26
TOTAL DEDICATED FUNDS AND RESERVES				
(County Financial Resources):				
	\$20,060,188.60	\$29,427,927.18	\$9,367,738.58	+%46.70

Federal ARPA Allocations to SLFRF and LATCF

The American Rescue Plan Act (ARPA) authorized the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program to deliver \$350 billion to state, territorial, local and tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.

Additionally, ARPA appropriated The Local Assistance and Tribal Consistency Fund (LATCF) to deliver \$2 billion as a general revenue enhancement program to provides additional assistance to eligible tribal governments, eligible revenue sharing counties, and eligible revenue sharing consolidated governments.

Cassia County’s allocations, receipts, and interest earnings are as follows:

ARPA Funding

FY2022 – First traunch received on December 9, 2021.....	\$ 2,333,733.00
FY2022 – Interest earnings from ARPA funding.....	\$ 3,986.85
FY2023 – Second traunch received on December 19, 2022	\$ 2,333,733.00
FY2023 – Interest earnings from ARPA funding.....	\$ 83,451.48
TOTAL ARPA FUNDING AND INTEREST	<u>\$ 4,754,904.33</u>

LATCF Funding

FY2022 – First traunch received on December 12, 2022.....	\$ 2,203,508.92
FY2023 – Second traunch received on July 31, 2023.....	\$ 2,203,508.92
FY2023 – Interest earnings from LATCF funding	\$ 78,098.86
TOTAL LATCF FUNDING AND INTEREST	<u>\$4,485,116.70</u>

TOTAL FEDERAL PANDEMIC RELIEF FUNDING AND INTEREST**\$ 9,240,021.03**

City of Burley Law Enforcement Agreement

Under the constitution of the state of Idaho, cities as a corporate body, “may make and enforce, within its limits, all such local police, sanitary, and other regulations as are not in conflict with its charter or with the general laws.” In addition, an Idaho county is prohibited from making its police regulations effective within a municipality. *Idaho Constitution, Article 12, § 2.* Cities may exercise all powers and perform all functions of local self-governance in city affairs as are not specifically prohibited by or in conflict with general laws or the constitution of the state of Idaho pursuant to Idaho Statute § 50-301. “...the primary duty of enforcing all the penal provisions of any and all statutes of this state, in any court, is vested in the sheriff and prosecuting attorney...” pursuant to Idaho Statute § 31-227 (1). Thus, there is a constitutional and statutory partition of power, responsibility, and funding between a municipality and a county in the state of Idaho.

Funding for county law enforcement in the state of Idaho, and as adopted by Cassia County, includes power to levy by way of property taxes for a statutorily-approved Justice Fund. That levying power has legal limits that cannot be exceeded. Because the police power in Idaho does not include the power to levy taxes, if a municipality seeks to impose a tax, it must point to specific legislative authorization.

An oft-repeated misnomer by some is that County tax levying power includes funding for city policing as city residents are taxed just as those who are not in an incorporated city within the county. Though incorporated city residents within a county in Idaho do pay property taxes for that county levy, allocation annually of those funds is specific to county-wide obligations. For example, included within the required costs for counties carrying out justice-related services are the following county-wide functions:

- All court-related functions and facilities fall within levying limits and are the financial liability of counties whether it is from within an incorporated city or outside of such. If actual costs exceed levying power and the established Court Facilities Fund, the financial obligation is entirely the obligation of counties in Idaho and include:

- Court-related security, check stations, magnetometers, and bailiff services provided whenever the CCJC is open. All costs include those related to a full-time bailiff and two to four part time law enforcement experienced personnel.
- Clerking of all duties related to the three assigned judges in Cassia County and for a law clerk for the district judge. The elected clerk of the district court and nine (9) deputy clerks assume the responsibility of in-court clerking for all proceedings, court assistance, computer entry, and collection of fines and court fees.
- A jury commissioner, a deputy clerk, and the elected clerk carrying out the statutory duties of managing the court’s jury system for the entire county.
- A full-time Spanish language court interpreter to provide court-certified interpretive services. Other court-certified language services are also funded by the county for each official court participant who is not proficient in the English language.
- All costs related to incarceration within Cassia County are funded, even beyond tax levy receipts, by the county. Cassia County and Minidoka County have both been a part of a joint powers agreement for years to facilitate the incarcerated for both counties in the MCCJC located in Cassia County. All city and county holds in that facility are the financial responsibility of each of the two counties and are allocated by the county from which the violation causing incarceration has occurred.
- All felony prosecutions are the responsibilities of the county whether in or out of an incorporated city.
- All adult misdemeanor probation oversight and enforcement is the responsibility of the county whether in or out of an incorporated city.

The clear summary is threefold. Firstly, tax levied amounts for the Justice Fund in Cassia County to provide the above required services is the sole financial requirement of county government. Secondly, not only are all tax levy allocated funds entirely expended each year for those responsibilities, it is always supplemented by federally-funded PILT and other financial reserves of the county. Lastly, there are no residual funds after funding the above, nor is there a county obligation to carry out enhanced law enforcement duties for incorporated municipal codes and regulations. In Idaho, most of those duties are carried out by a city police force with a chief of police unless a county chooses to enter into a contractual agreement with an incorporated city.

The power or authority to contract on behalf of the County “can only be exercised by the board of county commissioners...or by agents or officers acting under their authority” pursuant to Idaho Statute § 31-602. Absent any official designation to others, the Cassia County Board of Commissioners is and has historically been the contractor as the governing power to sign the Agreement for Law Enforcement Services. The City of Burley is the contractee, as they are receiving said services from the Cassia County Sheriff’s Office as contracted by the governing board of commissioners. Article VIII, Section 3 of the Idaho Constitution specifies debt limitations defining that the board of county commissioners may not enter into a contract beyond one year unless the contract clearly sets forth a “non-appropriations” clause to allow for annual adoption of a budget to provide appropriate allocations of payment pursuant each annual budget. *County Roles and Responsibilities, Idaho Association of Counties, 8.8 Corporate Powers*

In FY2023, Cassia County continued with a long-standing contractual agreement with the City of Burley for providing law enforcement services. Though there are expected advantages with integration of those services, there remains an inequitable allocation of costs as pointed out for a number of years by the budget officer for those combined services. Comparative measures to demonstrate that fact include, but are not limited to:

- The ratio of the number of City of Burley assigned deputy patrol officers to the overall Sheriff’s budgeted expenditures is significantly lower than the same ratio with Cassia County assigned deputy patrol officers. To be fair and equitable, those ratios should be very similar.
- Dispatch service costs and facilities are currently allocated 100% to Cassia County and 0% to the City of Burley. Prior to the 2021 agreement, 60% of dispatch facility and services were allocated and paid by the City of Burley and was largely based on the origination of dispatch calls within their jurisdiction. The remaining 40% of those related costs were paid for by Cassia County. That contractual verbiage was eliminated, along with the allocated funding, by the City of Burley in a drafted and proposed agreement which was subsequently accepted and signed contractually by Cassia County.
- The percentage of increase in actual expenditure accounting year to year for City of Burley contracted law enforcement services has been less than those same costs for Cassia County services in all but two (2) of the last eight (8) years. These are actual amounts as entered, approved, and allocated by the Cassia County Sheriff’s Office. The following illustrates the most recent disparity:

- **Actual Expenditures from Sheriff – County**
 - FY2022 \$2,822,865.79
 - FY2023 \$3,144,783.34
 - Percentage of Increase from FY2022 to FY2023..... **11.40%**
- **FY2022 Expenditures from Sheriff – City of Burley**
 - FY2022 \$1,873,212.96
 - FY2023 \$1,935,647.73
 - Percentage of Increase from FY2022 to FY2023..... **3.33%**

This is a clear disparity and inequity with Cassia County bearing a larger percentage of increases compared to the City of Burley.

- A five-year financial analysis of the Cassia County Sheriff’s Office annual allocation of City of Burley law enforcement agreement revenues compared to annual funding of Cassia County as a percentage of overall department expenditures:
 - **Sheriff’s Office Cumulative Expenditures (FY2019 to FY2023)** \$22,417,054.84
 - Contractual cumulative revenues from the City of Burley \$9,115,285.56
 - Percentage of overall contribution..... **26.49%**
 - Cumulative revenue allocations from Cassia County \$13,301,769.28
 - Percentage of overall contribution..... **42.42%**

This also clearly demonstrates the need for concern for the disparity and inequity in Cassia County shouldering the bulk of increased costs.

The boundaries of the incorporated City of Burley extend out of Cassia County into one of the busiest locations of Minidoka County. Commerce and legal infractions are more concentrated there than any other location in both Cassia County and Minidoka County with eating establishments, gas stations, motels, a strip mall, Walmart and numerous other service-related businesses located there. Add to that, the offramp at Exit 208 on I-15 flows directly through that commerce-dense location. Consequently, a large amount of crime committed there falls on the shoulders of the Cassia County law enforcement completely outside of its statutory jurisdiction. Under the law enforcement contract with the City of Burley, all law enforcement services fall on the Cassia County Sheriff’s Office to supply deputy patrol officers, additional designated investigators, administrative services, prosecuting attorney services, and accounting and auditing expenses for that area outside of Cassia County boundaries. Any services in the City of Burley within Minidoka County are the responsibility of the City of Burley and/or Minidoka

County. None of that financial liability accrues to Cassia County absent an agreement with the City of Burley and should not be borne by Cassia County or its taxpayers.

Nearly all negotiated aspects of this agreement have historically been conducted between the elected Sheriff and the City of Burley. The ongoing delay that the City of Burley has taken historically in advising the Sheriff and subsequently the budget officer and commissioners of their intent is unsustainable in meeting statutory budget deadlines. Department heads and elected official are required to provide projected budget revenues and expenditures each year to the county budget officer no later than the third Monday of May for the subsequent fiscal year pursuant to Idaho Statute § 31-1602. No accurate projection by that date has or can happen with this inordinate delay by the City of Burley each year establishing their intent.

The official Cassia County budget officer conclusions and recommendations to the Cassia County Board of Commissioners, the Cassia County Sheriff, and the public is to assure equity and appropriate allocation of Cassia County resources. It is recommended that past fiscal year's Management Discussion and Analysis (MD&A) facts be reviewed as it is a required finance officer analysis included in each fiscal year's annual outside auditor financial report. It is also important to point out that a number of counties in Idaho who have law enforcement agreements with municipalities have expressed concern for similar inequities in their jurisdictions as noted in this analysis. Budget officer recommendations include:

- A thorough review of previous findings of facts and recommendations detailed in the FY2021 and FY2022 Management Discussion and Analysis (MD&A) included in Cassia County's official *Report of Audited Basic Financial Statements and Supplemental information*. That is available to the public currently at: <https://www.cassia.gov/financial-audit>
- Establishment of a collaborative, unified, and thorough evaluation without delay and overseen by Cassia County's governing board and contracting authority, the board of commissioners. That should necessarily include the commissioners or their appointed representative, the elected Sheriff, the elected Prosecuting Attorney, the Assistant to the Board of Commissioners, and the elected Clerk and Auditor's Office Director as chief budget officers of Cassia County.
- A proposed contract for services is recommended to be prepared from those collaborative efforts by and in the best interest of Cassia County and its residents.
- Presentation of that proposed contract for law enforcement services to the City of Burley for their review and consideration.
- A recognition of all parties to the agreement of the need for fairness and equity for all involved.
- A required response from the City of Burley regarding their desire to carry forth with the proposed agreement by the 3rd Monday of May deadline for departments to submit their proposed budget to the budget officer. That allows for preparation of the Cassia County budget recommendation to the Board of Commissioners.
- If it is not in the best interest financially and otherwise to carry forth with this optional law enforcement agreement, to recognize both entities can perform their own separate law enforcement responsibilities.

Budget Officer Conclusions and Recommendations

Economic and financial recovery continued through FY2023 from the cumulative results of the worldwide COVID-19 pandemic situations. Continued vigilance and financial prudence are in order to sustain essential services of Cassia County. The Cassia County Commissioners have exercised considerable prudence in safeguarding the resources of Cassia County. That, along with federal fund receipts have the county in a positive financial condition at the close of FY2023.

The CARES Act of 2020 provided direct and immediate cumulative funding from the federal government for FY2020 and FY2021 in the amount of \$592,364.63. During FY2022, FY2023, and until

the conclusion of FY2024, ARPA will provide cumulative funding in the amount of \$4,667,466.00. For FY2022 and FY2023, the LATCF will provide cumulative funding in the amount of \$4,407,017.84. Total federal receipts to Cassia County through CARES, ARPA, and LATCF for emergency relief funding is \$9,666,848.47. It is vital to point out that these are all one-time federal funds that are not intended and should not be expected for any ongoing operational costs of Cassia County and must be appropriately accounted for by rule of the U.S. Department Treasury.

During FY2022, ARPA funding was allocated in the amount of \$2,159,090.00 to various funds of the county as reported in the FY2022 Management Discussion and Analysis.

Consistent with recent years past, conservative revenue budgeting for tax receipts and unexpected revenues from new construction and from revenue sharing with sales tax keep Cassia County in a healthy financial state.

It continues to be important that the Board of Commissioners carry forward with concentrated effort in establishing, as well as holding, to the confines of a realistic approved operating budget and to consistently review the budgeted to actual revenue ratio to make certain they are in line with what revenues have been anticipated. When revenues are not received as budgeted, attendant decreases in expenditures is advisable to accompany the shortfall. Without such, reserve funds or unanticipated revenues must bridge that gap. It is wise for department heads and the Board of Commissioners to monitor spending in direct relation to actual revenues received and to be certain those expenditures are operationally essential. Often lost in the consideration of fund balances at fiscal yearend is how imperative carryover balances are in being able to meet expenditures during the first quarter of the subsequent fiscal year when County revenues are typically scarce. On the other hand, over-budgeting of expenditures that are unspent at fiscal yearend artificially increases fund balances beyond a reasonable expectation of property taxpayers in funding county government year to year.

Personnel concerns for FY2023 continue to be burdened with the difficulty in recruitment and retention. During times of low unemployment as we have experienced, employees can opt for other opportunities they perceive to be an improvement for themselves. As that happens, the expended cost for training is lost, institutional knowledge is diminished, and the cost of operating county government could actually exceed costs related to a more generous compensation and benefit plan.

The County has a superior partially self-funded benefits package. Increased employee participation in funding continues to be this budget officer's recommendation due to the ever-increasing costs of healthcare service providers and facilities. That is also commensurate with other governmental entities and private businesses. Increases in FY2023 have kept in line with national healthcare publication increases.

Idaho law allows counties to levy for 3% over the highest of the last 3 years non-exempt property tax budget; plus, a limited portion of new construction roll values times a preliminary levy rate; plus, value of property newly annexed in the previous year times a preliminary levy rate; plus, any recaptured foregone amount; minus agricultural equipment exemption replacement and property tax relief monies. Those levies are processed by the Auditor's Office in consultation with the Board of Commissioners.

The non-property tax portion of the budget has no percentage limit; however, it is limited to the reasonably anticipated amounts of all other revenue sources.

The Auditor's Office focus for FY2024 will be to formalize instructional policies and procedures for internal financial control and best practices. We also plan to continue conducting internal operational and funding auditing of certain functions of a few departments, verification of all contracted obligations of the county, required documentation of all expenditures relating to petty cash and credit cards, timely response from all department heads to accomplish this, and measures to improve inventory reporting and control. The Auditor's Office procedures will be for appropriately applying

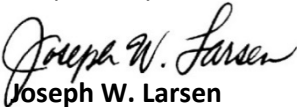
relevant accounting principles and standards, to ensure applicable tax rule compliance, and to recommend adoption of sound best practices of the Auditor's Office to accomplish such.

Cassia County has purchasing procedures enumerated by the Personnel Policy Handbook but the budget officer has continued to encourage for a number of years the adoption of a specific Procurement Policy consistent with what is done in many other county jurisdictions. To date, that recommendation has not been acted upon. Accounting of inventory in Cassia County has been modeled after recommendations of our independent outside auditor to meet all reasonable General Accepted Accounting Principles and in compliance with the requirements of GASB 34.

The County relies considerably on the payment of property taxes and consistently receives in excess of a 90% tax collection each year. Cassia County has been required to resolve only a small number of Protests of Valuation of Property Tax Assessments during the annual Board of Equalization hearing period. Assessor's Office appraisers continue the challenge of revaluation of properties to a fair value relative to the market. The challenge continues to be that there are people who have occupied the same property for long periods of time, possibly on fixed incomes, who continue to experience property tax increases even with the homeowner's exemptions and circuit breaker benefits. Personal property taxation will continue to be a major item of legislative discussion for elimination.

The provided financial report and analysis of management is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances. Any questions or request for additional information should be directed to the Cassia County Clerk.

Respectfully Submitted,



Joseph W. Larsen

Cassia County Clerk/Auditor/Recorder

BASIC FINANCIAL STATEMENTS

Cassia County, Idaho
Statement of Net Position
September 30, 2023

	<u>Primary Government</u> Governmental Activities	<u>Component Unit</u> Fair Board
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 29,470,447	\$ 372,429
Receivables		
Taxes	223,342	-
Intergovernmental	648,464	29,662
Interest	102,752	-
Prepaid Expenses	37,630	-
Total Current Assets	<u>30,482,635</u>	<u>402,091</u>
Capital Assets		
Land	1,667,051	-
Building, Net	3,884,330	-
Improvements, Net	223,019	94,840
Infrastructure, Net	68,081	-
Equipment, Net	1,757,881	-
Right to Use Assets, Net	237,485	-
Total Capital Assets	<u>7,837,847</u>	<u>94,840</u>
Total Assets	<u>38,320,482</u>	<u>496,931</u>
Deferred Outflows		
Pension Related Items	3,266,471	-
Total Deferred Outflows	<u>3,266,471</u>	<u>-</u>
Liabilities		
Current Liabilities		
Vouchers Payable	1,232,185	90,563
Accrued Liabilities	213,662	-
Total Current Liabilities	<u>1,445,847</u>	<u>90,563</u>
Non-Current Liabilities		
Due Within One Year:		
Compensated Absences	567,054	-
Lease Payable - Current Portion	42,070	-
Due in More Than One Year:		
Lease Payable	195,416	-
Net Pension Liability	8,124,916	-
Total Liabilities	<u>10,375,303</u>	<u>90,563</u>
Deferred Inflows		
Pension Related Items	-	-
Total Deferred Inflows	<u>-</u>	<u>-</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	7,837,847	94,840
Restricted for:		
Special Revenue Purposes	8,379,281	-
Unrestricted	14,994,522	311,528
Total Net Position	<u>\$ 31,211,650</u>	<u>\$ 406,368</u>

The accompanying notes are an integral
part of the financial statements

Cassia County, Idaho
Statement of Activities
For the Year Ended September 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Fair Board
Primary Government:						
Governmental Activities:						
General Government	10,885,850	\$ 724,647	\$ -	\$ -	\$ (10,161,203)	
Indigent Assistance	363,484	-	-	-	(363,484)	
Highways and Roads	490,301	4,470	4,615,888	-	4,130,057	
Public Safety	16,538,097	4,559,875	123,171	-	(11,855,051)	
Other Public Services	1,650,064	148,105	60,000	-	(1,441,959)	
Culture and Recreation	309,068	68,650	11,293	-	(229,125)	
Total Primary Government	\$ 30,236,864	\$ 5,505,747	\$ 4,810,352	\$ -	(19,920,765)	
Component Unit:						
Fair Board	\$ 777,549	\$ 624,634	\$ -	\$ -		\$ (152,915)
General Revenues:						
Property Taxes					7,629,345	89,087
In Lieu of Taxes					2,735,300	-
Intergovernmental					11,316,798	-
Investment Earnings (Losses)					908,646	5,863
Other Income					5,777,384	-
Disposal of Assets					(33,184)	-
Total General Revenues					28,334,289	94,950
Special Items:						
Transfer Between Primary Government and Component Unit					-	-
Total General Revenues and Special Items					28,334,289	94,950
Change in Net Position					8,413,524	(57,965)
Net Position, Beginning of Year					22,798,126	464,333
Net Position, End of Year					\$ 31,211,650	\$ 406,368

The accompanying notes are an integral
part of the financial statements

Cassia County, Idaho
 Balance Sheet -
 Governmental Funds
 September 30, 2023

	General Fund	Justice Fund	Misdemeanor Probation	DMV Trust Fund	Jail Trust Fund
Assets					
Cash and Cash Equivalents	\$ 1,575,453	\$ 1,572,155	\$ 391,460	\$ 403,409	\$ 1,162,516
Receivables					
Taxes	43,865	95,965	-	-	-
Intergovernmental	223,284	355,299	-	-	7,583
Interest	102,752	-	-	-	-
Total Assets	<u>\$ 1,945,354</u>	<u>\$ 2,023,419</u>	<u>\$ 391,460</u>	<u>\$ 403,409</u>	<u>\$ 1,170,099</u>
Liabilities					
Vouchers Payable	\$ 76,604	\$ 285,414	\$ 181,700	\$ 401,417	\$ -
Accrued Liabilities	62,778	126,271	11,336	-	-
Total Liabilities	<u>139,382</u>	<u>411,685</u>	<u>193,036</u>	<u>401,417</u>	<u>-</u>
Deferred Inflows					
Unearned Revenue - Property Taxes	41,108	89,870	-	-	-
Total Deferred Inflows	<u>41,108</u>	<u>89,870</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	-	1,521,864	198,424	1,992	1,170,099
Assigned	-	-	-	-	-
Unassigned	1,764,864	-	-	-	-
Total Fund Balances	<u>1,764,864</u>	<u>1,521,864</u>	<u>198,424</u>	<u>1,992</u>	<u>1,170,099</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,945,354</u>	<u>\$ 2,023,419</u>	<u>\$ 391,460</u>	<u>\$ 403,409</u>	<u>\$ 1,170,099</u>

The accompanying notes are an integral
 part of the financial statements

Cassia County, Idaho
 Balance Sheet -
 Governmental Funds (continued)
 September 30, 2023

	County Reserve	LATCF Trust	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 9,434,845	\$ 4,485,117	\$ 8,584,352	\$ 27,609,307
Investments	-	-	-	-
Receivables				
Taxes	-	-	83,512	223,342
Intergovernmental	-	-	62,298	648,464
Interest	-	-	-	102,752
Prepaid Expenses	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 9,434,845</u>	<u>\$ 4,485,117</u>	<u>\$ 8,730,162</u>	<u>\$ 28,583,865</u>
Liabilities				
Vouchers Payable	\$ -	\$ -	\$ 257,415	\$ 1,202,550
Accrued Liabilities	-	-	13,278	213,663
Total Liabilities	<u>-</u>	<u>-</u>	<u>270,693</u>	<u>1,416,213</u>
Deferred Inflows				
Unearned Revenue - Property Taxes	-	-	80,189	211,167
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>80,189</u>	<u>211,167</u>
Fund Balances				
Restricted	9,434,845	4,485,117	-	16,812,341
Committed	-	-	-	-
Assigned	-	-	8,379,281	8,379,281
Unassigned	-	-	-	1,764,864
Total Fund Balances	<u>9,434,845</u>	<u>4,485,117</u>	<u>8,379,281</u>	<u>26,956,486</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 9,434,845</u>	<u>\$ 4,485,117</u>	<u>\$ 8,730,162</u>	<u>\$ 28,583,865</u>

The accompanying notes are an integral
 part of the financial statements

Cassia County, Idaho
 Reconciliation of the Balance Sheet of the
 Governmental Funds to the Statement of Net Position
 September 30, 2023

Total Fund Balances - Governmental Funds \$ 26,956,486

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. Those assets consist of:

Land	\$ 1,667,051	
Infrastructure, Net of \$9,551,396 Accum. Depreciation	68,081	
Buildings, Net of \$2,969,504 Accum. Depreciation	3,884,330	
Improvements, Net of \$193,772 Accum. Depreciation	223,019	
Equipment, Net of \$4,198,200 Accum. Depreciation	1,757,881	
Right to Use, Net of \$77,834 Accum. Depreciation	<u>237,485</u>	
		7,837,847

Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures and, therefore, are deferred in the funds. 211,167

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.

Compensated Absences	\$ (567,054)	
Leases Payable	<u>(237,486)</u>	
		(804,540)

Internal service funds are used by management to charge medical costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. Internal service fund net assets are: 1,869,135

The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.

Net Pension Liability	\$ (8,124,916)	
Pension Related Deferred Inflows	-	
Pension Related Deferred Outflows	<u>3,266,471</u>	
		<u>(4,858,445)</u>

Net Position of Governmental Activities \$ 31,211,650

The accompanying notes are an integral
 part of the financial statements

Cassia County, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2023

	General Fund	Justice Fund	Misdemeanor Probation	DMV Trust Fund
Revenues				
Property Taxes	\$ 1,677,547	\$ 3,727,958	\$ -	\$ -
Intergovernmental	1,197,959	730,233	-	-
Payment in Lieu of Taxes	-	-	-	-
Grants	63,605	30,239	-	-
Charges for Services	1,621,721	2,193,033	889,121	(1)
Investment Earnings (Losses)	360,020	14,466	-	-
Other Income	852,817	925,500	96,181	-
Total Revenues	<u>5,773,669</u>	<u>7,621,429</u>	<u>985,302</u>	<u>(1)</u>
Expenditures				
Current:				
General Government	5,101,739	-	-	-
Indigent Assistance	-	-	-	-
Highways and Roads	-	-	-	-
Public Safety	-	13,437,897	1,186,203	-
Other Public Services	-	-	-	-
Culture and Recreation	-	-	-	-
Health	-	-	-	-
Total Expenditures	<u>5,101,739</u>	<u>13,437,897</u>	<u>1,186,203</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>671,930</u>	<u>(5,816,468)</u>	<u>(200,901)</u>	<u>(1)</u>
Other Financing Sources (Uses)				
Sale of Assets	141	-	-	-
Transfers In	-	5,849,245	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>141</u>	<u>5,849,245</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	672,071	32,777	(200,901)	(1)
Fund Balance - Beginning	1,092,793	1,489,087	399,325	1,993
Fund Balances - Ending	<u>\$ 1,764,864</u>	<u>\$ 1,521,864</u>	<u>\$ 198,424</u>	<u>\$ 1,992</u>

The accompanying notes are an integral
part of the financial statements

Cassia County, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds (continued)
For the Year Ended September 30, 2023

	Jail Trust Fund	County Reserve	LATCF Trust	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ 2,204,223	\$ 7,609,728
Intergovernmental	5,051,418	-	-	4,315,237	11,294,847
Payment in Lieu of Taxes	-	2,735,300	-	-	2,735,300
Grants	20,529	-	4,407,018	288,961	4,810,352
Charges for Services	318	-	-	801,555	5,505,747
Investment Earnings (Losses)	-	285,000	78,099	117,153	854,738
Other Income	9,739	-	-	227,757	2,111,994
Total Revenues	<u>5,082,004</u>	<u>3,020,300</u>	<u>4,485,117</u>	<u>7,954,886</u>	<u>34,922,706</u>
Expenditures					
Current:					
General Government	-	-	-	1,583,033	6,684,772
Indigent Assistance	-	-	-	363,484	363,484
Highways and Roads	-	-	-	500,089	500,089
Public Safety	-	-	-	1,817,186	16,441,286
Other Public Services	-	-	-	1,375,985	1,375,985
Culture and Recreation	-	-	-	301,366	301,366
Health	-	-	-	293,688	293,688
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,234,831</u>	<u>25,960,670</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,082,004</u>	<u>3,020,300</u>	<u>4,485,117</u>	<u>1,720,055</u>	<u>8,962,036</u>
Other Financing Sources (Uses)					
Sale of Assets	-	-	-	13,069	13,210
Transfers In	-	-	-	985,000	6,834,245
Transfers Out	(4,249,245)	(775,000)	-	(1,810,000)	(6,834,245)
Total Other Financing Sources (Uses)	<u>(4,249,245)</u>	<u>(775,000)</u>	<u>-</u>	<u>(811,931)</u>	<u>13,210</u>
Net Change in Fund Balances	832,759	2,245,300	4,485,117	908,124	8,975,246
Fund Balance - Beginning	337,340	7,189,545	-	7,471,157	17,981,240
Fund Balances - Ending	<u>\$ 1,170,099</u>	<u>\$ 9,434,845</u>	<u>\$ 4,485,117</u>	<u>\$ 8,379,281</u>	<u>\$ 26,956,486</u>

The accompanying notes are an integral
part of the financial statements

Cassia County, Idaho
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of the
 Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2023

Total Net Change in Fund Balance - Governmental Funds \$ 8,975,246

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. Conversely, disposals of capital assets do not report a gain or loss in the governmental funds but in the Statement of Activities the remaining cost of the asset(s) is written off. In the current period these amounts are:

Capital Outlay	\$ 901,452	
Depreciation Expense	(496,620)	
Disposed Assets	<u>(46,394)</u>	
Net		358,438

Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities. 19,617

Compensated absences and other post-employment benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the net change in compensated absences and other post-employment benefits. (35,762)

The net revenue of certain activities of internal service funds are reported with governmental activities. 391,259

The County participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities. (1,295,274)

Change in Net Position of Governmental Activities \$ 8,413,524

The accompanying notes are an integral
 part of the financial statements

Cassia County, Idaho
Statement of Net Position - Proprietary Funds
For the Year Ended September 30, 2023

	Governmental Activities - Internal Services
Assets	
Cash and Investments	\$ 1,861,140
Prepaid Expenses	37,630
Total Assets	1,898,770
Liabilities	
Vouchers Payable	29,635
Total Liabilities	29,635
Net Position	
Unrestricted	1,869,135
Total Net Position	\$ 1,869,135

The accompanying notes are an integral
part of the financial statements

Cassia County, Idaho
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
For the Year Ended September 30, 2023

	<u>Governmental Activities - Internal Services</u>
Operating Revenues	
Charges for Services	
Intergovernmental	\$ 21,951
Other Income	3,665,390
Total Revenues	<u>3,687,341</u>
Operating Expenses	
Salaries and Benefits	3,349,990
General Government	0
Total Expenditures	<u>3,349,990</u>
Operating Income (Loss)	<u>337,351</u>
Nonoperating Revenues (Expenses)	
Interest Earned	53,908
Total Other Financing Sources (Uses)	<u>53,908</u>
Change in Net Position	<u>391,259</u>
Net Position - Beginning	<u>1,477,876</u>
Net Position - Ending	<u><u>\$ 1,869,135</u></u>

The accompanying notes are an integral
part of the financial statements

Cassia County, Idaho
Statement of Cash Flows -
Proprietary Funds
For the Year Ended September 30, 2023

	<u>Governmental Activities - Internal Services</u>
Cash Flows From Operating Activities	
Receipts from Customers	\$ 3,687,341
Payments to Suppliers for Goods and Services	<u>(3,321,660)</u>
Net Cash Provided (Used) by Operating Activities	<u>365,681</u>
 Cash Flows From Noncapital Financing Activities	
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>
 Cash Flows From Capital and Related Financing Activities	
Net Cash Used by Capital and Related Financing Activities	<u>-</u>
 Cash Flows From Investing Activities	
Interest and Dividends	<u>53,908</u>
Net Cash Used by Investing Activities	<u>53,908</u>
 Net Increase in Cash and Cash Equivalents	419,589
 Cash and Cash Equivalents, Beginning	<u>1,441,551</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 1,861,140</u></u>
 Displayed As:	
Cash and Cash Equivalents	<u><u>\$ 1,861,140</u></u>

The accompanying notes are an integral
part of the financial statements

Cassia County, Idaho
Statement of Cash Flows -
Proprietary Funds (continued)
For the Year Ended September 30, 2023

	<u>Governmental Activities - Internal Services</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 337,351
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Changes in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	<u>28,330</u>
Net Cash Provided by Operating Activities	<u><u>\$ 365,681</u></u>

The accompanying notes are an integral
part of the financial statements

Cassia County, Idaho
Statement of Fiduciary Net Position
For the Year Ended September 30, 2023

	Custodial Funds	Private -Purpose Trust Funds	Total Fiduciary Funds
Assets			
Cash and Investments	\$ 255,985	\$ 532,013	\$ 787,998
Property Taxes Receivable	408,800	-	408,800
Total Assets	<u>664,785</u>	<u>532,013</u>	<u>1,196,798</u>
Liabilities			
Vouchers Payable	254,480	124,283	378,763
Total Liabilities	<u>254,480</u>	<u>124,283</u>	<u>378,763</u>
Net Position			
Restricted for:			
Individuals, Organizations, and other Governments	410,305	407,730	818,035
Total Net Position	<u>\$ 410,305</u>	<u>\$ 407,730</u>	<u>\$ 818,035</u>

The accompanying notes are an integral
part of the financial statements

Cassia County, Idaho
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2023

	Custodial Funds	Private -Purpose Trust Funds	Total Fiduciary Funds
Additions:			
Fees collected for other governments	\$ 2,941,186	\$ -	\$ 2,941,186
Property taxes collected for other governments	21,138,841	-	21,138,841
Contributions	-	455,967	455,967
Total Additions	<u>24,080,027</u>	<u>455,967</u>	<u>24,535,994</u>
Deductions			
Fees distributed to other governments	2,941,169	-	2,941,169
Taxes distributed to other governments	21,093,227	-	21,093,227
Distribution of Funds	-	58,678	58,678
Total Deductions	<u>24,034,396</u>	<u>58,678</u>	<u>24,093,074</u>
Change in Net Position	45,631	397,289	442,920
Net Position - Beginning	364,674	10,441	375,115
Net Position - Ending	<u>\$ 410,305</u>	<u>\$ 407,730</u>	<u>\$ 818,035</u>

The accompanying notes are an integral
part of the financial statements

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cassia County, Idaho (the County) operates under the direction of a Board of Commissioners, who are responsible for the various operations of the County. The accompanying basic financial statements present the County (the primary government) and its component units. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

The accounting policies of the County conform to generally accepted accounting principles as applicable to governmental units.

Discretely Presented Component Units

Component units are legally separate organizations for which the County is financially accountable. Financial accountability exists if the County appoints a voting majority of the organization's governing board and either 1) is able to impose its will on the organization or 2) a potential exists for the organization to provide financial benefits to, or impose financial burdens on, the County. Based on the foregoing criteria, the following entities are considered component units of the County:

- Cassia County Fair Board was created for the purpose of conducting fair activities within the County. The Fair Board is governed by a board appointed by the county commissioners and the County is able to impose its will on the organization. The Fair Board was audited along with the County and its financial statements are presented as a discretely presented component unit.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall County, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities.

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses - expenses of the County related to the administration and support of the County's programs, such as personnel and accounting, are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category - *governmental and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- *General fund.* This is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.
- *Justice fund.* This fund accounts for the law enforcement activities of the County.
- *Misdemeanor Probation.* This fund accounts for funds used in the adult misdemeanor probation program.
- *DMV Trust Fund.* This fund accounts for the daily fee collections from DMV and driver's licensing and corresponding distributions to Idaho Transportation Department, Idaho Department of Parks & Rec, and Cassia County.
- *Jail Trust Fund.* This fund accounts for maintaining and operating jail facilities with a joint venture with surrounding government entities.
- *County Reserve.* This fund accounts for all payments in lieu of taxes received from the federal government and their distribution to other funds for County expenditures.
- *LATCF Trust.* This is to account to federal funds received from the local assistant and tribal consistency funds grant.

The County reports the following fiduciary fund types:

- *Custodial funds.* These funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.
- *Private-Purpose Trust funds.* These funds report trust arrangements under which principal and income benefits individuals, private organizations, other governments, and/or other funds.

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

The County reports the following internal service fund types:

- *Employee Benefits fund.* This fund accounts for employee health insurance benefits.

Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Property Taxes

In accordance with Idaho law, ad-valorem property taxes are levied in September for each calendar year. Taxes are recorded by the County using the modified accrual basis of accounting. Levies are made on or before the 2nd Monday of September. All of the personal property taxes and one-half of the real property taxes are due on or before the 20th of December. The remaining one-half of the real property tax is due on or before June 20th of the following year. A lien is filed on property three years from the date of delinquency. The property tax calendar is as follows:

Date property is valued	Second Monday of July
Date tax is levied	Second Monday of September
Date taxes are billed	November 20
Date taxes are collected	One half on December 20 and one half on the following June 20
Date taxes become a lien	First day of January of the succeeding year

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

Fund Balance Reporting in Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide Statement of Net Position and in the governmental fund Balance Sheet. The County uses the following fund balance categories in the governmental fund Balance Sheet:

- *Nonspendable*. Balances, for example, in permanent funds, prepaid expenses, and inventories that are permanently precluded from conversion to cash.
- *Restricted*. Balances constrained for a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Committed*. Balances that can only be used for specific purposes as a result of constraints imposed by the Board of Commissioners. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Board. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned*. Balances that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the Board of Commissioners, or (b) an appointed body (e.g. a budget or finance committee) or an official to which the Board has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balance includes: (a) all remaining amounts that are reported in government funds (other than the general fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital project, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.
- *Unassigned*. Balances available for any purpose.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position/fund balances available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed.

There is also no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the County's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the County considers committed

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

C. Assets and Liabilities

Cash Equivalents

The County requires all cash belonging to the County to be placed in custody of the Treasurer. A “Pooled Cash” concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the pooled cash and investment accounts are considered to be cash and cash equivalents. See Note 2.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are shown below:

	<u>Capitalization</u> <u>Policy</u>	<u>Depreciation</u> <u>Method</u>	<u>Estimated</u> <u>Useful Life</u>
Buildings and Improvements	\$2,500	Straight-Line	10 – 52 Years
Equipment	\$2,500	Straight-Line	3 – 15 Years

The County (a phase three government) has elected not to report major general infrastructure assets retroactively. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2003. Since October 1, 2003, the County has acquired no new infrastructure assets.

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Accounts Receivable

Accounts receivable of the governmental activities consists of property taxes, sales taxes, use taxes, state grants, federal grants, and other miscellaneous receivables. The allowance for doubtful accounts for the governmental activities is zero as of September 30, 2023.

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

Warrants and Accounts Payable

Warrants, vouchers, and accounts payable represent debt obligations that will be paid within the next billing cycle. Amounts shown are not over 60 days past due.

Compensated Absences

The total portion of unpaid personal leave is budgeted in the next year's budget. Personal leave compensation is calculated on an individual basis according to an employee's total years worked and total hours worked per week.

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.

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 that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2023, the carrying amount of the County's deposits was \$3,546,010 and the respective bank balances totaled \$3,115,191. All of the total bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the County.

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2023, all of the County's deposits were covered by the federal depository insurance or by collateral held by the County's agent or pledging financial institution's trust department or agent in the name of the County, and thus were not exposed to custodial credit risk. The County does not have a formal policy limiting its exposure to custodial credit risk. The County also had \$1,000 of cash on hand at the end of the year.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The U.S. government bonds, the asset back securities, and all of the certificates of deposit are held by Multi-Bank Securities, Inc. in the amount of \$7,876,401, Time Value Investment in the amount of \$3,333,901, for a total of \$11,210,302. The certificates of deposits are issued through FDIC insured banks and, therefore, are insured. The County does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The County voluntarily participates in the State of Idaho Investment Pool, which was not rated. The pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the pool is with the State Treasurer, and Idaho Code defines allowable investments. The fair value of the County's investment in the pool is the same as the value of the pool shares.

The County also holds other investments. The County follows Idaho Statute that outlines qualifying investment options as follows:

Idaho Code authorizes the County to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

The County's investments at September 30, 2023, are summarized below:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)		
			Less than 1	1 - 5	>5
LGIP	None	\$ 13,885,326	\$13,885,326	\$ -	\$ -
Money Market	None	870,308	870,308		
Certificates of Deposit	N/A	2,136,853	1,047,069	898,171	191,613
U.S. Treasuries	AAA	1,500,654	98,859	1,401,795	-
U.S. Government Bonds	AAA	8,318,294	744,583	6,784,875	788,836
		<u>\$ 26,711,435</u>	<u>\$ 16,646,145</u>	<u>\$ 9,084,841</u>	<u>\$ 980,449</u>

At year-end, the cash and cash equivalents reported in the basic financial statements are made up of the following categories:

	Governmental Activities	Component Unit	Total	Fiduciary Funds
Cash and cash equivalents	\$ 2,759,012	\$ 372,429	\$ 3,131,441	\$ 787,998
Investments categorized as deposits	26,711,435	-	26,711,435	-
	<u>\$ 29,470,447</u>	<u>\$ 372,429</u>	<u>\$ 29,842,876</u>	<u>\$ 787,998</u>

The following accounts are not recorded on the County's books:

	Book Balance	Bank Balance
Tax Collector	\$ 97,083	\$ 117,353
Sheriff Evidence	39,517	39,517
Civil Sheriff	20,074	34,318
	<u>\$ 156,674</u>	<u>\$ 191,188</u>

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments consists of state sales tax revenue of \$648,464 .

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023, was as follows:

	Balance 9/30/2022	Additions	Disposals	Balance 9/30/2023
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,667,051	\$ -	\$ -	\$ 1,667,051
Capital Assets Being Depreciated:				
Buildings	6,375,959	477,875	-	6,853,834
Improvements Other Than Building	416,791	-	-	416,791
Infrastructure	9,619,477	-	-	9,619,477
Equipment	5,631,831	423,577	99,327	5,956,081
Total Historical Cost	<u>22,044,058</u>	<u>901,452</u>	<u>99,327</u>	<u>22,846,183</u>
Less: Accumulated Depreciation				
Buildings	2,836,901	132,603	-	2,969,504
Improvements Other Than Building	180,204	13,568	-	193,772
Infrastructure	9,544,869	6,527	-	9,551,396
Equipment	3,909,415	371,973	83,188	4,198,200
Total Acc. Depr.	<u>16,471,389</u>	<u>524,671</u>	<u>83,188</u>	<u>16,912,872</u>
Net Depreciable Assets	<u>5,572,669</u>	<u>376,781</u>	<u>16,139</u>	<u>5,933,311</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 7,239,720</u>	<u>\$ 376,781</u>	<u>\$ 16,139</u>	<u>\$ 7,600,362</u>
<u>Component Unit</u>				
Capital Assets Being Depreciated:				
Improvements	\$ 108,174	\$ -	\$ -	\$ 108,174
Equipment	176,470	-	-	176,470
Total Historical Cost	<u>284,644</u>	<u>-</u>	<u>-</u>	<u>284,644</u>
Less: Accumulated Depreciation				
Equipment	168,786	21,018	-	189,804
Total Acc. Depr.	<u>168,786</u>	<u>21,018</u>	<u>-</u>	<u>189,804</u>
Net Depreciable Assets	<u>\$ 115,858</u>	<u>\$ (21,018)</u>	<u>\$ -</u>	<u>\$ 94,840</u>

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

Depreciation expense was charged to the functions of the County as follows:

General Government	\$ 98,808
Highways and Streets	29,927
Culture and Recreation	379,848
Public Safety	16,088
	<u>\$ 524,671</u>

5. PENSION PLAN

Plan Description

Cassia County 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.

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

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 public safety. 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. Cassia County's contributions were \$1,051,225 for the year ended September 30, 2023.

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

At September 30, 2023, Cassia County 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. Cassia County's proportion of the net pension liability was based on Cassia County'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, Cassia County's proportion was 0.2035978 percent.

For the year ended September 30, 2023, Cassia County recognized pension expense (revenue) of \$2,349,682 . At September 30, 2023, Cassia County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,392,672	\$ -
Changes in assumptions or other inputs	804,538	-
Net difference between projected and actual earnings on pension plan investments	762,643	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	25,976	-
Cassia County's contributions subsequent to the measurement date	280,642	-
Total	\$ 3,266,471	\$ -

\$280,642 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, 2023.

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:

For the Year Ended September 30:	PERSI
2024	\$ 1,359,206
2025	494,640
2026	1,538,750
2027	(126,125)

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

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

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	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expense
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries

- General Employees and All Beneficiaries – Males-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, increase 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.

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

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	Sick
Fixed Income	30.0%	50.0%
US/Global Equity	55.0%	39.3%
International Equity	15.0%	10.7%
Cash	0.0%	0.0%
Total	100.0%	100.0%

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.

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)	\$ 14,612,996	\$ 8,124,916	\$ 2,822,127

Pension plan fiduciary net position

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

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

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.

6. OTHER COMMITMENTS

The County currently holds several credit cards with a combined credit limit of \$150,000. As of September 30, 2023, \$79,944 of the available credit was in use.

7. LEASE COMMITMENTS

The County has entered into long-term lease arrangements for copiers, mail machines and facility space. The terms for the equipment are for 5 years for each equipment leased. The term for the rental office space is a year-to-year lease with the option to renew each year. The county intends to lease the space for at least the next 10 years. The Minidoka Coroner Lease is a month to month. The county intends to lease the space until the new Court House is built, which should be within 4 years. The interest rates were determined using the IRS Weighted Average Interest Rate Table.

The Right-to-Use Asset was reported on the balance sheet as follows:

Right to Use Assets	\$ 315,319
Less: Accumulated Amortization	<u>(77,834)</u>
Right to Use Assets, Net	\$ 237,485

The future minimum lease payments are as follows:

Year Ended September 30,	Principle	Interest
2024	\$42,070.00	\$4,692.00
2025	38,957.00	3,801.00
2026	37,264.00	2,937.00
2027	28,584.00	2,177.00
2028	21,437.00	1,665.00
2029-3031	<u>69,174</u>	<u>2,233</u>
	<u>\$ 237,486</u>	<u>\$ 17,505</u>

Interest expenditure for the year ended September 30, 2023, totaled \$4,645.

Cassia County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

8. COMPENSATED ABSENCES

The County presently accumulates unused vacation days and compensatory time calculated on an individual basis according to an employee’s total years worked and total hours per week worked. All accumulated vacation time and compensatory time represents a potential liability to the County.

	9/30/2022	Increase	Decrease	9/30/2023	Current
Governmental Activities	<u>\$ 531,292</u>	<u>\$ 498,754</u>	<u>\$ (462,992)</u>	<u>\$ 567,054</u>	<u>\$ 567,054</u>

9. RISK MANAGEMENT

The County is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e., errors and omissions, d) environmental damage, e) worker’s compensation, i.e., employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

10. TRANSFERS

Transfers between funds were as follows:

\$ 100,000	From the ARPA Funds to the Roads Funds to cover operating expenses
1,600,000	From the ARPA Funds to the Justice Fund to cover operating expenses
110,000	From ARPA funds transferred to nonmajor funds to reimburse operating expenses
775,000	From PILT Funds to Physical Facilities to cover operating expenses
<u>4,249,245</u>	From the Jail Trust fund to Justice Fund to cover operating expenses
<u>\$ 6,834,245</u>	

11. TAX ABATEMENTS

The County entered into a property tax abatement agreement with local businesses under Idaho Code 63-602NN. Under the Idaho Code, the County granted property tax abatement per resolution 2018-029. The local business was granted an abatement of 100% of taxes on its additional investment starting in 2020 for a total of five periods (2021 at 100%, 2022 at 85%, 2023 at 85%, and 2024 at 85%.)

For the fiscal year ended September 30, 2023, the County abated taxes totaling \$207,968 for the County and \$402,366 for other taxing districts for a total of \$610,334.

REQUIRED SUPPLEMENTARY INFORMATION

Cassia County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 General Fund
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 1,705,318	\$ 1,705,318	\$ 1,677,547	\$ (27,771)
Intergovernmental	567,466	567,466	1,197,959	630,493
Grants	63,797	63,797	63,605	(192)
Charges for Services	1,872,263	1,872,263	1,621,721	(250,542)
Investment Earnings (Losses)	69,500	69,500	360,020	290,520
Other Income	804,605	804,605	852,817	48,212
Total Revenues	5,082,949	5,082,949	5,773,669	690,720
Expenditures				
General Government:				
Commissioners	289,400	289,400	274,544	14,856
Auditor	428,460	428,460	416,303	12,157
Treasurer	257,795	257,795	233,934	23,861
Assessor	547,530	559,230	562,408	(3,178)
Public Defender	1,144,590	1,144,590	1,336,251	(191,661)
Ag. Extension	266,834	266,834	255,790	11,044
Buildings	466,075	466,075	363,497	102,578
Planning and Zoning	652,175	652,175	576,042	76,133
General Government	497,925	497,925	492,234	5,691
Civil Defense	56,154	56,154	55,701	453
Elections	258,050	258,050	221,415	36,635
Information Technology	346,600	346,600	287,311	59,289
Veterans Officer	26,310	26,310	26,309	1
Total Expenditures	5,237,898	5,249,598	5,101,739	147,859
Excess (Deficiency) of Revenues Over Expenditures				
	(154,949)	(166,649)	671,930	838,579
Other Financing Sources (Uses)				
Sale of Assets	-	-	141	141
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	141	141
Net Change in Fund Balances	(154,949)	(166,649)	672,071	838,720
Fund Balances - Beginning	154,949	166,649	1,092,793	926,144
Fund Balances - Ending	\$ -	\$ -	\$ 1,764,864	\$ 1,764,864

Cassia County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Justice Fund
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 3,782,300	\$ 3,782,300	\$ 3,727,958	\$ (54,342)
Intergovernmental	786,029	786,029	730,233	(55,796)
Grants	73,153	73,153	30,239	(42,914)
Charges for Services	2,234,500	2,234,500	2,193,033	(41,467)
Investment Earnings (Losses)	9,500	9,500	14,466	4,966
Other Income	757,000	757,000	925,500	168,500
Total Revenues	<u>7,642,482</u>	<u>7,642,482</u>	<u>7,621,429</u>	<u>(21,053)</u>
Expenditures				
Public Safety:				
Discretionary Compensation	16,680	16,680	480	16,200
District Court Salaries	595,035	595,035	574,570	20,465
Juvenile Probation	275,296	275,296	275,295	1
Prosecuting Attorney	785,000	785,000	669,582	115,418
Coroner	99,505	99,505	62,460	37,045
Sheriff - County Law Enforcement	3,428,575	3,428,575	3,168,856	259,719
Criminal Justice Center	4,472,048	4,472,048	6,149,115	(1,677,067)
Juvenile Detention Center	599,066	599,066	599,066	-
Sheriff - City Law Enforcement	2,020,200	2,020,200	1,938,473	81,727
Total Expenditures	<u>12,291,405</u>	<u>12,291,405</u>	<u>13,437,897</u>	<u>(1,146,492)</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>(4,648,923)</u>	<u>(4,648,923)</u>	<u>(5,816,468)</u>	<u>(1,167,545)</u>
Other Financing Sources (Uses)				
Transfers In	4,472,048	4,472,048	5,849,245	1,377,197
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>4,472,048</u>	<u>4,472,048</u>	<u>5,849,245</u>	<u>1,377,197</u>
Net Change in Fund Balances	(176,875)	(176,875)	32,777	209,652
Fund Balances - Beginning	176,875	176,875	1,489,087	1,312,212
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,521,864</u>	<u>\$ 1,521,864</u>

Cassia County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Misdemeanor Probation
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Charges for Services	\$ 766,450	\$ 766,450	\$ 889,121	\$ 122,671
Investment Earnings (Losses)	-	-	-	-
Other Income	82,000	82,000	96,181	14,181
Total Revenues	<u>848,450</u>	<u>848,450</u>	<u>985,302</u>	<u>136,852</u>
Expenditures				
Public Safety:				
Public Safety	1,098,450	1,184,050	1,186,203	(2,153)
Total Expenditures	<u>1,098,450</u>	<u>1,184,050</u>	<u>1,186,203</u>	<u>(2,153)</u>
Net Change in Fund Balances	(250,000)	(335,600)	(200,901)	134,699
Fund Balances - Beginning	250,000	335,600	399,325	63,725
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,424</u>	<u>\$ 198,424</u>

Cassia County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 DMV Trust
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Charges for Services	\$ -	\$ -	\$ (1)	\$ (1)
Total Revenues	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Expenditures				
Public Safety:	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(1)	(1)
Fund Balances - Beginning	-	-	1,993	1,993
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,992</u>	<u>\$ 1,992</u>

Cassia County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Jail Trust
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 5,051,418	\$ 5,051,418
Grants	-	-	20,529	20,529
Charges for Services	-	-	318	318
Other Income	-	-	9,739	9,739
Total Revenues	<u>-</u>	<u>-</u>	<u>5,082,004</u>	<u>5,082,004</u>
Expenditures				
Public Safety:				
Public Safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>5,082,004</u>	<u>5,082,004</u>
Other Financing Sources (Uses)				
Transfers Out	-	-	(4,249,245)	(4,249,245)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(4,249,245)</u>	<u>(4,249,245)</u>
Net Change in Fund Balances	-	-	832,759	832,759
Fund Balances - Beginning	-	-	337,340	337,340
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,170,099</u>	<u>\$ 1,170,099</u>

Cassia County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 County Reserve
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Payment in Lieu of Taxes	\$ -	\$ -	\$ 2,735,300	\$ 2,735,300
Investment Earnings (Losses)	-	-	285,000	285,000
Other Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>3,020,300</u>	<u>3,020,300</u>
Expenditures				
General Government:	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>3,020,300</u>	<u>3,020,300</u>
Other Financing Sources (Uses)				
Transfers Out	-	-	(775,000)	(775,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(775,000)</u>	<u>(775,000)</u>
Net Change in Fund Balances	-	-	2,245,300	2,245,300
Fund Balances - Beginning	-	-	7,189,545	7,189,545
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,434,845</u>	<u>\$ 9,434,845</u>

Cassia County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 LATCF Trust
 For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grants	\$ -	\$ -	\$ 4,407,018	\$ 4,407,018
Investment Earnings (Losses)	-	-	78,099	78,099
Total Revenues	<u>-</u>	<u>-</u>	<u>4,485,117</u>	<u>4,485,117</u>
Expenditures				
General Government:	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	4,485,117	4,485,117
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,485,117</u>	<u>\$ 4,485,117</u>

Cassia County, Idaho
Notes to Required Supplementary Information
For the Year Ended September 30, 2023

1. BUDGETS AND BUDGETARY ACCOUNTING

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. Prior to September 1, the County Clerk and County Commissioners prepare a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted at the County Courthouse to obtain taxpayer comments.
- C. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- D. The County is authorized to transfer budgeted amounts between departments within any fund; however, no revision can be made to increase the overall tax supported funds except when federal or state grants are approved. The County, however, must follow the same budgetary procedures as they followed when the original budget was approved.
- E. Formal budgetary integration is employed as a management control device during the year for the General fund and Special Revenue funds.
- F. The budget for the General fund and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles.
- G. Expenditures may not legally exceed budgeted appropriations at the fund level.
- H. The County does not use the encumbrance method of accounting.

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Justice Fund reports expenditures in excess of appropriations in the amount of \$1,146,492. The excess expenditures were funded with unanticipated revenues and with fund balance carryover.

Cassia County, Idaho
Schedule of Required Supplemental Information
Public Employee Retirement System of Idaho
Last 10 - Fiscal Years*

Schedule of the County's Proportionate Share of Net Pension Liability

Year	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability	County's Covered Employee Payroll	County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.2035978%	\$ 8,124,915	\$ 8,681,880	93.58%	83.83%
2022	0.1958257%	7,713,102	8,063,978	95.65%	83.09%
2021	0.2014776%	(159,123)	7,449,940	-2.14%	100.36%
2020	0.2072814%	4,813,340	7,344,471	65.54%	88.22%
2019	0.2043448%	2,332,539	7,029,443	33.18%	93.79%
2018	0.1939016%	2,860,082	6,263,730	45.66%	91.69%
2017	0.1988750%	3,126,013	6,061,294	51.57%	90.68%
2016	0.1963557%	3,980,432	5,872,422	67.78%	87.26%
2015	0.2047823%	2,696,650	5,827,887	46.27%	91.38%

Data reported is measured as of June 30, 2023

Schedule of County Contributions

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	County's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2023	\$ 1,051,225	\$ 1,051,225	-	\$ 8,681,880	12.11%
2022	974,705	974,705	-	8,063,978	12.09%
2021	900,127	900,127	-	7,449,940	12.08%
2020	887,208	887,208	-	7,344,471	12.08%
2019	814,216	814,216	-	7,029,443	11.58%
2018	718,060	718,060	-	6,263,730	11.46%
2017	699,236	699,236	-	6,061,294	11.54%
2016	650,086	650,086	-	5,872,422	11.07%
2015	669,847	669,847	-	5,827,887	11.49%

Data reported is measured as of September 30, 2023

* 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 Cassia County will present information for those years for which information is available.

SUPPLEMENTAL INFORMATION

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2023

	County Roads	Emergency Medical Services	Ambulance Services	District Court
Assets				
Cash and Cash Equivalents	\$ 550,325	\$ 32,590	\$ 155,381	\$ 449,332
Receivables				
Taxes	9,485	-	5,857	-
Intergovernmental	-	-	9,761	-
Total Assets	\$ 559,810	\$ 32,590	\$ 170,999	\$ 449,332
Liabilities				
Vouchers Payable	\$ 23,543	\$ 1,333	\$ 22,363	\$ 3,149
Accrued Liabilities	2,301	-	-	2,363
Total Liabilities	25,844	1,333	22,363	5,512
Deferred Inflows				
Unearned Revenue - Property Taxes	9,429	-	5,491	-
Total Deferred Inflows	9,429	-	5,491	-
Fund Balances				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	524,537	31,257	143,145	443,820
Unassigned	-	-	-	-
Total Fund Balances	524,537	31,257	143,145	443,820
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 559,810	\$ 32,590	\$ 170,999	\$ 449,332

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2023
(continued)

	K-9 Expenses	911 Communication	Election Consolidation
Assets			
Cash and Cash Equivalents	\$ 16,185	\$ 787,796	\$ 298,821
Receivables			
Taxes	-	-	-
Intergovernmental	-	-	-
Total Assets	<u>\$ 16,185</u>	<u>\$ 787,796</u>	<u>\$ 298,821</u>
Liabilities			
Vouchers Payable	\$ -	\$ 80,679	\$ 4,011
Accrued Liabilities	-	-	-
Total Liabilities	<u>-</u>	<u>80,679</u>	<u>4,011</u>
Deferred Inflows			
Unearned Revenue - Property Taxes	-	-	-
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Assigned	16,185	707,117	294,810
Total Fund Balances	<u>16,185</u>	<u>707,117</u>	<u>294,810</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 16,185</u>	<u>\$ 787,796</u>	<u>\$ 298,821</u>

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2023
(continued)

	Social Services	Community College	Fair Exhibit
Assets			
Cash and Cash Equivalents	\$ 1,366,757	\$ 651,122	\$ 187,859
Receivables			
Taxes	5,363	-	6,568
Intergovernmental	-	-	11,914
Total Assets	\$ 1,372,120	\$ 651,122	\$ 206,341
Liabilities			
Vouchers Payable	\$ 22,706	\$ -	\$ 17,808
Accrued Liabilities	-	-	901
Total Liabilities	22,706	-	18,709
Deferred Inflows			
Unearned Revenue - Property Taxes	5,183	-	6,140
Total Deferred Inflows	5,183	-	6,140
Fund Balances			
Restricted	-	-	-
Committed	-	-	-
Assigned	1,344,231	651,122	181,492
Unassigned	-	-	-
Total Fund Balances	1,344,231	651,122	181,492
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 1,372,120	\$ 651,122	\$ 206,341

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2023
(continued)

	Historical Society	Revaluation	Solid Waste	Waterways
Assets				
Cash and Cash Equivalents	\$ 12,917	\$ 411,420	\$ 1,046,028	\$ 103,720
Receivables				
Taxes	954	9,107	30,332	-
Intergovernmental	1,789	16,764	-	-
Total Assets	\$ 15,660	\$ 437,291	\$ 1,076,360	\$ 103,720
Liabilities				
Vouchers Payable	\$ -	\$ 3,770	\$ -	\$ 3,723
Accrued Liabilities	-	4,429	-	-
Total Liabilities	-	8,199	-	3,723
Deferred Inflows				
Unearned Revenue - Property Taxes	891	8,512	29,484	-
Total Deferred Inflows	891	8,512	29,484	-
Fund Balances				
Assigned	14,769	420,580	1,046,876	99,997
Total Fund Balances	14,769	420,580	1,046,876	99,997
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 15,660	\$ 437,291	\$ 1,076,360	\$ 103,720

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2023
(continued)

	Warrant Redemption	Weed & Pest	Snowmobile Licenses	Physical Facilities
Assets				
Cash and Cash Equivalents	\$ 2,737	\$ 441,877	\$ 138,042	\$ 40,346
Receivables				
Taxes	-	9,722	-	-
Intergovernmental	-	9,974	-	-
Total Assets	\$ 2,737	\$ 461,573	\$ 138,042	\$ 40,346
Liabilities				
Vouchers Payable	\$ -	\$ 42,702	\$ 2,822	\$ 28,728
Accrued Liabilities	-	3,284	-	-
Total Liabilities	-	45,986	2,822	28,728
Deferred Inflows				
Unearned Revenue - Property Taxes	-	9,352	-	-
Total Deferred Inflows	-	9,352	-	-
Fund Balances				
Assigned	2,737	406,235	135,220	11,618
Total Fund Balances	2,737	406,235	135,220	11,618
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 2,737	\$ 461,573	\$ 138,042	\$ 40,346

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2023
(continued)

	Magistrate	Preventative Health	Court Facilitator	Grant MGMT Trust
Assets				
Cash and Cash Equivalents	\$ 543,757	\$ 98,088	\$ 84,215	\$ 22,241
Receivables				
Taxes	-	6,124	-	-
Intergovernmental	-	12,096	-	-
Total Assets	<u>\$ 543,757</u>	<u>\$ 116,308</u>	<u>\$ 84,215</u>	<u>\$ 22,241</u>
Liabilities				
Vouchers Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows				
Unearned Revenue - Property Taxes	-	5,707	-	-
Total Deferred Inflows	<u>-</u>	<u>5,707</u>	<u>-</u>	<u>-</u>
Fund Balances				
Assigned	543,757	110,601	84,215	22,241
Total Fund Balances	<u>543,757</u>	<u>110,601</u>	<u>84,215</u>	<u>22,241</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 543,757</u>	<u>\$ 116,308</u>	<u>\$ 84,215</u>	<u>\$ 22,241</u>

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2023
(continued)

	ARPA Trust	OPIOD Settlement	DARE Trust	Invasive Species	Public Defender Trust
Assets					
Cash and Cash Equivalents	\$ 572,737	\$ 79,999	\$ 675	\$ 6,959	\$ 387,749
Receivables					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Total Assets	\$ 572,737	\$ 79,999	\$ 675	\$ 6,959	\$ 387,749
Liabilities					
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Deferred Inflows					
Unearned Revenue - Property Taxes	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-
Fund Balances					
Assigned	572,737	79,999	675	6,959	387,749
Total Fund Balances	572,737	79,999	675	6,959	387,749
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 572,737	\$ 79,999	\$ 675	\$ 6,959	\$ 387,749

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2023
(continued)

	Narcotics Seized Assets Fund	Court Interlock Fund	Widow's Benefit Fund	Total Nonmajor Special Revenue Funds
Assets				
Cash and Cash Equivalents	\$ 62,597	\$ 18,951	\$ 13,129	\$ 8,584,352
Receivables				
Taxes	-	-	-	83,512
Intergovernmental	-	-	-	62,298
Total Assets	<u>\$ 62,597</u>	<u>\$ 18,951</u>	<u>\$ 13,129</u>	<u>\$ 8,730,162</u>
Liabilities				
Vouchers Payable	\$ -	\$ 78	\$ -	257,415
Accrued Liabilities	-	-	-	13,278
Total Liabilities	<u>-</u>	<u>78</u>	<u>-</u>	<u>270,693</u>
Deferred Inflows				-
Unearned Revenue - Property Taxes	-	-	-	80,189
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,189</u>
Fund Balances				
Assigned	62,597	18,873	13,129	8,379,281
Total Fund Balances	<u>62,597</u>	<u>18,873</u>	<u>13,129</u>	<u>8,379,281</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 62,597</u>	<u>\$ 18,951</u>	<u>\$ 13,129</u>	<u>\$ 8,730,162</u>

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2023

	County Roads	Emergency Medical Services	Ambulance Services	District Court
Revenues				
Property Taxes	\$ 61,278	\$ -	\$ 219,347	\$ 19
Intergovernmental	345,724	-	38,548	283
Grants	205,875	-	-	-
Charges for Services	4,470	8,060	-	241,066
Investment Earnings (Losses)	1,616	-	898	6
Other Income	14,163	-	8,442	440
Total Revenues	<u>633,126</u>	<u>8,060</u>	<u>267,235</u>	<u>241,814</u>
Expenditures				
Current:				
General Government	-	-	-	-
Indigent Assistance	-	-	-	-
Highways and Roads	500,089	-	-	-
Public Safety	-	9,500	262,596	286,473
Other Public Services	-	-	-	-
Culture and Recreation	-	-	-	-
Health	-	-	-	-
Total Expenditures	<u>500,089</u>	<u>9,500</u>	<u>262,596</u>	<u>286,473</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>133,037</u>	<u>(1,440)</u>	<u>4,639</u>	<u>(44,659)</u>
Other Financing Sources (Uses)				
Sale of Assets	-	-	-	-
Transfers In	100,000	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	233,037	(1,440)	4,639	(44,659)
Fund Balance - Beginning	291,500	32,697	138,506	488,479
Fund Balances - Ending	<u>\$ 524,537</u>	<u>\$ 31,257</u>	<u>\$ 143,145</u>	<u>\$ 443,820</u>

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2023
(continued)

	K-9 Expenses	911 Communication	Election Consolidation
Revenues			
Property Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	94,625
Grants	11,793	-	-
Charges for Services	-	245,759	-
Investment Earnings (Losses)	-	20,439	-
Other Income	-	20,755	2,650
Total Revenues	<u>11,793</u>	<u>286,953</u>	<u>97,275</u>
Expenditures			
Current:			
General Government	-	-	141,979
Indigent Assistance	-	-	-
Highways and Roads	-	-	-
Public Safety	-	245,060	-
Other Public Services	-	-	-
Culture and Recreation	-	-	-
Health	-	-	-
Total Expenditures	<u>-</u>	<u>245,060</u>	<u>141,979</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,793</u>	<u>41,893</u>	<u>(44,704)</u>
Other Financing Sources (Uses)			
Sale of Assets	-	-	-
Transfers In	-	-	110,000
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>110,000</u>
Net Change in Fund Balances	11,793	41,893	65,296
Fund Balance - Beginning	4,392	665,224	229,514
Fund Balances - Ending	<u>\$ 16,185</u>	<u>\$ 707,117</u>	<u>\$ 294,810</u>

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2023
(continued)

	Social Services	Community College	Fair Exhibit
Revenues			
Property Taxes	\$ 9,188	\$ 19	\$ 266,598
Intergovernmental	96,671	152,747	48,618
Grants	-	-	-
Charges for Services	-	450	-
Investment Earnings (Losses)	2,230	6	805
Other Income	1,800	-	10,301
Total Revenues	<u>109,889</u>	<u>153,222</u>	<u>326,322</u>
Expenditures			
Current:			
General Government	6,419	-	-
Indigent Assistance	345,905	-	-
Highways and Roads	-	-	-
Public Safety	-	-	-
Other Public Services	-	153,000	-
Culture and Recreation	-	-	229,734
Health	-	-	-
Total Expenditures	<u>352,324</u>	<u>153,000</u>	<u>229,734</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(242,435)</u>	<u>222</u>	<u>96,588</u>
Other Financing Sources (Uses)			
Sale of Assets	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(242,435)	222	96,588
Fund Balance - Beginning	1,586,666	650,900	84,905
Fund Balances - Ending	<u>\$ 1,344,231</u>	<u>\$ 651,122</u>	<u>\$ 181,493</u>

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2023
(continued)

	Historical Society	Revaluation	Solid Waste	Waterways
Revenues				
Property Taxes	\$ 39,705	\$ 375,460	\$ 739,789	\$ -
Intergovernmental	7,509	71,145	-	-
Grants	-	-	-	11,293
Charges for Services	-	-	141,645	33,225
Investment Earnings (Losses)	121	1,279	5,219	-
Other Income	1,536	14,505	-	-
Total Revenues	<u>48,871</u>	<u>462,389</u>	<u>886,653</u>	<u>44,518</u>
Expenditures				
Current:				
General Government	-	391,304	-	-
Indigent Assistance	-	-	-	-
Highways and Roads	-	-	-	-
Public Safety	-	-	-	38,714
Other Public Services	-	-	858,690	-
Culture and Recreation	45,000	-	-	-
Health	-	-	-	-
Total Expenditures	<u>45,000</u>	<u>391,304</u>	<u>858,690</u>	<u>38,714</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,871</u>	<u>71,085</u>	<u>27,963</u>	<u>5,804</u>
Other Financing Sources (Uses)				
Sale of Assets	-	13,000	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,871	84,085	27,963	5,804
Fund Balance - Beginning	10,898	336,495	1,018,913	94,193
Fund Balances - Ending	<u>\$ 14,769</u>	<u>\$ 420,580</u>	<u>\$ 1,046,876</u>	<u>\$ 99,997</u>

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2023
(continued)

	Warrant Redemption	Weed & Pest	Snowmobile Licenses	Physical Facilities
Revenues				
Property Taxes	\$ -	\$ 223,451	\$ -	\$ -
Intergovernmental	-	39,000	-	-
Grants	-	60,000	-	-
Charges for Services	-	6,460	34,975	6,050
Investment Earnings (Losses)	-	536	-	-
Other Income	-	74,523	22	45,575
Total Revenues	<u>-</u>	<u>403,970</u>	<u>34,997</u>	<u>51,625</u>
Expenditures				
Current:				
General Government	-	-	-	831,106
Indigent Assistance	-	-	-	-
Highways and Roads	-	-	-	-
Public Safety	-	-	-	-
Other Public Services	-	364,295	-	-
Culture and Recreation	-	-	26,632	-
Health	-	-	-	-
Total Expenditures	<u>-</u>	<u>364,295</u>	<u>26,632</u>	<u>831,106</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>39,675</u>	<u>8,365</u>	<u>(779,481)</u>
Other Financing Sources (Uses)				
Sale of Assets	-	69	-	-
Transfers In	-	-	-	775,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>69</u>	<u>-</u>	<u>775,000</u>
Net Change in Fund Balances	-	39,744	8,365	(4,481)
Fund Balance - Beginning	2,737	366,491	126,855	16,099
Fund Balances - Ending	<u>\$ 2,737</u>	<u>\$ 406,235</u>	<u>\$ 135,220</u>	<u>\$ 11,618</u>

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2023
(continued)

	Magistrate Fund	Preventative Health	Court Faciliator	Grant MGMT Trust
Revenues				
Property Taxes	\$ -	\$ 269,369	\$ -	\$ -
Intergovernmental	139,490	47,934	-	-
Grants	-	-	-	-
Charges for Services	40,773	-	8,950	-
Investment Earnings (Losses)	-	499	-	-
Other Income	-	10,449	-	-
Total Revenues	<u>180,263</u>	<u>328,251</u>	<u>8,950</u>	<u>-</u>
Expenditures				
Current:				
General Government	-	-	-	-
Indigent Assistance	-	-	-	-
Highways and Roads	-	-	-	-
Public Safety	-	-	-	-
Other Public Services	-	-	-	-
Culture and Recreation	-	-	-	-
Health	-	293,688	-	-
Total Expenditures	<u>-</u>	<u>293,688</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>180,263</u>	<u>34,563</u>	<u>8,950</u>	<u>-</u>
Other Financing Sources (Uses)				
Sale of Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	180,263	34,563	8,950	-
Fund Balance - Beginning	363,494	76,038	75,265	22,241
Fund Balances - Ending	<u>\$ 543,757</u>	<u>\$ 110,601</u>	<u>\$ 84,215</u>	<u>\$ 22,241</u>

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2023
(continued)

	ARPA Trust	OPIOD Settlement	DARE Trust	Invasive Species	Public Defender Trust
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,333,773	57,643	-	-	841,527
Grants	-	-	-	-	-
Charges for Services	-	-	-	-	-
Investment Earnings (Losses)	82,519	-	-	-	-
Other Income	-	-	-	-	27
Total Revenues	<u>2,416,292</u>	<u>57,643</u>	<u>-</u>	<u>-</u>	<u>841,554</u>
Expenditures					
Current:					
General Government	212,225	-	-	-	-
Indigent Assistance	-	-	-	-	-
Highways and Roads	-	-	-	-	-
Public Safety	-	-	-	-	903,124
Other Public Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Health	-	-	-	-	-
Total Expenditures	<u>212,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>903,124</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,204,067</u>	<u>57,643</u>	<u>-</u>	<u>-</u>	<u>(61,570)</u>
Other Financing Sources (Uses)					
Sale of Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	(1,810,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(1,810,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	394,067	57,643	-	-	(61,570)
Fund Balance - Beginning	178,670	22,356	675	6,959	449,319
Fund Balances - Ending	<u>\$ 572,737</u>	<u>\$ 79,999</u>	<u>\$ 675</u>	<u>\$ 6,959</u>	<u>\$ 387,749</u>

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2023
(continued)

	Narcotics Seized Assets Fund	Court Interlock Fund	Widow's Benefit Fund	Total Nonmajor Special Revenue Funds
Revenues				
Property Taxes	\$ -	\$ -	\$ -	\$ 2,204,223
Intergovernmental	-	-	-	4,315,237
Grants	-	-	-	288,961
Charges for Services	27,130	2,542	-	801,555
Investment Earnings (Losses)	-	-	980	117,153
Other Income	5,465	-	17,104	227,757
Total Revenues	<u>32,595</u>	<u>2,542</u>	<u>18,084</u>	<u>7,954,886</u>
Expenditures				
Current:				
General Government	-	-	-	1,583,033
Indigent Assistance	-	-	17,579	363,484
Highways and Roads	-	-	-	500,089
Public Safety	69,044	2,675	-	1,817,186
Other Public Services	-	-	-	1,375,985
Culture and Recreation	-	-	-	301,366
Health	-	-	-	293,688
Total Expenditures	<u>69,044</u>	<u>2,675</u>	<u>17,579</u>	<u>6,234,831</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(36,449)</u>	<u>(133)</u>	<u>505</u>	<u>1,720,055</u>
Other Financing Sources (Uses)				
Sale of Assets	-	-	-	13,069
Transfers In	-	-	-	985,000
Transfers Out	-	-	-	(1,810,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(811,931)</u>
Net Change in Fund Balances	(36,449)	(133)	505	908,124
Fund Balance - Beginning	99,046	19,006	12,624	7,471,157
Fund Balances - Ending	<u>\$ 62,597</u>	<u>\$ 18,873</u>	<u>\$ 13,129</u>	<u>\$ 8,379,281</u>

Cassia County, Idaho
Combining Statement of Fiduciary Net Position - Custodial Funds
For the Year Ended September 30, 2023

	Custodial Funds		
	Held for Other Governments	Taxing District Funds	Total Custodial Funds
Assets			
Cash and Investments	\$ 225,243	\$ 30,742	\$ 255,985
Property Taxes Receivable	-	408,800	408,800
Total Assets	225,243	439,542	664,785
Liabilities			
Vouchers Payable	224,055	30,425	254,480
Total Liabilities	224,055	30,425	254,480
Net Position			
Restricted for:			
Individuals, Organizations, and other Governments	1,188	409,117	410,305
Total Net Position	\$ 1,188	\$ 409,117	\$ 410,305

Cassia County, Idaho
Combining Statement of Changes in Fiduciary Net Position -
Custodial Funds
For the Year Ended September 30, 2023

	Custodial Funds		
	Held for Other Governments	Taxing District Funds	Total Custodial Funds
Additions:			
Fees collected for other governments	\$ 2,941,186	\$ -	\$ 2,941,186
Property taxes collected for other governments	-	21,138,841	21,138,841
Total Additions	2,941,186	21,138,841	24,080,027
Deductions			
Fees distributed to other governments	2,941,169	-	2,941,169
Taxes distributed to other governments	-	21,093,227	21,093,227
Total Deductions	2,941,169	21,093,227	24,034,396
Change in Net Position	17	45,614	45,631
Net Position - Beginning	1,171	363,503	364,674
Net Position - Ending	\$ 1,188	\$ 409,117	\$ 410,305

Cassia County, Idaho
Combining Statement of Fiduciary Net Position -
Private Purpose Trust Funds
For the Year Ended September 30, 2023

	Private - Purpose Trust Fund				
	Idaho Sheriff's Assoc.	Auditor's Trust	Law Enforcement Trust	Court Trust Odyssey	Total Private - Purpose Trust Funds
Assets					
Cash and Investments	\$ 80	\$ 220,547	\$ 10,394	\$ 300,992	\$ 532,013
Total Assets	80	220,547	10,394	300,992	532,013
Liabilities					
Vouchers Payable	80	-	-	124,203	124,283
Total Liabilities	80	-	-	124,203	124,283
Net Position					
Restricted for:					
Individuals, Organizations, and other Governments	-	220,547	10,394	176,789	407,730
Total Net Position	\$ -	\$ 220,547	\$ 10,394	\$ 176,789	\$ 407,730

Cassia County, Idaho
Combining Statement of Changes in Fiduciary Net Position -
Private Purpose Trust Funds
For the Year Ended September 30, 2023

	Private - Purpose Trust Fund				
	Idaho Sheriff's Assoc.	Auditor's Trust	Law Enforcement Trust	Court Trust Odyssey	Total Private - Purpose Trust Funds
Additions:					
Contributions	\$ -	\$ 220,547	\$ -	\$ 235,420	\$ 455,967
Total Additions	-	220,547	-	235,420	455,967
Deductions					
Distributions of Funds	-	-	-	58,678	58,678
Total Deductions	-	-	-	58,678	58,678
Change in Net Position	-	220,547	-	176,742	397,289
Net Position - Beginning	-	-	10,394	47	10,441
Net Position - Ending	\$ -	\$ 220,547	\$ 10,394	\$ 176,789	\$ 407,730

FEDERAL REPORTS

Cassia County, Idaho
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Forest Service Schools and Roads Cluster			
School and Roads - Grants to Counties	10.666		\$ 15,861
Total Forest Service Schools and Roads Cluster			<u>15,861</u>
Total U.S. Department of Agriculture			<u>15,861</u>
<u>U.S. Department of Interior</u>			
Payment in Lieu of Taxes	15.226		2,732,485
Bureau of Land Management - Noxious Weeds	15.230		60,000
Total U.S. Department of Interior			<u>2,792,485</u>
<u>U.S. Department of Justice</u>			
State Criminal Alien Assistance Program	16.606		20,529
Total U.S. Department of Justice			<u>20,529</u>
<u>US Department of Transportation</u>			
Passed Through Idaho Transportation Department			
Highway Safety Cluster			
State & Community Highway Safety	20.600		12,308
Total Highway Safety Cluster			<u>12,308</u>
Total U. S. Department of Transportation			<u>12,308</u>
<u>U.S. Department of Treasury</u>			
Passed Through Idaho Controller's Office			
Coronavirus State & Local fiscal Recovery Funds	21.027		2,022,225
Total U.S. Department of Justice			<u>2,022,225</u>
<u>U.S. Department of Homeland Security</u>			
Passed Through Military Division			
Emergency Management Performance Grants	97.042	EMS2021EP00006	22,538
Homeland Security Grant Program	97.067	EMW2021SS0070	10,755
Total U.S. Department of Homeland Security			<u>33,293</u>
Total Federal Financial Assistance Expended			<u>\$ 4,896,701</u>

Cassia County, Idaho
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Cassia County, Idaho under programs of the Federal Government for the year ended September 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Cassia County, Idaho, it is not intended to and does not present the financial position or changes in Net Position of Cassia County, Idaho.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COST RATE

Cassia County, Idaho has not elected to use the 10-percent de minimis indirect cost rate.



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

Board of Commissioners
Cassia County
Burley, 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 governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cassia County, Idaho, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Cassia County, Idaho's basic financial statements and have issued our report thereon dated April 18, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cassia County, Idaho's internal control over financial reporting (internal control) to determine the 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 Cassia County, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of Cassia County, Idaho'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cassia County, Idaho'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 determination of financial statement amounts. 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.

Zwyzart John & Associates CPAS, PLLC

Nampa, Idaho
April 18, 2024



**Independent Auditor's Report on Compliance for Each
Major Program and on Internal Control Over Compliance
Required by Uniform Guidance**

Board of Commissioners
Cassia County
Burly, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cassia County, Idaho's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Cassia County Idaho's major federal programs for the year ended September 30, 2023. Cassia County, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cassia County, Idaho complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cassia County, Idaho and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cassia County, Idaho's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cassia County, Idaho's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cassia County, Idaho's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cassia County, Idaho's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Cassia County, Idaho's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cassia County, Idaho's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cassia County, Idaho's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Zwysart John & Associates CPAS, PLLC

Nampa, Idaho
April 18, 2024

Cassia County, Idaho
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Government Wide: Qualified
Fund Statements : Unmodified

Internal control over financial reporting:

Significant deficiency(ies) disclosed? yes none reported
Material weakness(es) disclosed? yes none reported
Noncompliance material to financial
statements noted? yes no

Federal Awards

Internal control over major programs:

Significant deficiencies disclosed? yes none reported
Material weaknesses disclosed? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with 2CFR
SECTION 200.516(A)?

yes no

Identification of major programs:

Federal Assistance Listing Numbers

Name of Federal Program

15.226
21.027

Payment in Lieu of Taxes
Coronavirus State & Local Fiscal
Recovery Funds

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

Cassia County, Idaho
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2023

Section II - Financial Statement Findings

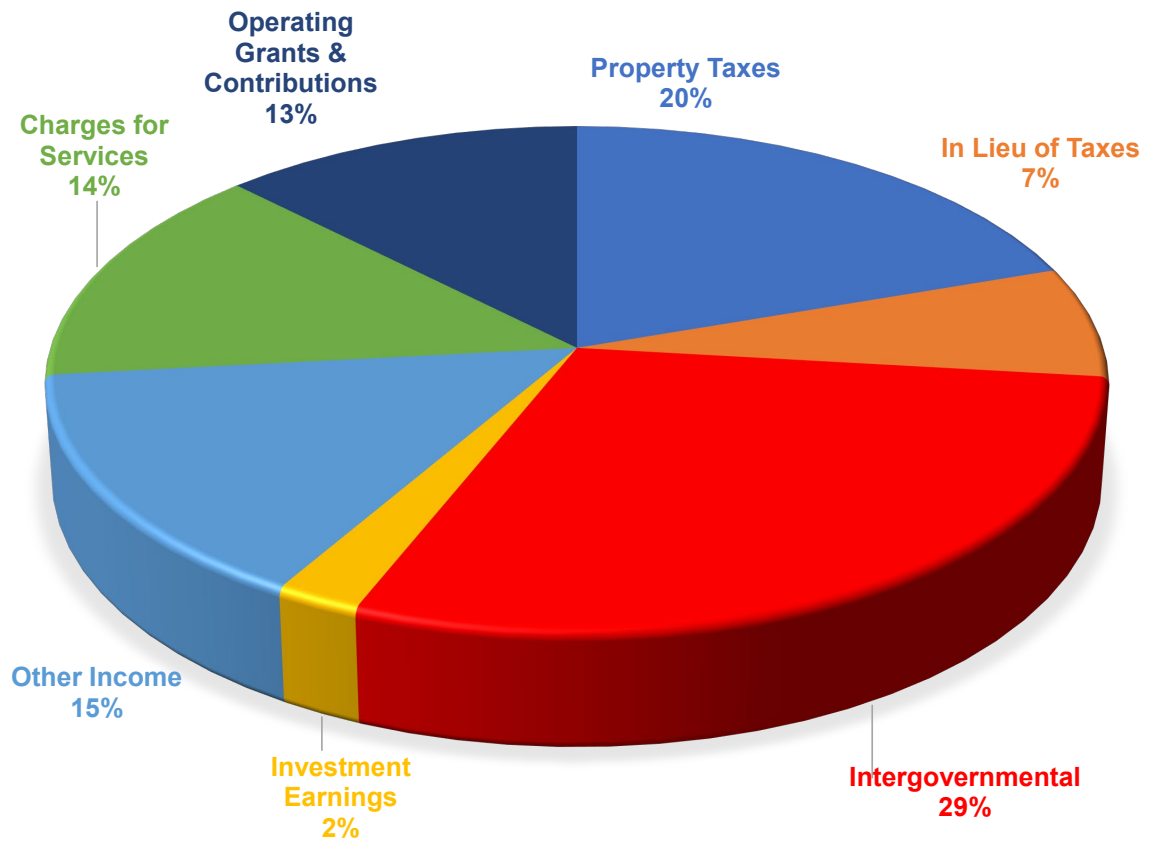
No Matters Reported

Section III - Findings and Questioned Costs for Federal Awards

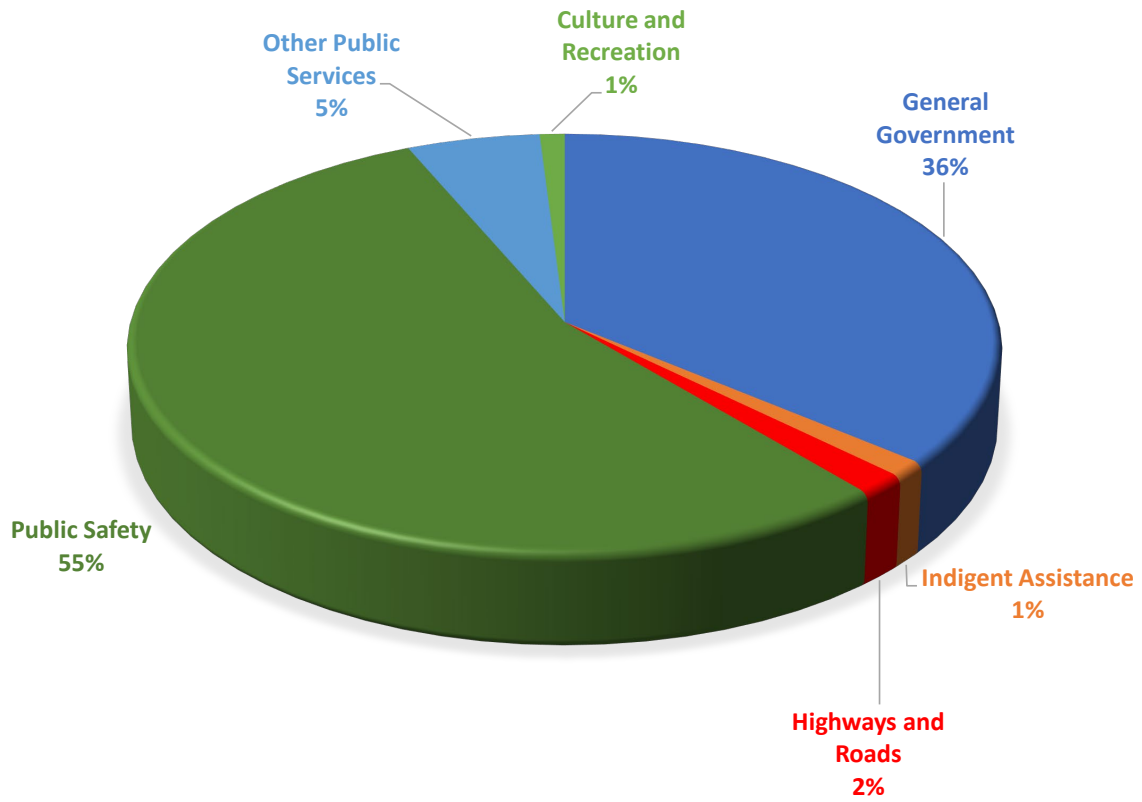
No Matters Reported

GRAPHS

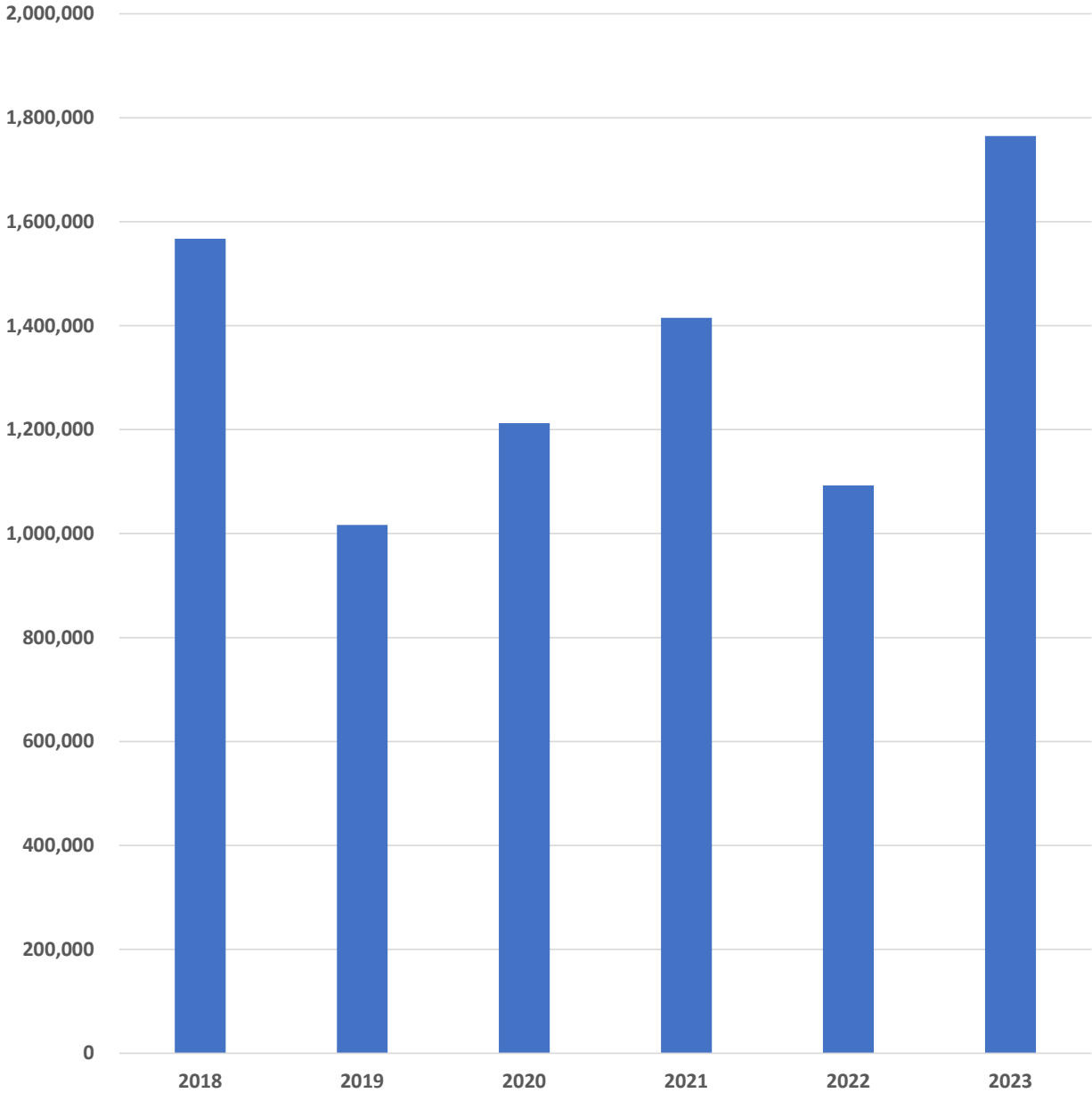
CASSIA COUNTY REVENUE



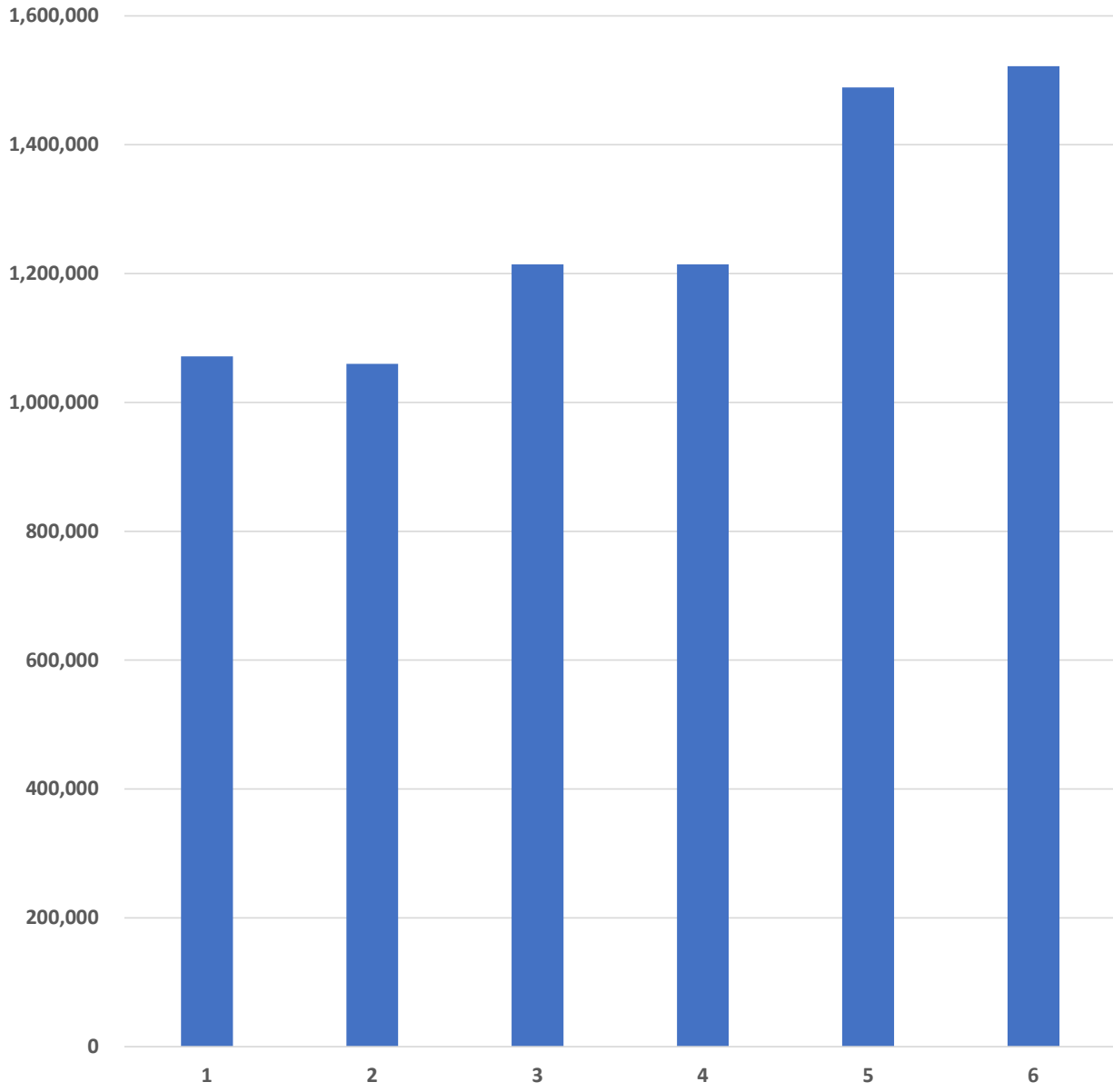
CASSIA COUNTY EXPENDITURES



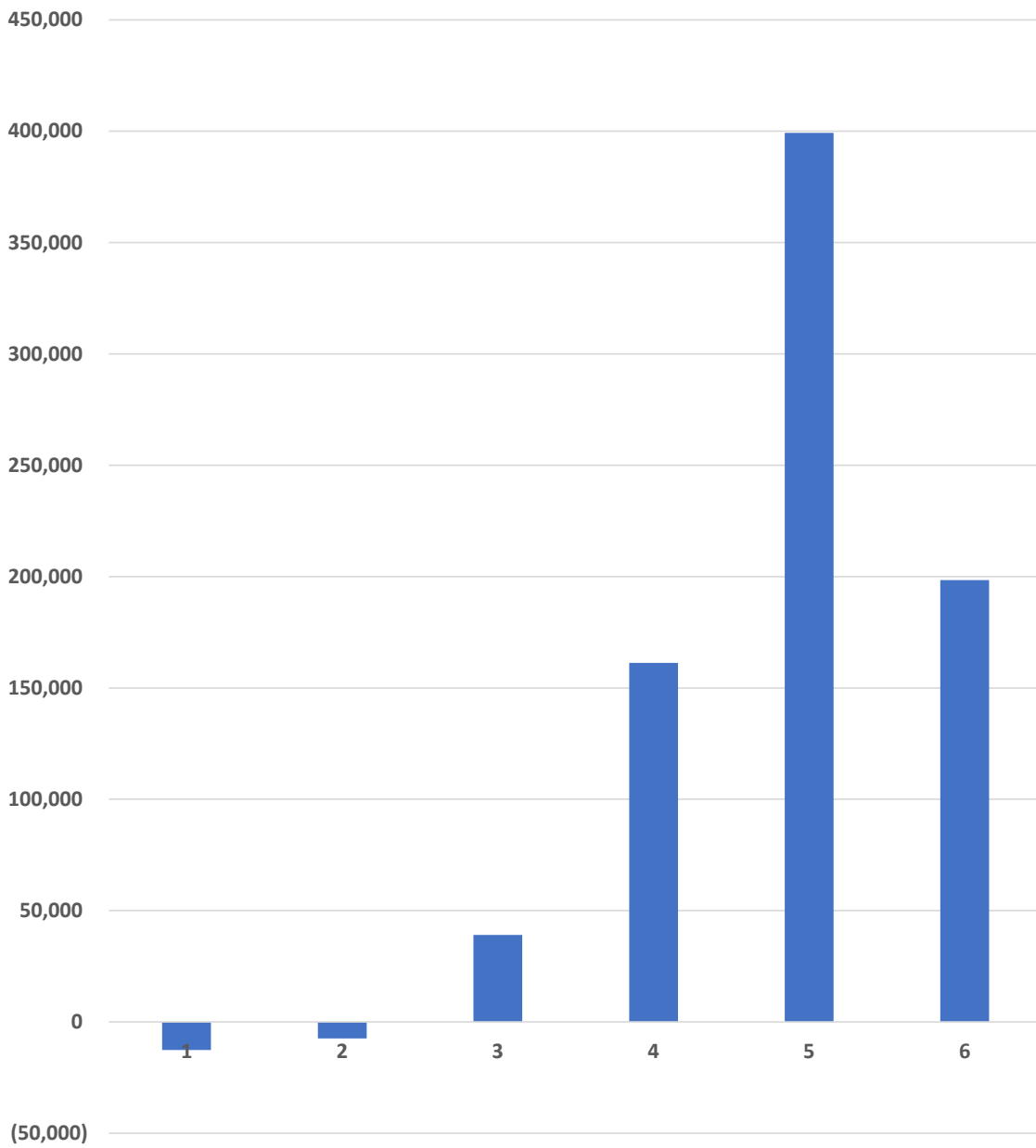
General Fund Balance



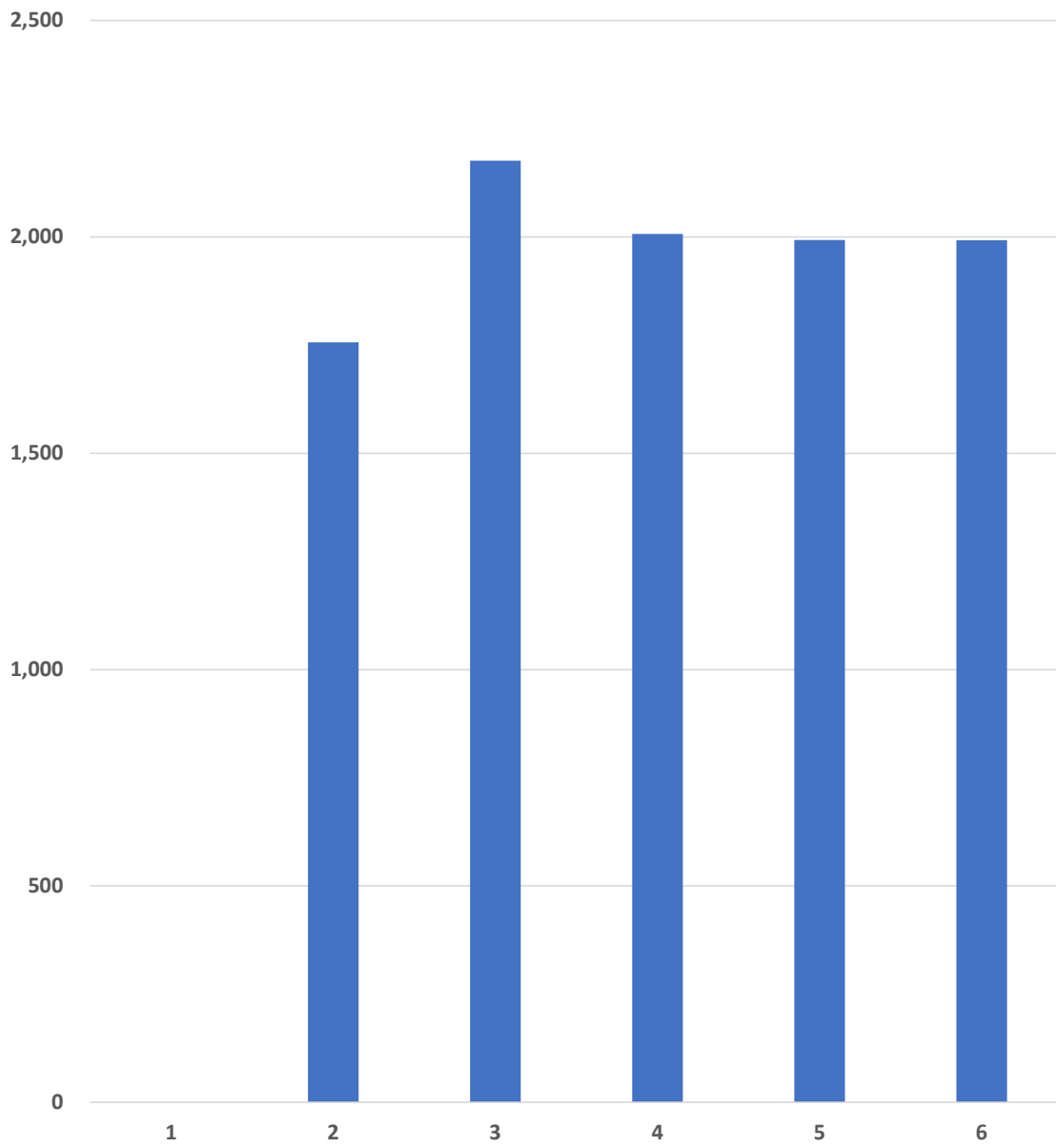
Justice Fund Balance



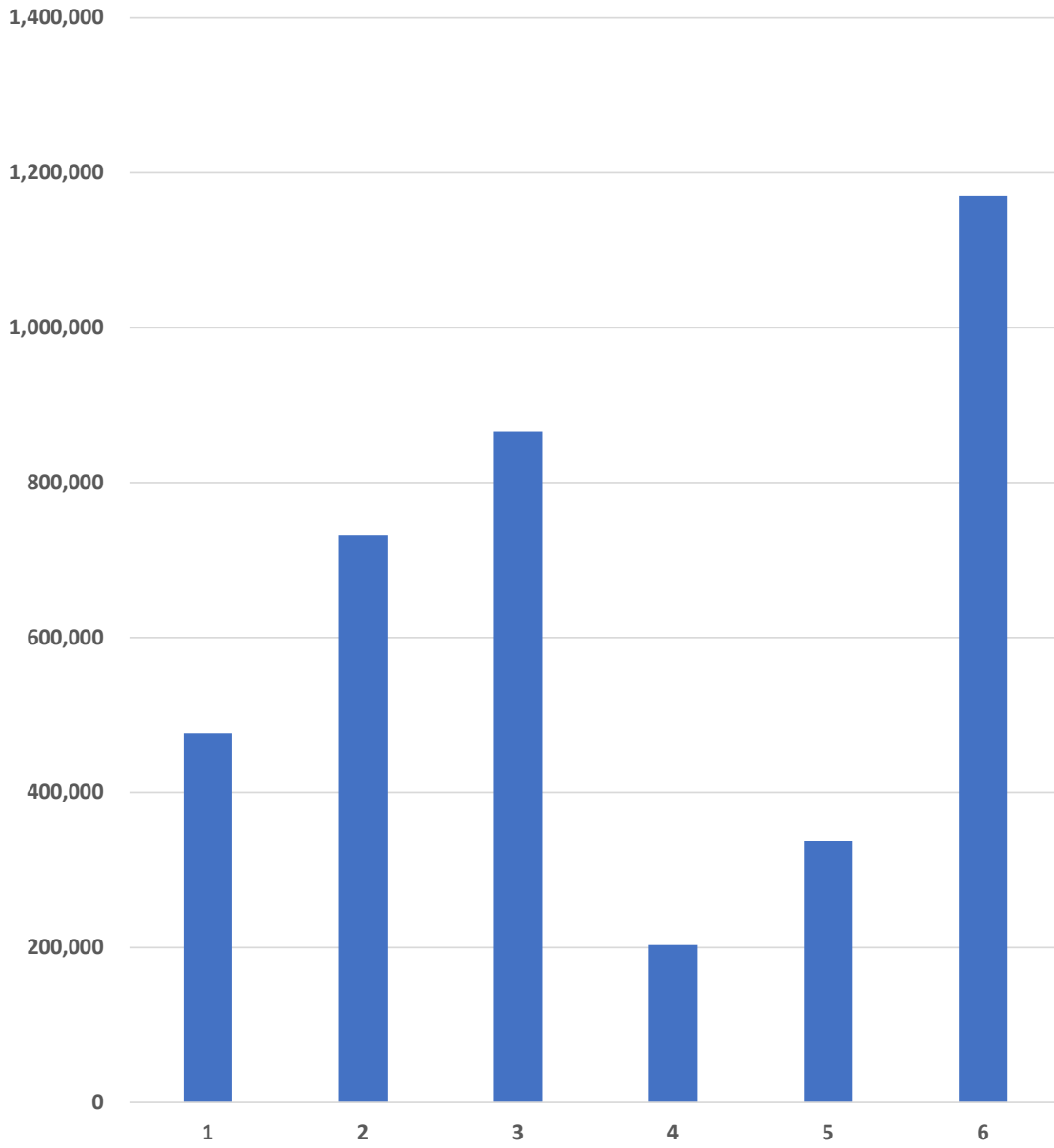
Misdemeanor Probation Fund Balance



DMV Trust Fund Balance



Jail Trust Fund Balance



County Rerve (PILT) Fund Balance

