GEM COUNTY, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2023

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Independent Auditor's Report

Board of Commissioners
Gem County, Idaho
Emmett, Idaho

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gem County, Idaho, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Gem 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gem 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 GAAS 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 GAAS 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 Gem 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 Gem 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 budgetary comparison information, Schedule of County's Proportionate Share of Net Pension Liability, Schedule of County Contributions, and Schedule of Changes in Net OPEB Liability and Related Ratios are presented on pages 44 to 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gem County, Idaho's basic financial statements. The schedules of revenues by source, expenditures by object, the combining nonmajor fund financial statements *and* schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues by source, expenditures by object, the combining nonmajor fund financial statements and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 1, 2024 on our consideration of Gem 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Gem County, Idaho's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Gem County, Idaho's internal control over financial reporting and compliance.

Zwygart John and Associates, PLLC

Nampa, Idaho
April 1, 2024

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

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and Investments	$ 20,201,920	$ 995,694	$ 21,197,614	$ 97,491
Receivables, Net:				
Taxes and Special Fees	210,958	2	210,960	-
Interest	72,125	-	72,125	-
Accounts	-	88,296	88,296	-
Inventory	42,185	-	42,185	-
Due From Other Governments	504,209	-	504,209	-
Capital Assets:				
Land	3,864,753	-	3,864,753	17,850
Construction in Progress	144,257	-	144,257	-
Depreciable Buildings, Property, and Equipment, Net	7,033,641	572,865	7,606,506	95,810
Right to Use Assets	519,448	-	519,448	-
Total Capital Assets	11,562,099	572,865	12,134,964	113,660
Total Assets	32,593,496	1,656,857	34,250,353	211,151
Deferred Outflows				
Pension Related Items	2,092,875	-	2,092,875	-
OPEB Related Items	26,067	-	26,067	-
Total Deferred Outflows	2,118,942	-	2,118,942	-
Liabilities				
Accounts Payable and Other Current Liabilities	1,055,061	41,210	1,096,271	13,501
Salaries and Benefits Payable	848,872	-	848,872	-
Accrued Interest	10,299	-	10,299	-
Long-Term Liabilities:				
Due Within One Year:				
Compensated Absences	232,050	-	232,050	-
Lease	364,171	-	364,171	-
Due in More Than One Year:				
Other Post-Employment Benefits	327,781	-	327,781	-
Municipal Leases	515,093	-	515,093	-
Net Pension Liability	5,261,864	-	5,261,864	
Total Liabilities	8,615,191	41,210	8,656,401	13,501
Deferred Inflows				
OPEB Related Items	16,712	-	16,712	-
Total Deferred Inflows	16,712	-	16,712	-
Net Position				
Invested in Capital Assets, Net of Related Debt	11,047,006	572,865	11,619,871	113,660
Restricted	10,797,214	-	10,797,214	-
Unrestricted (Deficit) Surplus	4,236,315	1,042,782	5,279,097	83,990
Total Net Position	$ 26,080,535	$ 1,615,647	$ 27,696,182	$ 197,650

The accompanying notes are an integral part of the financial statements.

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total Primary Government	Component Units
Primary Government:								
Governmental Activities:								
General Government	$ 4,917,463	$ 766,136	$ 718,144	$ -	$ (3,433,183)	$ -	$ (3,433,183)	
Public Protection	4,539,421	538,301	33,468	-	(3,967,652)	-	(3,967,652)	
Public Assistance	467,449	-	50,984	-	(416,465)	-	(416,465)	
Health and Sanitation	1,246,558	211,980	-	-	(1,034,578)	-	(1,034,578)	
Public Ways and Facilities	3,372,153	74,215	-	-	(3,297,938)	-	(3,297,938)	
Culture and Recreation	388,986	7,770	20,000	-	(361,216)	-	(361,216)	
Impact Fees	-	283,125	-	-	283,125	-	283,125	
Interest on Long-Term Debt	19,266	-	-	-	(19,266)	-	(19,266)	
Total Governmental Activities	14,951,296	1,881,527	822,596	-	(12,247,173)	-	(12,247,173)	
Business-type Activities:								
Ambulance Service	855,299	868,387	-	-	-	13,088	13,088	
Total Business-type Activities	855,299	868,387	-	-	-	13,088	13,088	
Total Primary Government	$ 15,806,595	$ 2,749,914	$ 822,596	$ -	(12,247,173)	13,088	(12,234,085)	
Component Units:								
Fair Board	$ 271,881	$ 151,673	$ -	$ -				$ (120,208)
Total Component Units	$ 271,881	$ 151,673	$ -	$ -				(120,208)
General Revenues:								
Property Taxes					7,039,812	-	7,039,812	-
Intergovernmental					6,037,754	-	6,037,754	75,500
Other					687,654	24,635	712,289	71,167
Unrestricted Investment Earnings					576,502	-	576,502	1,070
Disposal of Assets					(1,960)	-	(1,960)	-
Total General Revenues and Special Items					14,339,762	24,635	14,364,397	147,737
Unrealized Gain (Loss) on Investments					71,077	-	71,077	-
Change in Net Position					2,163,666	37,723	2,201,389	27,529
Net Assets, Beginning					23,916,869	1,577,924	25,494,793	170,121
Net Assets, Ending					$ 26,080,535	$ 1,615,647	$ 27,696,182	$ 197,650

The accompanying notes are an integral part of the financial statements.

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

	General	Road and Bridge	Justice
Assets			
Cash and Investments	$ 7,759,552	$ 3,946,362	$ 2,265,265
Receivables, Net:			
Taxes and Special Fees	63,117	15,878	58,525
Interest	72,125	-	-
Inventory	-	-	-
Due From Other Governments	269,313	-	234,896
Total Assets	$ 8,164,107	$ 3,962,240	$ 2,558,686
Liabilities			
Warrants and Accounts Payable	$ 157,690	$ 650,889	$ 60,074
Salaries and Benefits Payable	204,744	81,820	336,326
Total Liabilities	362,434	732,709	396,400
Deferred Inflows			
Unearned Revenue - Property Taxes and Special Fees	57,200	14,488	53,271
Total Deferred Inflows	57,200	14,488	53,271
Fund Balances			
Restricted	-	3,215,043	2,109,015
Unassigned	7,744,473	-	-
Total Fund Balances	7,744,473	3,215,043	2,109,015
Total Liabilities, Deferred Inflows, and Fund Balances	$ 8,164,107	$ 3,962,240	$ 2,558,686

The accompanying notes are an integral part of the financial statements.

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

	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and Investments	$ 632,990	$ 5,144,754	$ 19,748,923
Receivables, Net:			
Taxes and Special Fees	27,835	45,603	210,958
Interest	-	-	72,125
Inventory	-	42,185	42,185
Due From Other Governments	-	-	504,209
Total Assets	$ 660,825	$ 5,232,542	$ 20,578,400
Liabilities			
Warrants and Accounts Payable	$ 45,665	$ 140,743	$ 1,055,061
Salaries and Benefits Payable	54,706	111,452	789,048
Total Liabilities	100,371	252,195	1,844,109
Deferred Inflows			
Unearned Revenue - Property Taxes and Special Fees	25,962	41,683	192,604
Total Deferred Inflows	25,962	41,683	192,604
Fund Balances:			
Restricted	534,492	4,938,664	10,797,214
Unassigned	-	-	7,744,473
Total Fund Balances	534,492	4,938,664	18,541,687
Total Liabilities, Deferred Inflows, and Fund Balances	$ 660,825	$ 5,232,542	$ 20,578,400

The accompanying notes are an integral part of the financial statements.

Gem 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		$ 18,541,687
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		
Land	$ 3,864,753	
Construction in Progress	144,257	
Right to Use Assets, net of $251,579 accumulated amortization	519,448	
Depreciable Buildings, Property, and Equipment, net of $8,014,798 accumulated depreciation	7,033,641	
		11,562,099
Property taxes and special fees 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.		192,604
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.		
Accrued Interest	$ (10,299)	
Leases Payable	(364,171)	
Municipal Leases Payable	(515,093)	
Compensated Absences	(232,050)	
Other Post-Employment Benefits	(327,781)	
OPEB Related Deferred Inflows	(16,712)	
OPEB Related Deferred Outflows	26,067	
		(1,440,039)
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 position is:		393,173
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.		
Net Pension Liability	$ (5,261,864)	
Pension Related Deferred Outflows	2,092,875	
		(3,168,989)
Net Position of Governmental Activities		$ 26,080,535

The accompanying notes are an integral part of the financial statements.

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

	General	Road and Bridge	Justice
Revenues			
Property Taxes	$ 2,441,091	$ 431,854	$ 2,000,077
Intergovernmental	1,329,291	2,864,309	988,441
Charges for Services	719,685	8,560	538,409
Grants and Contributions	659,348	-	33,468
Interest Income	576,502	-	-
Other Revenue	82,872	2,700	113,231
Total Revenues	5,808,789	3,307,423	3,673,626
Expenditures			
Current:			
General Government	3,787,013	-	-
Public Protection	83,902	-	3,709,493
Public Assistance	48,871	-	-
Public Ways and Facilities	245,732	1,741,394	-
Culture and Recreation	172,230	-	-
Capital Outlay	62,039	1,933,207	87,649
Total Expenditures	4,399,787	3,674,601	3,797,142
Excess (Deficiency) of Revenues Over Expenditures	1,409,002	(367,178)	(123,516)
Other Financing Sources (Uses)			
Transfer In	400,000	5,000	10,000
Transfer Out	(10,500)	(10,000)	(14,800)
Sale of Assets	-	427	-
Unrealized Gain (Loss) on Investments	71,077	-	-
Total Other Financing Sources (Uses)	460,577	(4,573)	(4,800)
Net Change in Fund Balances	1,869,579	(371,751)	(128,316)
Fund Balances, Beginning	5,874,894	3,586,794	2,237,331
Fund Balances, Ending	$ 7,744,473	$ 3,215,043	$ 2,109,015

The accompanying notes are an integral
part of the financial statements.

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

	Solid Waste	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$ 699,660	$ 1,443,885	$ 7,016,567
Intergovernmental	-	855,713	6,037,754
Charges for Services	211,980	402,893	1,881,527
Grants and Contributions	-	129,780	822,596
Interest Income	-	-	576,502
Other Revenue	140	282,897	481,840
Total Revenues	911,780	3,115,168	16,816,786
Expenditures			
Current:			
General Government	(16,599)	811,128	4,581,542
Public Protection	-	178,628	3,972,023
Public Assistance	-	392,553	441,424
Health and Sanitation	806,502	318,622	1,125,124
Public Ways and Facilities	-	441,275	2,428,401
Culture and Recreation	-	181,954	354,184
Capital Outlay	16,599	225,504	2,324,998
Total Expenditures	806,502	2,549,664	15,227,696
Excess (Deficiency) of Revenues Over Expenditures	105,278	565,504	1,589,090
Other Financing Sources (Uses)			
Transfer In	-	111,596	526,596
Transfer Out	-	(491,296)	(526,596)
Sale of Assets	-	-	427
Unrealized Gain (Loss) on Investments	-	-	71,077
Total Other Financing Sources (Uses)	-	(379,700)	71,504
Net Change in Fund Balances	105,278	185,804	1,660,594
Fund Balances, Beginning	429,214	4,752,860	16,881,093
Fund Balances, Ending	$ 534,492	$ 4,938,664	$ 18,541,687

The accompanying notes are an integral part of the financial statements.

Gem 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		$ 1,660,594
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. The cost and related accumulated depreciation, when capital assets are disposed are also not reported in the governmental funds. In the current period these amounts are:		
Capital Outlay	$ 1,617,358	
Depreciation Expense	(539,369)	
Amortization Expense	(49,871)	
Cost of Disposed Capital Assets, Net of Accumulated Depreciation	(2,387)	
Net		1,025,731
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.		23,245
The net revenue of certain activities of internal service funds is reported with governmental activities.		57,893
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net assets.		
Bond and Municipal Lease Principal Payments	232,517	
		232,517
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.		(60,099)
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.		(776,215)
Change in Net Position of Governmental Activities		$ 2,163,666

The accompanying notes are an integral
part of the financial statements.

Gem County, Idaho
Statement of Net Position - Proprietary Funds
September 30, 2023

	Enterprise Funds	Governmental Activities
	Ambulance Service	Internal Services
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 995,694	$ 452,997
Receivables, Net:		
Taxes	2	-
Accounts	88,296	-
Total Current Assets	1,083,992	452,997
Noncurrent Assets:		
Property and Equipment, Net	572,865	-
Total Noncurrent Assets	572,865	-
Total Assets	1,656,857	452,997
Liabilities		
Current Liabilities:		
Warrants Payable	41,210	-
Salaries and Benefits Payable	-	59,824
Total Liabilities	41,210	59,824
Net Position		
Invested in Capital Assets Net of Related Debt	572,865	-
Unrestricted	1,042,782	393,173
Total Net Position	$ 1,615,647	$ 393,173

The accompanying notes are an integral part of the financial statements.

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

	Enterprise Funds	Governmental Activities
	Ambulance Service	Internal Services
Operating Revenues		
Charges for Services	$ 868,387	$ -
Miscellaneous	24,635	205,814
Total Operating Revenues	893,022	205,814
Operating Expenses		
Contract Work	767,648	-
Employee Benefits	-	147,921
Depreciation	87,651	-
Total Operating Expenses	855,299	147,921
Change in Net Position	37,723	57,893
Net Position - Beginning	1,577,924	335,280
Net Position - Ending	$ 1,615,647	$ 393,173

The accompanying notes are an integral
part of the financial statements.

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

	Enterprise Funds	Governmental Activities
	Ambulance Service	Internal Services
Cash Flows From Operating Activities		
Receipts from Customers	$ 869,813	$ -
Other Receipts	24,635	205,814
Payments to Suppliers	(728,911)	-
Payments to Employees	-	(88,142)
Net Cash Provided (Used) by Operating Activities	165,537	117,672
Cash Flows From Noncapital Financing Activities		
Transfers In (Out)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	165,537	117,672
Cash and Cash Equivalents - Beginning of Year	830,157	335,325
Cash and Cash Equivalents - End of Year	$ 995,694	$ 452,997
Displayed As:		
Cash and Cash Equivalents	$ 995,694	$ 452,997

The accompanying notes are an integral part of the financial statements.

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

	Enterprise Funds	Governmental Activities
	Ambulance Service	Internal Services
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$ 37,723	$ 57,893
Adjustment to Reconcile Operating Income (Loss) to Net Income Provided (Used) by Operating Activities:		
Depreciation	87,651	-
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	1,426	-
Increase (Decrease) in Warrants Payable	38,737	-
Increase (Decrease) in Salaries and Benefits Payable	-	59,779
Net Cash Provided (Used) by Operating Activities	$ 165,537	$ 117,672

The accompanying notes are an integral part of the financial statements.

Gem County, Idaho
Statement of Fiduciary Net Position
September 30, 2023

	Custodial Funds
Assets	
Cash and Cash Equivalents	$ 634,122
Receivables, Net:	
Taxes	153,569
Total Assets	787,691
Liabilities	
Warrants and Accounts Payable	293,426
Total Liabilities	293,426
Net Position	
Restricted for:	
Individuals, Organizations, or Other Governments	494,265
Total Net Position	$ 494,265

The accompanying notes are an integral part of the financial statements.

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

	Custodial Funds
Additions:	
Fees collected for other governments	$ 5,581,721
Property taxes collected for other governments	6,034,808
Total Additions	11,616,529
Deductions:	
Fees distributed to other governments	5,564,065
Taxes distributed to other governments	6,027,015
Total Deductions	11,591,080
Change in Net Position	25,449
Net Position - Beginning	468,816
Net Position - Ending	$ 494,265

The accompanying notes are an integral part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Gem 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, entities for which the government is considered to be financially accountable. 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.

B. Discretely Presented Component Units

To define the County for financial reporting purposes, it was necessary to consider all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles. The basic - but not the only - criterion for including a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility including, but not limited to, the selection of governing authority, the designation of management, and the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion in or exclusion from the reporting entity is the existence of a financial benefit or burden relationship. Based on the foregoing criteria, the following entities are presented below:

- Gem 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. Financial statements may be obtained from Gem County Fair Board Clerk.

C. 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. These statements distinguish between the governmental and business-type activities of the County. Governmental activities

generally, are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

- 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, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, use, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. 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.
- *Solid Waste Fund*. This fund accounts for the expenses associated with the collection of solid waste within the County.
- *Road and Bridge fund*. This fund accounts for repairs and maintenance of roads and bridges and construction of new roads and bridges.
- *Justice fund*. Accounts for law enforcement services, the collection of permits and licensing fees, and expenditures dedicated to justice services.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. Revenues and expenses that arise from capital and non-capital financing activities and from investing activities are presented as non-operating revenues or expenses.

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County reports the following enterprise funds:

- *Ambulance Service fund*. This fund accounts for ambulance charges and the related expenses.

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost - reimbursement basis. The County reports the following internal service fund:

- *Insurance Pool fund.* This fund accounts for the employee self-insurance program for medical benefits.

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.

Basis of Accounting

The government-wide, proprietary, 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.

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:

- *Restricted.* Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Unassigned.* Balances available for any purpose.

The remaining fund balance classifications (nonspendable, committed, and assigned) are either not applicable or no formal policy has yet been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the Board of Commissioners, the County's highest level of decision-making authority, through a formal action. The Board of Commissioners would also have the authority to assign funds or authorize another official to do so.

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 assets/fund balance 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 amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

The purpose of the special revenue funds that are restricted are as follows:

Fund	Purpose
Road and Bridge	Revenues in this fund come from levied property taxes, federal forest funds, other intergovernmental revenue and grants that are to be used for maintaining and improving roads and bridges within the County.
Justice	Revenues in this fund come from levied property taxes, intergovernmental revenues, grants, charges for services, and other revenue that are to be used for running the County's justice system.
Solid Waste	Revenue from this fund comes from fees charged for solid waste collection and storage. Funds are used to collect and manage saolid waste within the County.
Nonmajor Special Revenue Funds	Revenues in these funds come from levied property taxes, intergovernmental revenue, grants, charges for services, and other revenues that are to be used for items ranging from public assistance and safety, health and welfare, sanitation, maintenance and improvement of public ways and facilities, culture and recreation, and other governmental type activities.

D. 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.

Receivables

All receivables are shown net of an allowance for uncollectible accounts, as applicable.

Inventories

Inventory on government-wide and fund financial statements are stated at cost and are expensed when used.

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.

One-half of property taxes are due on or before the 20th of December. The remaining one-half 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 half on the following June 20
Date taxes becomes delinquent	First day of January of the succeeding year

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 and proprietary funds are shown below:

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$5,000	Straight-Line	15 – 99 Years
Equipment	$5,000	Straight-Line	5 – 35 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.

Compensated Absences

The total portion of the 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.

Warrants and Accounts Payable

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

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.

Other Post-Employment Benefits

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County’s Other Post-Employment Benefit Plan (the County’s OPEB Plan) and additions to/deductions from the County’s OPEB Plan fiduciary net position have been determined on the same basis as they are reported by the County’s OPEB Plan. For this purpose, benefit payments 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 $5,205,820 and the respective bank balances totaled $4,981,949. All of the bank balances were insured or collateralized with pooled securities held by the pledging institution in the name of the County.

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's policy is to fully collateralize any deposits in excess of insurance limits with government and/or agency securities held by the pledging financial institution. The County also had $1,100 of cash on hand.

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 County's policy is to invest in instruments authorized by Idaho Code and that have a credit rating of A or better. Where possible, the County also intends for its investments to be diversified to avoid a concentration of assets. No more than 50% of total funds shall be invested in any one institution.

Interest Rate Risk

The County's policy to help manage its exposure to fair value losses from increasing interest rates includes staggering maturities and selecting investments with stable income and reasonable liquidity.

Investments

The County voluntarily participates in the State of Idaho Investment Pool which has not been 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 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.

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

			Investment Maturities (in Years)			
Investment Type	Rating	Fair Value	Less Than 1	1-5	6-10	11-15
External Investment Pool	Not Rated	$ 9,240,353	$ 9,240,353	$ -	$ -	$ -
Money Market	Not Rated	1,985,445	1,985,445	-	-	-
Certificates of Deposit	Not Rated	523,752	-	523,752	-	-
U.S. Treasury Securities	AAA	49,430	49,430	-		
U.S. Government Bonds	AAA	6,805,576	3,528,459	3,277,117	-	-
		$ 18,604,556	$ 14,803,687	$ 3,800,869	$ -	$ -

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

	Governmental Activities	Business-type Activities	Total	Fiduciary Funds
Cash and cash equivalents	$ 1,144,367	$ 1,448,691	$ 2,593,058	$ 634,122
Investments categorized as cash	11,225,798	-	11,225,798	-
Noncurrent Investments	7,378,758	-	7,378,758	-
	$ 19,748,923	$ 1,448,691	$ 21,197,614	$ 634,122

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

	Book Balance	Bank Balance
Jail Commissary	$ 11,783	$ 11,813
Inmate Trust	13,989	20,973
Tax Anticipation Trust	147,219	147,228
Gem County Tax Collector	-	14,745
Sheriff Civil Department	5,625	8,739
	$178,616	$203,498

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at:

	Enterprise
Ambulance Service Receivables	$ 146,209
Allowance for Doubtful Accounts	(57,913)
	$ 88,296

4. COMPENSATED ABSENCES

The County has established a formal method of recording accumulated unpaid vacation or sick pay as required by generally accepted accounting principles for the government-wide financial statements and proprietary funds in the fund financial statements. The cost of vacation and sick leave is recognized when payments are made to employees in the governmental funds on the fund financial statements.

	9/30/2022	Earned	Used	9/30/2023	Current
Governmental Activities	$ 188,436	$ 369,998	$ (326,384)	$ 232,050	$ 232,050

5. TAX ABATEMENTS

The County entered into a property tax abatement agreement with a local business under Idaho Code 63-602NN. Under the Idaho Code the County granted property tax abatement per resolution 2016-07. The local business was granted an abatement of 100% of its additional investment of $8,000,000 starting in 2016 for a total of five periods (2017 at 100%, 2018 at 75%, 2019 at 50%, and 2020 at 50%).

For the fiscal year ended September 30, 2023, the County abated property taxes totaling $14,707 for the County and $6,109 for other taxing districts for a total of $20,816.

6. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments (State of Idaho) consist of sales tax of $504,209.

7. 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
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	$ -	$ 144,257	$ -	$ 144,257
Land	3,864,753	-	-	3,864,753
Total	3,864,753	144,257	-	4,009,010
Capital Assets Being Depreciated:				
Buildings	5,900,056	1,490,180	-	7,390,236
Equipment	7,738,942	39,625	(120,364)	7,658,203
Total Historical Cost	13,638,998	1,529,805	(120,364)	15,048,439
Less: Accumulated Depreciation				
Buildings and Improvements	2,691,217	131,427	-	2,822,644
Equipment	4,902,189	407,942	(117,977)	5,192,154
Total Acc. Depr.	7,593,406	539,369	(117,977)	8,014,798
Net Depreciable Assets	6,045,592	990,436	(2,387)	7,033,641
Governmental Activities Capital Assets - Net	$ 9,910,345	$1,134,693	$ (2,387)	$11,042,651
Business-type Activities:				
Capital Assets Being Depreciated:				
Buildings	$ 157,594	$ -	$ -	$ 157,594
Equipment	1,120,321	-	-	1,120,321
Total Historical Cost	928,980	-	-	1,277,915
Less: Accumulated Depreciation				
Buildings	71,196	3,939	-	75,135
Equipment	546,203	83,712	-	629,915
Total Acc. Depr.	617,399	87,651	-	705,050
Net Depreciable Assets	311,581	(87,651)	-	572,865
Business-type Activities - Net	$ 311,581	$ (87,651)	$ -	$ 572,865

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

Governmental Activities:	
General Government	$ 84,811
Public Protection	163,237
Health and Sanitation	98,150
Public Ways and Facilities	172,885
Culture and Recreation	20,286
	$ 539,369
Business-type Activities:	
Ambulance Services	$ 87,651

8. PENSION PLAN

Plan Description

Gem County, Idaho 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.

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% for general employees and 12.28% for police and firefighters. Gem County, Idaho's contributions were $686,065 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, Gem County reported a liability (asset) for its proportionate share of the net pension liability (asset) The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Gem County, Idaho's proportion of the net pension liability (asset) was based on Gem County, Idaho'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 Gem County, Idaho's proportion was 0.1318541 percent.

For the year ended September 30, 2023, Gem County, Idaho recognized pension expense/(revenue) of $1,462,188 . At September 30, 2023, Gem County, Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 901,924	$ -
Changes in assumptions or other inputs	521,035	-
Net difference between projected and actual earnings on pension plan investments	493,903	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions.	-	-
Gem County, Idaho's contributions subsequent to the measurement date	176,013	-
Total	$2,092,875	$ -

$176,013 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	$ 857,691
2025	320,339
2026	996,526
2027	(81,681)

Actuarial Assumptions

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

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	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 – Male Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Females Pub-2010 General Tables, increased 21%
Teachers – Males Pub-2010 Teacher Tables, increased 12%
Teachers – Females Pub-2010 Teacher Tables, increased 21%
Fire & Police – Males Pub-2010 Safety Tables, increased 21%
Fire & Police – Females Pub-2010 Safety Tables, increased 26%
Disabled Members – Males Pub-2010 Disabled Tables, increased 38%
Disabled Members – Females Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2023 is based on the results of an actuarial valuation date of July 1, 2023.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2023.

Asset Class	DB Plans
Fixed Income	30.0%
US/Global Equity	55.0%
International Equity	15.0%
Cash	0.0%
Total	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)	$ 9,463,679	$ 5,261,864	$ 1,827,668

Pension plan fiduciary net position

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

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

9. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The County's Other Post-Employment Benefit Plan (the County's OPEB Plan) is a single-employer defined benefit healthcare plan administered by GemPlan. The County's OPEB plan does not include the PERSI pension benefits otherwise discussed in these financial statements and does not issue a publicly available financial report.

Benefits Provided

GemPlan, as administrator of the County's OPEB Plan, contracts with Blue Cross/Blue Shield of Idaho to provide health insurance benefits to eligible retirees and their eligible dependents. A retiree who retires while participating in the Public Employee Retirement System of Idaho (PERSI) is eligible to keep the County's health insurance until age 65 or until the retiree is eligible for coverage under Medicare. Eligibility for the County's OPEB Plan is further determined by employees having obtained a minimum age of 55 with at least 20 years of service with the County for general employees and obtaining a minimum 5 years of service with the County for elected officials. Retirees are on the same medical plan as the County's active employees.

Contributions and Implicit Rate Subsidy

OPEB benefits have historically been funded on a pay-as-you-go basis. Under government accounting standards, plan sponsors may set up a trust and pre-fund the benefits. There is no requirement to pre-fund benefits under government accounting standards. However, if benefits are not pre-funded, OPEB liabilities are created and will grow over time. The County has not pre-funded these benefits.

Government accounting standards require employers recognize the implicit rate subsidy that exists in most post-employment benefit plans. The implicit rate subsidy refers to the concept that retirees under the age of 65 (those not Medicare eligible) generate higher claims on average than active participants.

When a medical plan is self-insured through a third-party administrator or fully insured, a premium is usually determined by analyzing the claims of the entire population in that plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired participants. Since individuals generally have more and higher claims as they get older, the blended premium paid for retirees is lower than their expected claims. Another way of considering this is that if the retirees were removed from the plan, the premium for the active group would be lower. Therefore, the retirees' premiums are being subsidized by the active group. The difference between the expected claims for the retiree group and the blended premium is called the implicit rate subsidy. Accordingly, the County's implicit subsidy contributions were $14,858 for the year ended September 30, 2023.

Net OPEB Liability of the County

The components of the net OPEB liability of the County at yearend were as follows:

Total OPEB Liability	$ 327,781
OPEB Plan Fiduciary Net Position	-
Net OPEB obligation - end of year	$ 327,781
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%

OPEB Revenue (Expense) and Deferred Outflows of Resources to OPEB

For the year ended September 30, 2023, the County recognized OPEB revenue (expense) of $16,485. At September 30, 2023, the County reported deferred outflows of resources related to OPEB from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Gain		$ 16,712
Assumption Changes	11,209	
Subsequent Employer Contributions	14,858	
Total	$ 26,067	$ 16,712

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense(revenue) as follows:

For the Year Ended September 30,	OPEB
2024	(2,151)
2025	(2,152)
2026	(1,200)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2017 which was also the measurement date. The following actuarial assumptions applied to all periods included in the measurement:

Actuarial cost method	Entry age, level percentage of pay
Inflation	2.00%
Salary increases	3.00%
Medical trend rate	6.25% as of October 1, 2019 grading to 5.00% over 6 years
Mortality	RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel)

Discount Rate

The discount rate used to measure the total OPEB liability was 2.30%. Since the County's OPEB plan is not pre-funded, the discount rate is equal to the 20-Year Municipal Bond Yield of 2.30%.

Changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning of Year	$ 305,374	$ -	$305,374
Changes for the Year			
Service Cost	25,999	-	25,999
Interest Cost	7,495	-	7,495
Assumption Changes	-	-	-
Difference Between Expected and Actual Experience	-	-	-
Benefit Payments	(11,087)	-	(11,087)
Net Change in Total OPEB liability	22,407	-	22,407
End of Year	$ 327,781	$ -	$ 327,781

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1 % Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB Liability	$ 359,119	$ 327,781	$ 298,592

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease (5.50% Decreasing to 4.00%)	Current Healthcare Cost Trend Rate (6.50% Decreasing to 5.00%)	1% Decrease (7.50% Decreasing to 6.00%)
Net OPEB Liability	$ 282,011	$ 305,374	$ 383,367

10. 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.

11. OTHER COMMITMENTS

The County has credit cards with a credit limit of $40,000. As of September 30, 2023, $10,457 of the available credit was in use.

12. LONG-TERM OBLIGATIONS

The County has entered into several municipal lease-purchase agreements for road equipment.

Changes in long-term obligations for the year ended September 30, 2023, are as follows:

	Maturity	Interest Rate	Beginning	Increase	Decrease	Ending	Current
2019 Western Star	2023	4.34%	$ 41,538	$ -	$ (41,538)	$ -	$ -
2012 John Deere 624K Loader	2024	4.71%	15,401	-	(7,523)	7,878	7,878
2012 John Deere 770G Motor Grade	2024	4.71%	49,509	-	(24,185)	25,324	25,324
2022 John Deere 672G Motor Grade	2029	2.75%	249,433	-	(32,765)	216,668	33,678
2015 John Deere 544K 4WD Loader	2024	4.15%	42,471	-	(20,804)	21,667	21,668
Sheriff Vehicle Leases	2024	4.71%	33,708	-	(28,154)	5,554	5,553
Sheriff Patrol Vehicle Lease	2025	4.15%	65,809	-	(13,893)	51,916	14,470
Sheriff Emergency Veh. Lease	2026	4.15%	37,758	-	(6,950)	30,808	7,239
2022 Ford F-150 (3)	2027	8.23%	125,294	-	(21,896)	103,398	23,698
2019 JD 77GP Motor Grader	2025	4.71%	234,787	-	(21,202)	213,585	22,200
2018 JC 772GXT Motor Grader	2023	4.71%	216,071	-	(13,604)	202,467	202,464
Total			$ 1,111,779	$ -	$ (232,515)	$ 879,264	$ 364,171

Debt service requirements on long-term debt at September 30, 2023, are as follows:

Year Ending September 30,	Governmental Activities Municipal Leases Principal	Interest
2024	$ 364,171	$ 12,161
2025	296,634	7,628
2026	97,484	4,787
2027	44,748	3,481
2028	37,589	2,123
2029	38,639	1,076
	$ 879,264	$ 31,256

Interest expense for the year ending September 30, 2023 was $19,266. No interest was capitalized during the year.

13. DEFERRED COMPENSATION PLAN

Permanent employees of the County may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until withdrawal at a later date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The County has no liability for losses under the plan but it does have the obligation of due care in selecting the third-party administrator. For the year ended September 30, 2023, the County made no employer contributions to the plan.

Rent expenditures for the year ended September 30, 2023, was $138,170 .

14. TRANSFERS

Transfers between funds were as follows:

$ 10,500	From General Fund to Nonmajor fund to set aside for future projects
10,000	From Road Fund to Nonmajor fund to set aside for future projects
14,800	From Justice Fund to Nonmajor funds to set aside for future projects
81,296	From Nonmajor funds to other Nonmajor funds to set aside for future project
400,000	From General Fund to Ambulance Fund to cover capital costs
10,000	From Nonmajor funds to the Jsutice Fund to cover capital costs
$526,596	

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 2,378,324	$ 2,378,324	$ 2,441,091	$ 62,767
Intergovernmental	744,618	744,618	1,329,291	584,673
Charges for Services	377,950	377,950	719,685	341,735
Grants and Contributions	-	-	659,348	659,348
Interest Income	37,000	37,000	576,502	539,502
Other Revenue	53,150	53,150	82,872	29,722
Total Revenues	3,591,042	3,591,042	5,808,789	2,217,747
Expenditures				
Current:				
Salaries	1,946,772	1,816,869	1,781,695	35,174
Benefits	706,671	720,711	677,334	43,377
Operating Expenses	2,670,508	2,806,822	1,878,719	928,103
Capital Outlay	89,260	113,284	62,039	51,245
Total Expenditures	5,413,211	5,457,686	4,399,787	1,057,899
Excess (Deficiency) of Revenues Over Expenditures	(1,822,169)	(1,866,644)	1,409,002	3,275,646
Other Financing Sources (Uses)				
Transfer In	-	-	400,000	400,000
Transfer Out	(10,500)	(10,500)	(10,500)	-
Unrealized Gain(Loss)	-	-	71,077	71,077
Total Other Financing Sources (Uses)	(10,500)	(10,500)	460,577	471,077
Net Change in Fund Balances	(1,832,669)	(1,877,144)	1,869,579	3,746,723
Fund Balances - Beginning	1,832,669	1,877,144	5,874,894	3,997,750
Fund Balances - Ending	$ -	$ -	$ 7,744,473	$ 7,744,473

Gem County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Solid Waste
For the Year Ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ -	$ -	$ 699,660	$ 699,660
Intergovernmental				
Charges for Services	96,700	96,700	211,980	115,280
Grants and Contributions	-	-	-	-
Other Revenue	430,000	430,000	140	(429,860)
Total Revenues	526,700	526,700	911,780	385,080
Expenditures				
Current:				
Salaries	406,945	415,829	401,063	14,766
Benefits	94,464	154,155	146,994	7,161
Operating Expenses	297,850	297,850	241,846	56,004
Capital Outlay	25,000	25,000	16,599	8,401
Total Expenditures	824,259	892,834	806,502	86,332
Excess (Deficiency) of Revenues Over Expenditures	(297,559)	(366,134)	105,278	298,748
Net Change in Fund Balances	(297,559)	(366,134)	105,278	298,748
Fund Balances - Beginning	297,559	366,134	429,214	63,080
Fund Balances - Ending	$ -	$ -	$ 534,492	$ 361,828

Gem County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Road and Bridge
For the Year Ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 474,179	$ 474,179	$ 431,854	$ (42,325)
Intergovernmental	1,836,738	1,836,738	2,864,309	1,027,571
Charges for Services	8,000	8,000	8,560	560
Grants and Contributions	41,000	41,000	-	(41,000)
Other Revenue	-	-	2,700	2,700
Total Revenues	2,359,917	2,359,917	3,307,423	947,506
Expenditures				
Current:				
Salaries	706,357	737,088	592,441	144,647
Benefits	318,301	321,101	268,715	52,386
Operating Expenses	890,200	890,200	880,238	9,962
Capital Outlay	2,433,935	2,433,935	1,933,207	500,728
Total Expenditures	4,348,793	4,382,324	3,674,601	707,723
Excess (Deficiency) of Revenues Over Expenditures	(1,988,876)	(2,022,407)	(367,178)	1,655,229
Other Financing Sources (Uses)				
Transfers In	267,069	267,069	5,000	(262,069)
Transfers Out	(10,000)	(10,000)	(10,000)	-
Sale of Assets	-	-	427	427
Total Other Financing Sources (Uses)	257,069	257,069	(4,573)	(261,642)
Net Change in Fund Balances	(1,731,807)	(1,765,338)	(371,751)	1,393,587
Fund Balances - Beginning	1,731,807	1,765,338	3,586,794	1,821,456
Fund Balances - Ending	$ -	$ -	$ 3,215,043	$ 3,215,043

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 1,976,923	$ 1,976,923	$ 2,000,077	$ 23,154
Intergovernmental	550,000	550,000	988,441	438,441
Charges for Services	391,320	391,320	538,409	147,089
Grants and Contributions	-	-	33,468	33,468
Other Revenue	89,816	89,816	113,231	23,415
Total Revenues	3,008,059	3,008,059	3,673,626	665,567
Expenditures				
Current:				
Salaries	2,381,166	2,447,511	2,405,904	41,607
Benefits	883,905	896,087	863,284	32,803
Operating Expenses	499,888	528,758	440,305	88,453
Capital Outlay	118,100	118,100	87,649	30,451
Total Expenditures	3,883,059	3,990,456	3,797,142	193,314
Excess (Deficiency) of Revenues Over Expenditures	(875,000)	(982,397)	(123,516)	858,881
Other Financing Sources (Uses)				
Transfers Out	(15,000)	(15,000)	(14,800)	200
Total Other Financing Sources (Uses)	(15,000)	(15,000)	(4,800)	10,200
Net Change in Fund Balances	(890,000)	(997,397)	(128,316)	869,081
Fund Balances, Beginning	890,000	997,397	2,237,331	1,239,934
Fund Balances, Ending	$ -	$ -	$ 2,109,015	$ 2,109,015

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. The budget for Enterprise funds may also be revised in the same manner as those situations involving federal and state grants.

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 is adopted on a basis consistent with generally accepted accounting principles.

G. Expenditures may not legally exceed budgeted appropriations at the fund level. The County does not use the encumbrance method of accounting.

Gem 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	0.1318541%	$ 5,261,864	$ 5,712,772	92.11%	83.83%
2022	0.1292375%	5,090,351	5,173,944	98.38%	83.09%
2021	0.1315003%	(103,856)	4,857,284	-2.14%	100.36%
2020	0.1324668%	3,076,054	4,795,091	64.15%	88.22%
2019	0.1317582%	1,503,983	4,502,401	33.40%	93.79%
2018	0.1322335%	1,950,467	4,262,915	45.75%	91.69%
2017	0.1302199%	2,046,833	4,095,243	49.98%	90.68%
2016	0.1289738%	2,614,497	3,811,894	68.59%	87.26%
2015	0.1283078%	1,682,144	3,607,878	46.62%	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	$ 686,065	$ 686,065	-	$ 5,712,772	12.01%
2022	621,963	621,963	-	5,173,944	12.02%
2021	583,588	583,588	-	4,857,284	12.01%
2020	576,268	576,268	-	4,795,091	12.02%
2019	518,040	518,040	-	4,502,401	11.51%
2018	485,949	485,949	-	4,262,915	11.40%
2017	466,931	466,931	-	4,095,243	11.40%
2016	434,771	434,771	-	3,811,894	11.41%
2015	411,527	411,527	-	3,607,878	11.41%

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 Gem County will present information for those years for which information is available.

Gem County, Idaho
Schedule of Changes in Net OPEB Liability and Related Ratios

Other Post-Employment Benefit Plan

Last 10 - Fiscal Years*

	2023	2022	2021	2020	2019	2018
Fiscal Year						
Total OPEB Liability						
Service Cost	$ 25,999	$ 25,242	$ 21,174	$ 20,508	$ 16,467	$ 15,987
Interest Cost	7,495	9,229	8,499	9,638	9,412	9,239
Assumption Changes	-	17,612	-	1,935	-	-
Difference between Expected and Actual	-	(23,616)	-	(7,636)	-	-
Benefit Payments	(11,087)	(10,878)	(7,984)	(26,191)	(20,762)	(20,806)
Net Change in Total OPEB Liability	22,407	17,589	21,689	(1,746)	5,117	4,420
Total OPEB Liability - Beginning	305,374	287,785	266,096	267,842	262,725	258,305
Total OPEB Liability - Ending (a)	$ 327,781	$ 305,374	$ 287,785	$ 266,096	$ 267,842	$ 262,725
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-	-	-	-
County's Net OPEB Liability - Ending (a) - (b)	$ 327,781	$ 305,374	$ 287,785	$ 266,096	$ 267,842	$ 262,725
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered Employee Payroll	$ 5,964,102	$ 5,790,390	$ 5,292,402	$ 5,125,813	$ 4,522,863	$ 4,391,129
Net OPEB Liability as a Percentage of Covered Employee Payroll	5.5%	5.3%	5.4%	5.2%	5.9%	6.0%

*GASB 75 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

NOTES:
A. The net OPEB liability amount presented for each fiscal year was determined as of the fiscal year end.

B. The County has not presented a schedule of employer contributions or schedule of investment returns since the County does not prefund the County's OPEB Plan with contributions, and accordingly, actuarially determined contributions have not been calculated and there are no contractually or statutorily determined contributions applicable to the employer.

SUPPLEMENTAL INFORMATION

Gem County, Idaho
Supplemental Schedule of Revenues by Source
- Budget (GAAP Basis) and Actual - General Fund
For the Year Ended September 30, 2023

	Budget	Actual	Variance
Program Revenues			
Charges for Services	$ 377,950	$ 719,685	$ 341,735
Grants and Contributions	-	659,348	659,348
Total Program Revenues	377,950	1,379,033	1,001,083
General Revenues			
Property Taxes	2,378,324	2,441,091	62,767
Intergovernmental	744,618	1,329,291	584,673
Interest Income	37,000	576,502	539,502
Other Revenue	53,150	82,872	29,722
Total General Revenues	3,213,092	4,429,756	1,216,664
Transfers In	-	400,000	400,000
Total Revenue	$ 3,591,042	$ 6,208,789	$ 2,617,747

Gem County, Idaho
Supplemental Schedule of Expenditures by Object of Expenditure
- Budget (GAAP Basis) and Actual - General Fund
For the Year Ended September 30, 2023

	Budget	Actual	Variance
Clerk/Auditor			
Salaries	$ 592,243	$ 583,451	$ 8,792
Change in Accrued Payroll	-	14,206	(14,206)
Benefits	225,400	216,657	8,743
Other Expenses	15,500	11,816	3,684
Capital Outlay	4,000	4,056	(56)
	837,143	830,186	6,957
Assessor			
Salaries	346,556	329,072	17,484
Change in Accrued Payroll	-	9,772	(9,772)
Benefits	139,396	131,748	7,648
Other Expenses	53,900	49,486	4,414
Capital Outlay	2,060	2,371	(311)
	541,912	522,449	19,463
Treasurer/Tax Collector			
Salaries	136,128	121,943	14,185
Change in Accrued Payroll	-	4,059	(4,059)
Benefits	52,206	48,460	3,746
Other Expenses	28,550	6,617	21,933
Capital Outlay	2,000	540	1,460
	218,884	181,619	37,265
Commissioners			
Salaries	147,124	137,783	9,341
Benefits	54,272	51,858	2,414
Other Expenses	15,500	8,024	7,476
Capital Outlay	3,300	-	3,300
	220,196	197,665	22,531
Coroner			
Salaries	20,200	16,709	3,491
Change in Accrued Payroll	-	3,328	(3,328)
Benefits	12,310	12,102	208
Other Expenses	26,370	16,732	9,638
Capital Outlay	3,300	3,300	-
	62,180	52,171	10,009
Buildings and Grounds			
Salaries	77,089	71,769	5,320
Change in Accrued Payroll	-	1,196	(1,196)
Benefits	30,710	29,653	1,057
Other Expenses	146,165	143,114	3,051
Capital Outlay	44,024	43,227	797
	297,988	288,959	9,029

Gem County, Idaho
Supplemental Schedule of Expenditures by Object of Expenditure
- Budget (GAAP Basis) and Actual - General Fund
For the Year End September 30, 2023
(continued)

	Budget	Actual	Variance
Disaster Services			
Salaries	$ 32,224	$ 32,208	$ 16
Change in Accrued Payroll	-	121	(121)
Benefits	15,398	14,764	634
Other Expenses	39,256	36,809	2,447
Capital Outlay	1,000	-	1,000
	87,878	83,902	3,976
Extension Office			
Salaries	80,198	80,174	24
Change in Accrued Payroll	-	975	(975)
Benefits	32,741	32,339	402
Other Expenses	71,643	60,830	10,813
	184,582	174,318	10,264
Elections			
Salaries	3,500	689	2,811
Benefits	731	149	582
Other Expenses	52,900	47,223	5,677
Capital Outlay	48,000	5,206	42,794
	105,131	53,267	51,864
General			
Salaries	37,832	28,962	8,870
Change in Accrued Payroll	-	(396)	396
Benefits	16,571	13,528	3,043
Other Expenses	1,832,006	1,116,896	715,110
	1,886,409	1,158,990	727,419
IT			
Salaries	84,699	79,241	5,458
Change in Accrued Payroll	-	4,069	(4,069)
Benefits	34,176	30,111	4,065
Other Expenses	257,492	241,398	16,094
Capital Outlay	32,000	30,408	1,592
	408,367	385,227	23,140
Development Services			
Salaries	256,828	245,979	10,849
Change in Accrued Payroll	-	3,073	(3,073)
Benefits	101,408	97,820	3,588
Other Expenses	226,680	107,678	119,002
Capital Outlay	3,000	752	2,248
	587,916	455,302	132,614
Veterans Services			
Other Expenses	3,000	939	2,061
	3,000	939	2,061
City-County Planning			
Other Expenses	26,600	25,293	1,307
	26,600	25,293	1,307
Total General Government	$ 5,468,186	$ 4,410,287	$ 1,057,899

Gem County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2023

	Project Grant	Cigarette Tax/Block Grant	District Court	Fair, County	Fair, Grounds and Buildings
Assets					
Cash and Cash Equivalents	$ 35,575	$ 103,573	$ 381,433	$ 22,979	$ 134,652
Receivables, Net:					
Taxes	-	-	9,123	2,416	3,627
Inventory	-	-	-	-	-
Total Assets	$ 35,575	$ 103,573	$ 390,556	$ 25,395	$ 138,279
Liabilities					
Warrants Payable	$ 452	$ 1,396	$ 30,878	$ -	$ 10,136
Salaries and Benefits Payable	-	2,767	27,161	-	10,595
Total Liabilities	452	4,163	58,039	-	20,731
Deferred Inflows					
Unearned Revenue - Property Taxes	-	-	8,294	2,196	3,302
Total Deferred Inflows	-	-	8,294	2,196	3,302
Fund Balances					
Restricted	35,123	99,410	324,223	23,199	114,246
Total Fund Balances	35,123	99,410	324,223	23,199	114,246
Total Liabilities, Deferred Inflows, and Fund Balances	$ 35,575	$ 103,573	$ 390,556	$ 25,395	$ 138,279

Gem County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2023
(continued)

	Parks and Recreation	Health District	Consolidated Elections	Indigent	Junior College Tuition
Assets					
Cash and Cash Equivalents	$ 58,490	$ 89,104	$ 83,021	$ 250,200	$ 137,946
Receivables, Net:					
Taxes	1,958	350	-	5,633	-
Total Assets	$ 60,448	$ 89,454	$ 83,021	$ 255,833	$ 137,946
Liabilities					
Warrants Payable	$ 6,000	$ -	$ 3,918	$ 22,153	$ 6,100
Salaries and Benefits Payable	5,892	-	5,891	-	-
Total Liabilities	11,892	-	9,809	22,153	6,100
Deferred Inflows					
Unearned Revenue - Property Taxes	1,777	338	-	5,304	-
Total Deferred Inflows	1,777	338	-	5,304	-
Fund Balances					
Restricted	46,779	89,116	73,212	228,376	131,846
Total Fund Balances	46,779	89,116	73,212	228,376	131,846
Total Liabilities Deferred Inflows, and Fund Balances	$ 60,448	$ 89,454	$ 83,021	$ 255,833	$ 137,946

Gem County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2023
(continued)

	Enhanced 911	Revaluation	Tort	Weed Control	Snowmobile
Assets					
Cash and Cash Equivalents	$ 725,926	$ 170,734	$ 370,651	$ 175,455	$ 22,259
Receivables, Net:					
Taxes	-	8,421	7,463	6,612	-
Inventory	-	-	-	42,185	-
Total Assets	$ 725,926	$ 179,155	$ 378,114	$ 224,252	$ 22,259
Liabilities					
Warrants Payable	$ 12,834	$ 17,241	$ 3,000	$ 10,938	$ -
Salaries and Benefits Payable	-	27,813	-	22,979	-
Total Liabilities	12,834	45,054	3,000	33,917	-
Deferred Inflows					
Unearned Revenue - Property Taxes	-	7,673	6,797	6,002	-
Total Deferred Inflows	-	7,673	6,797	6,002	-
Fund Balances					
Restricted	713,092	126,428	368,317	184,333	22,259
Total Fund Balances	713,092	126,428	368,317	184,333	22,259
Total Liabilities, Deferred Inflows, and Fund Balances	$ 725,926	$ 179,155	$ 378,114	$ 224,252	$ 22,259

Gem County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2023
(continued)

	Waterways	Drug Court	Impact Fees - Road	Impact Fees - Sheriff	Impact Fees - EMS
Assets					
Cash and Cash Equivalents	$ 42,120	$ 81,376	$ 261,425	$ 35,078	$ 46,536
Receivables, Net:					
Taxes	-	-	-	-	-
Inventory	-	-	-	-	-
Total Assets	$ 42,120	$ 81,376	$ 261,425	$ 35,078	$ 46,536
Liabilities					
Warrants Payable	$ 1,964	$ 11,649	$ -	$ -	$ -
Salaries and Benefits Payable	7,529	825	-	-	-
Total Liabilities	9,493	12,474	-	-	-
Deferred Inflows					
Unearned Revenue - Property Taxes	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-
Fund Balance					
Restricted:	32,627	68,902	261,425	35,078	46,536
Total Fund Balances	32,627	68,902	261,425	35,078	46,536
Total Liabilities, Deferred Inflows, and Fund Balances	$ 42,120	$ 81,376	$ 261,425	$ 35,078	$ 46,536

Gem County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2023
(continued)

	Miscellaneous Revenues	Motor Vehicle Building	Court Facilities	Development Fees
Assets				
Cash and Cash Equivalents	$ 16,112	$ 185,872	$ 94,816	$ 640,770
Receivables, Net:				
Taxes	-	-	-	-
Inventory	-	-	-	-
Total Assets	$ 16,112	$ 185,872	$ 94,816	$ 640,770
Liabilities				
Warrants Payable	$ 2,084	$ -	$ -	$ -
Salaries and Benefits Payable	-	-	-	-
Total Liabilities	2,084	-	-	-
Deferred Inflows				
Unearned Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balance				
Restricted:	14,028	185,872	94,816	640,770
Total Fund Balances	14,028	185,872	94,816	640,770
Total Liabilities, Deferred Inflows, and Fund Balances	$ 16,112	$ 185,872	$ 94,816	$ 640,770

Gem County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2023
(continued)

	Vehicle Depreciation	Equipment Depreciation	Project Depreciation	Total
Assets				
Cash and Cash Equivalents	$ 566,746	$ 242,905	$ 169,000	$ 5,144,754
Receivables, Net:				
Taxes	-	-	-	45,603
Inventory	-	-	-	42,185
Total Assets	$ 566,746	$ 242,905	$ 169,000	$ 5,232,542
Liabilities				
Warrants Payable	$ -	$ -	$ -	$ 140,743
Salaries and Benefits Payable	-	-	-	111,452
Total Liabilities	-	-	-	252,195
Deferred Inflows				
Unearned Revenue - Property Taxes	-	-	-	41,683
Total Deferred Inflows	-	-	-	41,683
Fund Balance				
Restricted:	566,746	242,905	169,000	4,938,664
Total Fund Balances	566,746	242,905	169,000	4,938,664
Total Liabilities, Deferred Inflows, and Fund Balances	$ 566,746	$ 242,905	$ 169,000	$ 5,232,542

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

	Project Grant	Cigarette Tax/Block Grant	District Court	Fair, County	Fair, Grounds and Buildings
Revenues					
Property Taxes	$ -	$ -	$ 360,512	$ 86,160	$ 123,545
Intergovernmental	-	42,044	77,162	-	-
Charges for Services	-	-	-	-	31,080
Grants and Contributions	22,728	36,068	-	-	-
Other Revenue	-	-	24,668	-	-
Total Revenues	22,728	78,112	462,342	86,160	154,625
Expenditures					
Current:					
Salaries	-	15,792	143,408	-	65,168
Benefits	-	11,240	71,285	-	29,278
Operating Expenses	2,529	11,468	160,160	87,037	17,986
Capital Outlay	-	2,267	7,202	-	33,422
Total Expenditures	2,529	40,767	382,055	87,037	145,854
Excess (Deficiency) of Revenues Over Expenditures	20,199	37,345	80,287	(877)	8,771
Other Financing Sources (Uses)					
Transfers In	-	-	6,368	-	-
Transfers (Out)	-	-	(67)	-	(10,000)
Total Other Financing Sources (Uses)	-	-	6,301	-	(10,000)
Net Change in Fund Balances	20,199	37,345	86,588	(877)	(1,229)
Fund Balances, Beginning	14,924	62,065	237,635	24,076	115,475
Fund Balances, Ending	$ 35,123	$ 99,410	$ 324,223	$ 23,199	$ 114,246

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

	Parks and Recreation	Health District	Consolidated Elections	Indigent	Junior College Tuition
Revenues					
Property Taxes	$ 71,686	$ 1,852	$ -	$ 8,008	$ 1,025
Intergovernmental	-	-	85,307	330,820	20,000
Charges for Services	-	-	-	-	-
Grants and Contributions	20,000	-	-	50,984	-
Other Revenue	-	-	-	2,198	-
Total Revenues	91,686	1,852	85,307	392,010	21,025
Expenditures					
Current:					
Salaries	43,015	-	43,133	(5,858)	-
Benefits	17,008	-	16,488	-	-
Operating Expenses	37,531	-	38,442	324,480	17,700
Capital Outlay	-	-	-	-	-
Total Expenditures	97,554	-	98,063	318,622	17,700
Excess (Deficiency) of Revenues Over Expenditures	(5,868)	1,852	(12,756)	73,388	3,325
Other Financing Sources (Uses)					
Transfers In	-	50,000	-	-	-
Transfers (Out)	(3,000)	-	-	(451,361)	-
Total Other Financing Sources (Uses)	(3,000)	50,000	-	(451,361)	-
Net Change in Fund Balances	(8,868)	51,852	(12,756)	(377,973)	3,325
Fund Balances, Beginning	55,647	37,264	85,968	606,349	128,521
Fund Balances, Ending	$ 46,779	$ 89,116	$ 73,212	$ 228,376	$ 131,846

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

	Enhanced 911	Revaluation	Tort	Weed Control	Snowmobile
Revenues					
Property Taxes	$ -	$ 277,190	$ 255,418	$ 258,489	$ -
Intergovernmental	234,300	-	-	-	2,268
Charges for Services	-	-	-	42,237	-
Grants and Contributions	-	-	-	-	-
Other Revenue	582	-	68,656	4,000	-
Total Revenues	234,882	277,190	324,074	304,726	2,268
Expenditures					
Current:					
Salaries	-	200,457	-	150,672	-
Benefits	-	82,245	-	71,812	-
Operating Expenses	147,523	23,030	242,973	65,009	2,030
Capital Outlay	-	1,466	-	7,961	-
Total Expenditures	147,523	307,198	242,973	295,454	2,030
Excess (Deficiency) of Revenues Over Expenditures	87,359	(30,008)	81,101	9,272	238
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers (Out)	-	(15,500)	-	-	-
Total Other Financing Sources (Uses)	-	(15,500)	-	-	-
Net Change in Fund Balances	87,359	(45,508)	81,101	9,272	238
Fund Balances, Beginning	625,733	171,936	287,216	175,061	22,021
Fund Balances, Ending	$ 713,092	$ 126,428	$ 368,317	$ 184,333	$ 22,259

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

	Waterways	Drug Court	Impact Fees - Road	Impact Fees - Sherriff	Impact Fees - EMS
Revenues					
Property Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	28,582	33,471	-	-	-
Charges for Services	-	-	246,941	16,517	19,667
Grants and Contributions	-	-	-	-	-
Other Revenue	-	5,139	-	-	-
Total Revenues	28,582	38,610	246,941	16,517	19,667
Expenditures					
Current:					
Salaries	22,560	7,560	-	-	-
Benefits	4,863	627	-	-	-
Operating Expenses	11,527	22,918	30,680	-	-
Capital Outlay	-	-	173,186	-	-
Total Expenditures	38,950	31,105	203,866	-	-
Excess (Deficiency) of Revenues Over Expenditures	(10,368)	7,505	43,075	16,517	19,667
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers (Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(10,368)	7,505	43,075	16,517	19,667
Fund Balances, Beginning	42,995	61,397	218,350	18,561	26,869
Fund Balances, Ending	$ 32,627	$ 68,902	$ 261,425	$ 35,078	$ 46,536

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

	Miscellaneous Revenues	Motor Vehicle Building	Court Facilities	Development Fees
Revenues				
Property Taxes	$ -	$ -	$ -	$ -
Intergovernmental	1,759	-	-	-
Charges for Services	-	-	-	46,451
Grants and Contributions	-	-	-	-
Other Revenue	86,244	-	6,410	-
Total Revenues	88,003	-	6,410	46,451
Expenditures				
Current:				
Salaries	-	-	-	-
Benefits	-	-	-	-
Operating Expenses	90,384	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	90,384	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	(2,381)	-	6,410	46,451
Other Financing Sources (Uses)				
Transfers In	1,428	-	-	-
Transfers (Out)	-	-	(6,368)	(5,000)
Total Other Financing Sources (Uses)	1,428	-	(6,368)	(5,000)
Net Change in Fund Balances	(953)	-	42	41,451
Fund Balances, Beginning	14,981	185,872	94,774	599,319
Fund Balances, Ending	$ 14,028	$ 185,872	$ 94,816	$ 640,770

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

	Vehicle Depreciation	Equipment Depreciation	Project Depreciation	Total
Revenues				
Property Taxes	$ -	$ -	$ -	$ 1,443,885
Intergovernmental	-	-	-	855,713
Charges for Services	-	-	-	402,893
Grants and Contributions	-	-	-	129,780
Other Revenue	-	-	85,000	282,897
Total Revenues	-	-	85,000	3,115,168
Expenditures				
Current:				
Salaries	-	-	-	685,907
Benefits	-	-	-	304,846
Operating Expenses	-	-	-	1,333,407
Capital Outlay	-	-	-	225,504
Total Expenditures	-	-	-	2,549,664
Excess (Deficiency) of Revenues Over Expenditures	-	-	85,000	565,504
Other Financing Sources (Uses)				
Transfers In	15,500	25,300	13,000	111,596
Transfers (Out)	-	-	-	(491,296)
Total Other Financing Sources (Uses)	15,500	25,300	13,000	(379,700)
Net Change in Fund Balances	15,500	25,300	98,000	185,804
Fund Balances, Beginning	551,246	217,605	71,000	4,752,860
Fund Balances, Ending	$ 566,746	$ 242,905	$ 169,000	$ 4,938,664

Gem County, Idaho
Combining Statement of Fiduciary Net Position - Custodial Funds
September 30, 2023

	Custodial Funds		
	Held for Other Governments	Taxing District Funds	Total Custodial Funds
Assets			
Cash and Investments	$ 607,800	$ 26,322	$ 634,122
Property Taxes Receivable	-	153,569	153,569
Total Assets	607,800	179,891	787,691
Liabilities			
Warrants and Accounts Payable	285,719	7,707	293,426
Total Liabilities	285,719	7,707	293,426
Net Position			
Restricted for:			
Individuals, Organizations, or Other Governments	322,081	172,184	494,265
Total Net Position	$ 322,081	$ 172,184	$ 494,265

Gem 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	$ 5,581,721	$ -	$ 5,581,721
Property taxes collected for other governments	-	6,034,808	6,034,808
Total Additions	5,581,721	6,034,808	11,616,529
Deductions:			
Fees distributed to other governments	5,564,065	-	5,564,065
Taxes distributed to other governments	-	6,027,015	6,027,015
Total Deductions	5,564,065	6,027,015	11,591,080
Change in Net Position	17,656	7,793	25,449
Net Position - Beginning	304,425	164,391	468,816
Net Position - Ending	$ 322,081	$ 172,184	$ 494,265

FEDERAL REPORTS

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

Program Title	Assistance Listing Number	Flow through Number	Program Expenditures
U.S. Department of the Interior			
Direct			
Payment in Lieu of Taxes	15.226		$ 366,990
Secure Rural Schools and Community Self-Determination	15.234		50,675
Historic Preservation Fund Grant	15.904		21,000
Total U.S. Department of Housing and Urban Development			438,665
U.S. Department of Transportation			
Passed through Idaho Transportation Department			
Highway Safety Cluster			
State and Community Highway Safety	20.600	0260	23,170
Total Highway Planning and Construction Cluster			23,170
Total U.S. Department of Transportation			23,170
U.S. Department of Treasury			
Direct			
Coronavirus State and Local Fiscal Recovery Funds	21.027		935,216
Total U.S. Department of Treasury			935,216
U.S. Department of Health and Human Services			
Direct			
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391		16,136
Total U.S. Department of Health and Human Services			16,136
U.S. Department of Homeland Security			
Passed through State Department of Military Division			
Emergency Management Performance	97.042	EMS2019EP000002	27,303
Homeland Security Grant Program	97.067	EMW2020SS00070	36,889
Total U.S. Department of Homeland Security			64,192
Total Federal Financial Assistance			$ 1,477,379

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

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

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1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Gem 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 Gem County, Idaho, it is not intended to and does not present the financial position or changes in Net Position of Gem 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

Gem County, Idaho has not elected to use the 10-perecent de minims indirect cost rate.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Commissioners
Gem County
Emmett, 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gem County, Idaho, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Gem County, Idaho's basic financial statements, and have issued our report thereon dated April 1, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gem 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 Gem County, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of Gem 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. 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 Gem 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.

Zwygart John and Associates, PLLC

Nampa, Idaho
April 1, 2024

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

Board of Commissioners
Gem County
Emmett, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gem 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 Gem County Idaho's major federal programs for the year ended September 30, 2023. Gem 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, Gem 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 Gem 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 Gem 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 Gem 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 Gem 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 Gem 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 Gem 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 Gem 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 Gem 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.

Zwygart John and Associates, PLLC

Nampa, Idaho
April 1, 2024

Gem 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: 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 deficiency(ies) disclosed?	☐ yes	☑ none reported
Material weakness(es) 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 section 2 CFR 200.516(a)?	☐ yes	☑ no

Identification of major programs:

Assistance Listing Number	Name of Federal Program
21.027	Coronavirus State and 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

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

Section II - Financial Statement Findings

None reported.

Section III - Findings and Questioned Costs for Federal Awards

None reported.