VALLEY COUNTY, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2023

Table of Contents

Page

Independent Auditor's Report 4

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Position 7

Statement of Activities 8

Fund Financial Statements:

Balance Sheet – Governmental Funds 9

Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position 11

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 12

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities 14

Balance Sheet – Component Unit 15

Statement of Revenues, Expenditures, and Changes in Fund Balance – Component Unit 16

Statement of Fiduciary Net Position 17

Statement of Changes in Fiduciary Net Position 18

Notes to Financial Statements 19

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary (GAAP Basis) Comparison Schedule:

General Fund 40

Road and Bridge 41

Solid Waste 42

American Rescue Plan Act 43

Notes to Required Supplementary Information 44

Schedule of Required Supplemental Information - PERSI 45

Schedule of Changes in Net OPEB Liability and Related Ratios 46

SUPPLEMENTAL INFORMATION

Supplemental Schedule of Revenues by Source – Budget (GAAP Basis) and Actual – General Fund 48

Supplemental Schedule of Expenditures by Object of Expenditure – Budget (GAAP Basis) and Actual – General Fund 49

Combining Balance Sheet – Nonmajor Governmental Funds 52

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 60

Combining Statement of Fiduciary Net Position – Custodial Funds 68

Combining Statement of Changes in Fiduciary Net Position – Custodial Funds 69

FEDERAL REPORTS

Schedule of Expenditures of Federal Awards 71

Notes to the Schedule of Expenditures of Federal Awards 72

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* 73

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance 75

Schedule of Findings and Questioned Costs 77

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Independent Auditor's Report

Board of Commissioners
Valley County, Idaho
Cascade, Idaho

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Valley County, Idaho, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Valley 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Valley 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 Valley 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 Valley 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 schedule of funding progress, the budgetary comparison information, schedule of County's proportionate share of the net pension liability, and schedule of County contributions on pages 40 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the 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 Valley County, Idaho's basic financial statements. The combining and individual 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 accompanying supplementary information, as described in the table of contents, 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 15, 2024 on our consideration of Valley County, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Valley County, Idaho's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
April 15, 2024

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

	Governmental Activities	Fair board Component Unit
Assets		
Cash and Cash Equivalents	$ 30,380,143	$ 88,559
Receivables, Net:		
Taxes and Special Fees	290,185	-
Interest	109,365	-
Prepaid Items	385,868	-
Due From Other Governments	283,297	-
Capital Assets:		
Land and Nondepreciable Infrastructure	8,802,176	-
Buildings, Net of Accumulated Depreciation	4,659,122	-
Equipment, Net of Accumulated Depreciation	3,177,858	-
Vehicles, Net of Accumulated Depreciation	1,161,349	-
Total Capital Assets	17,800,505	-
Total Assets	49,249,363	88,559
Deferred Outflows		
Pension Related Items	2,952,595	-
OPEB Related Items	38,691	-
Total Deferred Outflows	2,991,286	-
Liabilities		
Accounts Payable and Other Current Liabilities	577,039	-
Accrued Interest	10,647	-
Long-Term Liabilities:		
Due Within One Year:		
Compensated Absences	503,704	-
Bonds and Notes Payable	201,253	-
Due in More than One Year:		
Compensated Absences	125,926	-
Note Payable	577,341	-
Other Post-Employment Benefits	370,475	-
Net Pension Liability	7,453,818	-
Total Liabilities	9,820,203	-
Deferred Inflows		
OPEB Related Items	32,608	-
Total Deferred Inflows	32,608	-
Net Position		
Invested in Capital Assets, Net of Related Debt	17,021,911	-
Restricted for:		
Highways and Streets	7,026,521	-
Sanitation	43,220	-
Debt Service	3,426,640	-
Other Purposes	6,005,618	-
Unrestricted (Deficit) Surplus	8,863,928	88,559
Total Net Position	$ 42,387,838	$ 88,559

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

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

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit
Primary Government:						
Governmental Activities:						
General Government	$ 10,871,710	$ 2,818,779	$ 6,954,434	$ -	$ (1,098,497)	$ -
Public Safety	7,163,085	1,150,892	376,329	-	(5,635,864)	
Highways and Streets	5,925,179	174,387	1,314,276	-	(4,436,516)	
Sanitation	3,066,528	-	-	-	(3,066,528)	
Health and Welfare	495,987	15,500	-	-	(480,487)	
Culture and Recreation	1,016,059	224,341	334,663	-	(457,055)	
Education	19,062	-	25,500	-	6,438	
Interest on Long-Term Debt	-	-	-	-	-	
Total Primary Government	$ 28,557,610	$ 4,383,899	$ 9,005,202	$ -	(15,168,509)	-
Total Primary Government	$ 75,318	$ 33,510	$ 250	$ -		(41,558)
General Revenues:						
Property Taxes					10,403,032	-
Special Fees					1,924,261	-
Intergovernmental					6,288,329	75,400
Other					735,278	-
Unrestricted Investment Earnings					802,300	-
Gain (Loss) on Sale of Assets					4,800	-
Unrealized Gain (Loss) on Investments					(64,289)	-
Total General Revenues and Special Items					20,093,711	75,400
Change in Net Position					4,925,202	33,842
Net Position, Beginning of Year					37,462,636	54,717
Net Position, End of Year					$ 42,387,838	$ 88,559

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

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

	General	Road and Bridge	Solid Waste
Assets			
Cash and Cash Equivalents	$ 4,910,162	$ 7,477,870	$ 3,483,599
Receivables, Net:			
Property Taxes and Special Fees	162,153	2,663	55,377
Interest	83,243	26,122	-
Prepaid Items	258,258	28,326	2,918
Due From Other Governments	283,297	-	-
Total Assets	$ 5,697,113	$ 7,534,981	$ 3,541,894
Liabilities			
Warrants and Accounts Payable	$ 100	$ 505,820	$ 66,097
Total Liabilities	100	505,820	66,097
Deferred Inflows			
Unearned Revenue - Property Taxes and Special Fees	139,669	2,640	49,157
Total Deferred Inflows	139,669	2,640	49,157
Fund Balances			
Nonspendable	258,258	28,326	2,918
Restricted	-	6,998,195	3,423,722
Unassigned	5,299,086	-	-
Total Fund Balances	5,557,344	7,026,521	3,426,640
Total Liabilities, Deferred Inflows, and Fund Balances	$ 5,697,113	$ 7,534,981	$ 3,541,894

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

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

	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	$ 8,601,185	$ 5,907,327	$ 30,380,143
Receivables, Net:			
Property Taxes and Special Fees	-	69,992	290,185
Interest	-	-	109,365
Prepaid Items	-	96,366	385,868
Due From Other Governments	-	-	283,297
Total Assets	$ 8,601,185	$ 6,073,685	$ 31,448,858
Liabilities			
Warrants and Accounts Payable	$ -	$ 5,022	$ 577,039
Total Liabilities	-	5,022	577,039
Deferred Inflows			
Unearned Revenue - Property Taxes and Special Fees	-	63,045	254,511
Total Deferred Inflows	-	63,045	254,511
Fund Balances			
Nonspendable	-	96,366	385,868
Restricted	8,601,185	5,909,252	24,932,354
Unassigned	-	-	5,299,086
Total Fund Balances	8,601,185	6,005,618	30,617,308
Total Liabilities, Deferred Inflows, and Fund Balances	$ 8,601,185	$ 6,073,685	$ 31,448,858

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

Valley 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		$ 30,617,308
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. Those assets consist of:		
Land and Nondepreciable Infrastructure	$ 8,802,176	
Buildings, Net of $12,911,200 Accum. Depreciation	4,659,122	
Equipment, Net of $5,087,834 Accum. Depreciation	3,177,858	
Vehicles, Net of $2,236,543 Accum. Depreciation	1,161,349	
		17,800,505
Property taxes and special fees receivable will be collected this year, but are not available soon enough to pay for current period expenditures and, therefore, are deferred in the funds.		254,511
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. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Position.		
Compensated Absences	$ (629,630)	
Other Post-Employment Benefits	(370,475)	
OPEB Related Deferred Outflows	38,691	
OPEB Related Deferred Inflows	(32,608)	
Accrued Interest	(10,647)	
Municipal Lease	(778,594)	
		(1,783,263)
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	$ (7,453,818)	
Pension Related Deferred Outflows	2,952,595	
		(4,501,223)
Net Position of Governmental Activities		$ 42,387,838

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

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

	General	Road and Bridge	Solid Waste
Revenues			
Property Taxes	$ 7,219,829	$ 1,366	$ -
Special Fees	-	-	1,875,104
Intergovernmental	1,588,727	3,561,647	-
Charges for Services	2,367,946	174,387	1,480,857
Grants and Contributions	687,871	1,314,276	-
Earnings on Investments	615,732	163,569	-
Other Revenues	536,978	16,878	42,687
Total Revenues	13,017,083	5,232,123	3,398,648
Expenditures			
Current:			
General Government	6,717,774	-	-
Public Safety	5,225,664	-	-
Highways and Streets	-	5,365,085	-
Sanitation	-	-	2,732,469
Health and Welfare	10,088	-	-
Culture and Recreation	323,716	-	-
Education	-	-	-
Capital Outlay	286,632	1,330,349	609,374
Total Expenditures	12,563,874	6,695,434	3,341,843
Excess (Deficiency) of Revenues Over Expenditures	453,209	(1,463,311)	56,805
Other Financing Sources (Uses)			
Proceeds from Issuance of Municipal Lease	-	625,386	-
Unrealized Gain (Loss) on Investments	(64,289)	-	-
Gain/(Loss) on Sale of Assets	-	4,800	-
Transfers In	81,051	-	-
Transfers (Out)	-	-	(29,500)
Total Other Financing Sources (Uses)	16,762	630,186	(29,500)
Net Change in Fund Balances	469,971	(833,125)	27,305
Fund Balances - Beginning	5,087,373	7,859,646	3,399,335
Fund Balances - Ending	$ 5,557,344	$ 7,026,521	$ 3,426,640

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

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

	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$ -	$ 3,182,360	$ 10,403,555
Special Fees	-	-	1,875,104
Intergovernmental	-	1,137,955	6,288,329
Charges for Services	-	360,709	4,383,899
Grants and Contributions	6,713,289	289,766	9,005,202
Earnings on Investments	22,543	456	802,300
Other Revenues	-	138,735	735,278
Total Revenues	6,735,832	5,109,981	33,493,667
Expenditures			
Current:			
General Government	310,588	1,979,711	9,008,073
Public Safety	-	1,274,967	6,500,631
Highways and Streets	-	20,003	5,385,088
Sanitation	-	-	2,732,469
Health and Welfare	-	469,066	479,154
Culture and Recreation	-	617,130	940,846
Education	-	8,350	8,350
Capital Outlay	-	1,293,557	3,519,912
Total Expenditures	310,588	5,662,784	28,574,523
Excess (Deficiency) of Revenues Over Expenditures	6,425,244	(552,803)	4,919,144
Other Financing Sources (Uses)			
Proceeds from Issuance of Municipal Lease	-	-	625,386
Unrealized Gain (Loss) on Investments	-	-	(64,289)
Gain/(Loss) on Sale of Assets	-	-	4,800
Transfers In	-	-	81,051
Transfers (Out)	-	(51,551)	(81,051)
Total Other Financing Sources (Uses)	-	(51,551)	565,897
Net Change in Fund Balances	6,425,244	(604,354)	5,485,041
Fund Balances - Beginning	2,175,941	6,609,972	25,132,267
Fund Balances - Ending	$ 8,601,185	$ 6,005,618	$ 30,617,308

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

Valley 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		$ 5,485,041
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	$ 1,589,631	
Depreciation Expense	(785,997)	
Net		803,634
Because some property taxes and special fees 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.		48,634
Accrued interest on long-term debt reported in the Statement of Activities does 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 accrued interest.		8,780
The repayment of principal of municipal leases consumes the current financial resources of governmental funds. The repayment of principal, however, has no effect on Net Assets.		318,820
Some capital additions were financed through municipal leases payable. In governmental funds, a municipal lease payable arrangement is considered a source of financing, but in the statement of Net Position, the municipal lease obligation is reported as a liability.		(625,386)
Long-term 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 long-term compensated absences and other post-employment benefits.		(43,114)
The County participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities.		(1,071,207)
Change in Net Assets of Governmental Activities		$ 4,925,202

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

Valley County, Idaho
Balance Sheet - Component Unit
September 30, 2023

	Fair Board
Assets	
Cash and Investments	$ 88,559
Property Taxes Receivable	-
Total Assets	88,559
Net Position	
Restricted for:	
Individuals, Organizations, or Other Governments	88,559
Total Net Position	$ 88,559

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

Valley County, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Component Unit
For the Year Ended September 30, 2023

	Fair Board
Additions:	
Charges for Services	$ 33,510
Contributions	250
Intergovernmental	75,400
Total Additions	109,160
Deductions:	
Operating Expenditures	75,318
Total Deductions	75,318
Change in Net Position	33,842
Net Position, Beginning of Year	54,717
Net Position - Ending	$ 88,559

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

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

	Custodial Funds
Assets	
Cash and Investments	$ 706,972
Property Taxes Receivable	834,849
Total Assets	1,541,821
Liabilities	
Warrants and Accounts Payable	1,324
Total Liabilities	1,324
Net Position	
Restricted for:	
Individuals, Organizations, or Other Governments	1,540,497
Total Net Position	$ 1,540,497

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

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

	Custodial Funds
Additions:	
Fees collected for other governments	$ 5,912,853
Property taxes collected for other governments	28,205,871
Total Additions	34,118,724
Deductions:	
Fees distributed to other governments	5,513,138
Taxes distributed to other governments	28,190,218
Total Deductions	33,703,356
Change in Net Position	415,368
Net Position - Beginning	1,125,129
Net Position - Ending	$ 1,540,497

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Valley 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 unit, a legally separate entity for which the County is considered to be financially accountable.

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

Component Units

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

- *Valley County EMS* was created for the purpose of providing emergency medical services within the County. The EMS is governed by the County Commissioners, even though it is a legally separate entity. The EMS is presented as a blended component unit.
- *Valley County Fair Board* was created for the purpose of conducting fair activities within the County. The Fair Board is governed by a board appointed by the County Commissioners and the County is able to impose its will on the organization. The Fair Board was audited along with the County and its financial statements are presented as a discretely presented component unit.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

- Indirect expenses - expenses of the County related to the administration and support of the County's programs, such as personnel and accounting - are not allocated to programs.

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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

The County reports the following major governmental funds:

- *General fund*. This is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.
- *Road and Bridge fund*. This fund accounts for repairs and maintenance of roads and bridges and construction of new roads and bridges. Revenues derive mainly from federal and state grants and revenue sharing.
- *Solid Waste fund*. This fund accounts for accumulation of resources for, and the payment of, solid waste payments to a third party. Revenues derive from special fees charged to users.
- *American Rescue Plan Act fund.* This fund accounts for American Rescue Plan Act funds received from the Federal government.

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

C. Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Fund Balance Reporting in Governmental Funds

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

- *Nonspendable.* Balances, for example, in permanent funds, prepaid expenditures, and inventories that are permanently precluded from conversion to cash.
- *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 (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 position/fund balances available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed.

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

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

Fund	Purpose
Road and Bridge	Revenues in this fund come from federal forest funds, other intergovernmental revenue and grants that are to be used for maintaining and improving roads and bridges within the County.
Solid Waste	Revenues in this fund come from special fees that are to be used to pay for the hauling of solid waste products.
American Rescue Plan Act	Revenues in this fund come from federal American Rescue Plan Act funding.
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, education, 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.

Property Taxes

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

The property tax calendar is as follows:

Date property is valued	Second Monday of July
Date tax is levied	Second Monday of September
Date taxes are billed	November 20
Date taxes are collected	One half on December 20 and half on the following June 20
Date taxes become 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	8 – 70 Years
Equipment and Vehicles	$5,000	Straight-Line	5 – 20 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.

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 60 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 $857,144 and the respective bank balances totaled $3,257,463. All of the bank balance was insured or collateralized with pooled securities held by the pledging institutions 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 formal policy is to obtain appropriate collateral for amounts in excess of insurance limits or move excess funds to an insured account or to the State of Idaho Investment Pool.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other party to an investment will not fulfill its obligations. None of the County's investments have been insured or collateralized and are held by the counterparties in the County's name. The counterparties included MBS Securities. The County's formal policy to limit custodial credit risk is to use the "prudent person" rule as it relates to safety, liquidity, and yield. All financial instruments purchased must be acceptable under Idaho Code and considered to be of excellent credit quality.

Interest Rate Risk/Concentration of Credit Risk

The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates or a formal policy limiting the amount the County may invest in any one issuer.

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	Over 5
External Investment Pool	None	$ 6,745,678	$ 6,745,678	$ -	$ -
Certificates of Deposit	None	1,354,426	307,240	1,047,186	-
U.S. Government Bonds	AAA	16,975,535	9,619,900	6,622,842	732,793
Asset Backed Securities	None	5,242,891	752,239	3,267,863	1,222,789
		$ 30,318,530	$ 17,425,057	$10,937,891	$ 1,955,582

The following accounts are not recorded on the County's books but have been included in the above disclosures regarding deposit and bank balances:

	Total Off-books
Sheriff's Commissary	$ 32,713
	$ 32,713

Summary

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

	Governmental Activities	Component Unit	Fiduciary Funds	Total
Cash Held at Banks	$ 61,613	$ 88,559	$ 706,972	$ 857,144
Investments	30,318,530	-	-	30,318,530
	$ 30,380,143	$ 88,559	$ 706,972	$ 31,175,674

3. CONTINGENCIES

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2023, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

4. RECEIVABLES

Receivables of the governmental activities consists of property taxes, specially assessed fees, and interest. There was no allowance for doubtful accounts for the governmental activities as of September 30, 2023. The County has determined that all of their receivables are collectable.

5. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units (State of Idaho) state revenue sharing and sales tax of $283,297.

6. TRANSFERS

Transfers between funds were as follows:

$29,500	From Solid Waste fund to the General fund for operating expenses
10,000	From Tort fund to the General fund for operating expenses
41,551	From Waterways fund to the General fund for operating expenses
$81,051	

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:				
Land and Infrastructure	$ 8,691,206	$ -	$ -	$ 8,691,206
Construction in Progress	-	110,970	-	110,970
Total Nondepreciable Assets	8,691,206	110,970	-	8,802,176
Capital Assets Being Depreciated:				
Buildings	17,570,322	-	-	17,570,322
Equipment	7,339,449	953,243	(27,000)	8,265,692
Vehicles	2,947,544	525,643	(75,295)	3,397,892
Total Historical Cost	27,857,315	1,478,886	(102,295)	29,233,906
Less: Accumulated Depreciation				
Buildings	12,643,152	268,048	-	12,911,200
Equipment	4,799,118	315,491	(26,775)	5,087,834
Vehicles	2,109,380	202,458	(75,295)	2,236,543
Total Acc. Depr.	19,551,650	785,997	(102,070)	20,235,577
Net Depreciable Assets	8,305,665	692,889	(225)	8,998,329
Governmental Activities Capital Assets - Net	$16,996,871	$ 803,859	$ (225)	$17,800,505

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

Governmental Activities:	
General Government	$ 184,745
Public Safety	192,798
Highways and Streets	337,375
Sanitation	16,331
Culture and Recreatio	54,748
	$ 785,997

8. 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.

9. PENSION PLAN

Plan Description

Valley 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 police and firefighters. 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. Valley County, Idaho's contributions were $971,230 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, Valley County, Idaho 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. Valley County, Idaho's proportion of the net pension liability (asset) was based on Valley 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 Valley County, Idaho's proportion was 0.18678102 percent.

For the year ended September 30, 2023, Valley County, Idaho recognized pension expense/(revenue) of $2,034,475 . At September 30, 2023, Valley 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	$ 1,277,640	$ -
Changes in assumptions or other inputs	738,085	-
Net difference between projected and actual earnings on pension plan investments	699,650	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions.	-	-
Valley County, Idaho's contributions subsequent to the measurement date	237,219	-
Total	$ 2,952,595	$ -

$237,219 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 years and 4.4 for measurement period June 30, 2023.

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

For the Year Ended September 30:	PERSI
2024	$ 1,202,866
2025	453,784
2026	1,411,652
2027	(115,707)

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	1%

Contributing Members, Service Retirement Members, and Beneficiaries
General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Females Pub-20210 Genera 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	
Fixed Income	30.00%
US/Global Equity	55.00%
International Equity	15.00%
Cash	0.00%
Total	100.00%

Discount Rate

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

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

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

	1% Decrease (5.35%)	**Current Discount Rate (6.35%)**	**1% Increase (7.35%)**
Employer's proportionate share of the net pension liability (asset)	$13,405,993	$ 7,453,818	$ 2,589,026

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.

10. 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 $11,486 for the year ended September 30, 2023.

Net OPEB Liability of the County

The components of the net OPEB liability of the County at year-end were as follows:

Total OPEB Liability	$ 370,475
OPEB Plan Fiduciary Net Position	-
Net OPEB obligation - end of year	$ 370,475
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 $11,486 . 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 Gains	$ -	$ 32,608
Liability Loss	5,920	-
Assumption Changes	10,712	-
Subsequent Employer Contributions	22,059	-
Total	$ 38,691	$ 32,608

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	17,375
2025	(11,292)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2019 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	2.50%
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 3.00%. Since the County's OPEB plan is not pre-funded, the discount rate is equal to the 20-Year Municipal Bond Yield of 3.00%.

Changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning of Year	$ 351,391	$ -	$ 351,391
Changes for the Year			
Service Cost	29,683	-	29,683
Interest Cost	8,546	-	8,546
Assumption Changes	-		-
Differences between Expected and Actual Experience	-		-
Benefit Payments	(19,145)	-	(19,145)
Net Change in Total OPEB liability	19,084	-	19,084
End of Year	$ 370,475	$ -	$ 370,475

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 (1.30%)	Current Discount Rate (2.30%)	1% Increase (3.30%)
Net OPEB Liability	$ 401,610	$ 370,475	$ 341,359

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 (5.25% Decreasing to 4%)	Current Healthcare Cost Trend Rate (6.25% Decreasing to 5%)	1% Decrease (7.25% Decreasing to 6%)
Net OPEB Liability	$ 324,580	$ 370,475	$ 425,694

11. COMPENSATED ABSENCES

All full-time employees of the County accrue vacation days at various rates, which are determined by length of service. During the first ten years of employment, an employee accrues ten days of vacation leave per year. During years eleven through fifteen of working employment, an employee accrues fifteen days per year and over fifteen years of working employment an employee accrues twenty days per year. The County has established the policy that unused vacation, eligible for carryover to the next fiscal year, shall not exceed seven working days and all other unused vacation shall be forfeited. Upon termination of employment (voluntary or involuntary), the employee shall be paid for all unused vacation time.

Changes in compensated absences throughout the year are as follows:

	9/30/2022	Increase	Decrease	9/30/2023	Current
Governmental Activities	$598,002	$794,512	$(762,884)	$629,630	$503,704

County employees earn one sick day for each month worked up to a maximum of ninety days. Sick leave benefits do not vest, i.e., they are not paid out upon termination or retirement, so no accrual has been made.

12. OTHER COMMITMENTS

The County and the Boise, Salmon-Challis, and Payette National Forests have entered into a Law Enforcement Protection Agreement; whereby, the County is to provide law enforcement services in Forest Service campgrounds and for forest visitors. This agreement is renewed annually.

13. DEFERRED COMPENSATION PLAN

Qualified 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.

14. LONG-TERM OBLIGATIONS

The County leases certain equipment and vehicles under long-term lease agreements. Certain leases have been recorded as municipal leases and others as operating leases. The municipal leases consist of:

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

Description	Maturity	Rate	9/30/2022	Increase	Decrease	9/30/2023	Current
Paccar Financial - Kenworth T800	2023	5.63%	$ 68,147	$ -	$ (68,147)	$ -	$ -
Cat Financial - Cat 140M3 Grader	2023	5.35%	70,264	-	(70,264)	-	-
Cat Financial - Cat 150AWD Grader	2028	5.99%	-	398,036	(50,484)	347,552	79,319
Cat Financial - Cat CS56B	2028	5.99%	-	227,350	(50,989)	176,361	40,249
Summit - Skid Steer	2026	2.90%	30,445	-	(7,284)	23,161	7,498
Summit - 2021 Cat 150AWD Grader	2022	3.54%	303,172	-	(71,652)	231,520	74,187
			$ 472,028	$ 625,386	$ (318,820)	$ 778,594	$ 201,253

Debt service requirements as of September 30, 2023, are as follows:

Year Ending	Municipal Leases	
September 30,	Principal	Interest
2024	$ 201,254	$ 40,743
2025	211,432	30,565
2026	222,101	19,896
2027	143,807	8,708
	$ 778,594	$ 99,912

15. TAX ABATEMENTS

The County entered into a property tax abatement agreement with a local business under Idaho Code 63-602NN. For the fiscal year ended September 30, 2023, the County abated property taxes totaling $5,022 for the County and $0 for other taxing districts for a total of $5,022.

REQUIRED SUPPLEMENTARY INFORMATION

Valley 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	$ 7,173,025	$ 7,173,025	$ 7,219,829	$ 46,804
Intergovernmental	1,227,526	1,227,526	1,588,727	361,201
Charges for Services	1,668,380	1,668,380	2,367,946	699,566
Grants and Contributions	1,811,007	1,811,007	687,871	(1,123,136)
Earnings on Investments	95,000	95,000	615,732	520,732
Other Revenues	526,255	526,255	536,978	10,723
Total Revenues	12,501,193	12,501,193	13,017,083	515,890
Expenditures				
Current:				
Salaries	6,462,172	6,462,172	5,965,463	496,709
Benefits	2,638,214	2,638,214	2,503,339	134,875
Operating Expenses	5,669,482	5,669,482	3,808,440	1,861,042
Capital Outlay	296,100	296,100	286,632	9,468
Total Expenditures	15,065,968	15,065,968	12,563,874	2,502,094
Excess (Deficiency) of Revenues Over Expenditures	(2,564,775)	(2,564,775)	453,209	3,017,984
Other Financing Sources (Uses)				
Unrealized Gain (Loss) on Investments	-	-	(64,289)	(64,289)
Transfers In	-	-	81,051	81,051
Total Other Financing Sources (Uses)	-	-	16,762	16,762
Net Change in Fund Balances	(2,564,775)	(2,564,775)	469,971	3,034,746
Fund Balances - Beginning	2,564,775	2,564,775	5,087,373	2,522,598
Fund Balances - Ending	$ -	$ -	$ 5,557,344	$ 5,557,344

Valley 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	$ -	$ -	$ 1,366	$ 1,366
Intergovernmental	3,700,000	3,700,000	3,561,647	(138,353)
Charges for Services	116,000	116,000	174,387	58,387
Grants and Contributions	2,490,000	2,490,000	1,314,276	(1,175,724)
Earnings on Investments	55,000	55,000	163,569	108,569
Other Revenues	5,000	5,000	16,878	11,878
Total Revenues	6,366,000	6,366,000	5,232,123	(1,133,877)
Expenditures				
Current:				
Salaries	1,307,554	1,307,554	1,131,581	175,973
Benefits	632,124	632,124	519,119	113,005
Operating Expenses	5,763,125	5,763,125	3,714,385	2,048,740
Capital Outlay	2,017,620	2,017,620	1,330,349	687,271
Total Expenditures	9,720,423	9,720,423	6,695,434	3,024,989
Excess (Deficiency) of Revenues Over Expenditures	(3,354,423)	(3,354,423)	(1,463,311)	1,891,112
Other Financing Sources (Uses)				
Proceeds from Issuance of Municipal Lease	-	-	625,386	625,386
Gain/(Loss) on Sale of Assets	5,000	5,000	4,800	(200)
Total Other Financing Sources (Uses)	5,000	5,000	630,186	625,186
Net Change in Fund Balances	(3,349,423)	(3,349,423)	(833,125)	2,516,298
Fund Balances - Beginning	3,349,423	3,349,423	7,859,646	4,510,223
Fund Balances - Ending	$ -	$ -	$ 7,026,521	$ 7,026,521

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Special Fees	$ 1,709,350	$ 1,709,350	$ 1,875,104	$ 165,754
Charges for Services	1,000,000	1,000,000	1,480,857	480,857
Other Revenues	-	-	42,687	42,687
Total Revenues	2,709,350	2,709,350	3,398,648	689,298
Expenditures				
Current:				
Salaries	75,684	75,684	74,684	1,000
Benefits	45,783	45,783	43,199	2,584
Operating Expenses	2,473,845	2,473,845	2,614,586	(140,741)
Capital Outlay	657,000	657,000	609,374	47,626
Total Expenditures	3,252,312	3,252,312	3,341,843	(89,531)
Excess (Deficiency) of Revenues Over Expenditures	(542,962)	(542,962)	56,805	599,767
Other Financing Sources (Uses)				
Transfers Out	-	-	(29,500)	(29,500)
Total Other Financing Sources (Uses)	-	-	(29,500)	(29,500)
Net Change in Fund Balances	(542,962)	(542,962)	27,305	570,267
Fund Balances - Beginning	542,962	542,962	3,399,335	2,856,373
Fund Balances - Ending	$ -	$ -	$ 3,426,640	$ 3,426,640

Valley County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
American Rescue Plan Act
For the Year Ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Grants and Contributions	$ -	$ -	$ 6,713,289	$ 6,713,289
Earnings on Investment	-	-	22,543	22,543
Total Revenues	-	-	6,735,832	6,735,832
Expenditures				
Current:				
Operating Expenses	2,175,259	2,175,259	310,588	1,864,671
Total Expenditures	2,175,259	2,175,259	310,588	1,864,671
Net Change in Fund Balances	(2,175,259)	(2,175,259)	6,425,244	8,600,503
Fund Balances - Beginning	2,175,259	2,175,259	2,175,941	682
Fund Balances - Ending	$ -	$ -	$ 8,601,185	$ 8,601,185

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

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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 the County Commissioners prepare a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

B. Public hearings are conducted at the County courthouse to obtain taxpayer comments.

C. Prior to October 1, the budget is legally enacted through passage of an ordinance.

D. The County is authorized to transfer budgeted amounts between departments within any fund; however, no revision can be made to increase the overall tax supported funds except when federal or state grants are approved. The County, however, must follow the same budgetary procedures as they followed when the original budget was approved.

E. Formal budgetary integration is employed as a management control device during the year for the General fund and Special Revenue funds.

F. The budgets for the General fund and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles.

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

EXPENDITURES IN EXCESS OF APPROPRIATIONS

A. The Solid Waste fund had expenditures in excess of appropriations for the year ended September 30, 2023 of $89,531.

Valley County, Idaho
Schedule of Required Supplemental Information
Public Employees 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	0.1867810%	$ 7,453,818	$ 8,058,448	92.50%	83.83%
2022	0.1857989%	7,318,170	7,437,060	98.40%	83.09%
2021	0.1766731%	(139,533)	6,636,732	-2.10%	100.36%
2020	0.1688624%	3,921,208	6,206,127	63.18%	88.22%
2019	0.1614358%	1,842,745	5,488,745	33.57%	93.79%
2018	0.1556929%	2,296,497	5,068,623	45.31%	87.26%
2017	0.1497685%	2,354,104	4,647,558	50.65%	87.26%
2016	0.1618451%	3,280,849	4,715,287	69.58%	82.26%
2015	0.1673344%	2,203,522	4,641,922	47.47%	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	$ 971,230	$ 971,230	-	$ 8,058,448	12.05%
2022	895,920	895,920	-	7,437,060	12.05%
2021	799,408	799,408	-	6,636,732	12.05%
2020	747,417	747,417	-	6,206,127	12.04%
2019	635,130	635,130	-	5,488,745	11.57%
2018	578,623	578,623	-	5,068,623	11.42%
2017	530,431	530,431	-	4,647,558	11.41%
2016	537,814	537,814	-	4,715,287	11.41%
2015	529,423	529,423	-	4,641,922	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, Valley County, Idaho will present information for those years for which information is available.

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

Other Post-Employment Benefit Plan

Last 10 - Fiscal Years*

Fiscal Year	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	$ 29,683	$ 28,818	$ 25,525	$ 24,722	$ 25,114	$ 24,383
Interest Cost	8,546	11,854	11,364	11,471	10,566	9,695
Assumption Changes	-	20,051	-	3,435	-	-
Differences between Expected and Actual Experience	-	(65,216)	-	29,600	-	-
Benefit Payments	(19,145)	(20,732)	(26,913)	(11,138)	(7,712)	(12,114)
Net Change in Total OPEB Liability	19,084	(25,225)	9,976	58,090	27,968	21,964
Total OPEB Liability - Beginning	351,391	376,616	366,640	308,550	280,582	258,618
Total OPEB Liability - Ending (a)	370,475	351,391	376,616	366,640	308,550	280,582
Plan Fiduciary Net Position - Beginning	$ -	$ -	$ -	$ -	$ -	$ -
Plan Fiduciary Net Position - Ending (b)	-	-	-	-	-	-
County's Net OPEB Liability - Ending (a) - (b)	$ 370,475	$ 351,391	$ 376,616	$ 366,640	$ 308,550	$ 280,582
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	$ 7,604,980	$ 7,383,476	$ 5,528,889	$ 5,354,856	$ 5,308,985	$ 5,154,354
Net OPEB Liability as a Percentage of Covered Employee Payroll	5%	5%	7%	7%	6%	5%

*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

Valley 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
Operating Revenue			
Property Taxes	$ 7,173,025	$ 7,219,829	$ 46,804
Intergovernmental	1,227,526	1,588,727	361,201
Charges for Services	1,668,380	2,367,946	699,566
Grants and Contributions	1,811,007	687,871	(1,123,136)
Earnings on Investments	95,000	615,732	520,732
Other Revenues	526,255	536,978	10,723
Total Revenue	$ 12,501,193	$ 13,017,083	$ 515,890

Valley 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-Recorder			
Salaries	$ 350,539	$ 340,838	$ 9,701
Operating Expenditures	37,175	44,802	(7,627)
	387,714	385,640	2,074
Assessor			
Salaries	289,572	234,946	54,626
Operating Expenditures	11,350	9,408	1,942
	300,922	244,354	56,568
Treasurer			
Salaries	171,860	171,860	-
Operating Expenditures	34,050	21,260	12,790
	205,910	193,120	12,790
Sheriff			
Salaries	1,985,742	1,882,603	103,139
Operating Expenditures	389,615	369,276	20,339
Capital Outlay	1,600	-	1,600
	2,376,957	2,251,879	125,078
Commissioners			
Salaries	160,833	167,576	(6,743)
Operating Expenditures	33,200	26,457	6,743
	194,033	194,033	-
Coroner			
Salaries	54,071	51,161	2,910
Operating Expenditures	75,750	78,659	(2,909)
	129,821	129,820	1
Prosecuting Attorney			
Salaries	474,726	474,726	-
Operating Expenditures	84,750	70,471	14,279
	559,476	545,197	14,279
Juvenile Detention Center			
Operating Expenditures	36,500	18,128	18,372
	36,500	18,128	18,372
Public Defender			
Operating Expenditures	408,418	351,050	57,368
	408,418	351,050	57,368

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

	Budget	Actual	Variance
Buildings and Grounds			
Salaries	$ 165,121	$ 161,945	$ 3,176
Operating Expenditures	383,575	302,574	81,001
	548,696	464,519	84,177
Civil Defense			
Operating Expenditures	41,440	34,060	7,380
	41,440	34,060	7,380
Economic Development			
Operating Expenditures	690,000	200,250	489,750
	690,000	200,250	489,750
County Agent			
Salaries	111,698	110,999	699
Operating Expenditures	22,780	16,933	5,847
	134,478	127,932	6,546
Data Processing			
Salaries	323,318	222,649	100,669
Operating Expenditures	662,862	486,997	175,865
Capital Outlay	139,000	138,235	765
	1,125,180	847,881	277,299
Elections			
Salaries	5,000	1,592	3,408
Operating Expenditures	34,500	17,393	17,107
	39,500	18,985	20,515
Human Resources			
Salaries	93,311	99,796	(6,485)
Operating Expenditures	22,225	15,742	6,483
	115,536	115,538	(2)
General			
Salaries	63,000	91,903	(28,903)
Benefits	2,638,214	2,503,339	134,875
Operating Expenditures	988,800	762,056	226,744
	3,690,014	3,357,298	332,716
Jail			
Salaries	1,058,620	875,313	183,307
Operating Expenditures	416,280	438,083	(21,803)
Capital Outlay	20,500	18,397	2,103
	1,495,400	1,331,793	163,607

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

	Budget	Actual	Variance
Planning and Zoning			
Salaries	$ 187,755	$ 190,209	$ (2,454)
Operating Expenditures	51,175	37,446	13,729
	238,930	227,655	11,275
Building Department			
Salaries	202,877	183,309	19,568
Operating Expenditures	18,400	21,220	(2,820)
	221,277	204,529	16,748
Welfare Director			
Operating Expenditures	23,700	10,088	13,612
	23,700	10,088	13,612
Motor Vehicle			
Salaries	104,965	93,241	11,724
Operating Expenditures	3,150	2,356	794
	108,115	95,597	12,518
911 Communication			
Salaries	474,804	426,437	48,367
Operating Expenditures	181,981	155,697	26,284
Capital Outlay	5,000	-	5,000
	661,785	582,134	79,651
Reserve			
Capital Outlay	350,000	113,479	236,521
	350,000	113,479	236,521
Motor Pool			
Operating Expenditures	65,200	65,199	1
Capital Outlay	130,000	130,000	-
	195,200	195,199	1
Parks and Recreation			
Salaries	184,360	184,360	-
Operating Expenditures	602,606	139,356	463,250
	786,966	323,716	463,250
Total General Government	$ 15,065,968	$ 12,563,874	$ 2,502,094

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

	Airport	Ambulance	District Court	County Fair	Health District
Assets					
Cash and Cash Equivalents	$ 477	$ 2,469	$ 310,476	$ 14,932	$ 12,742
Receivables, Net:					
Property Taxes	253	-	11,035	1,349	3,909
Prepaid Items	-	-	13,291	-	-
Total Assets	$ 730	$ 2,469	$ 334,802	$ 16,281	$ 16,651
Liabilities					
Warrants and Accounts Payable	$ -	$ -	$ 3,222	$ -	$ -
Total Liabilities	-	-	3,222	-	-
Deferred Inflows					
Unearned Revenue - Property Taxes and Special Fees	433	-	10,110	1,202	3,469
Total Deferred Inflows	433	-	10,110	1,202	3,469
Fund Balances					
Nonspendable	-	-	13,291	-	-
Restricted	297	2,469	308,179	15,079	13,182
Unassigned	-	-	-	-	-
Total Fund Balances	297	2,469	321,470	15,079	13,182
Total Liabilities, Deferred Inflows, and Fund Balances	$ 730	$ 2,469	$ 334,802	$ 16,281	$ 16,651

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

	Election Consolidation	Indigent	Junior College	Revaluation	County Tort
Assets					
Cash and Cash Equivalents	$ 639,075	$ 242,791	$ 244,442	$ 199,159	$ 42,904
Receivables, Net:					
Property Taxes	-	(18)	-	14,359	3,789
Prepaid Items	441	-	-	11,247	-
Total Assets	$ 639,516	$ 242,773	$ 244,442	$ 224,765	$ 46,693
Liabilities					
Warrants and Accounts Payable	$ -	$ 1,800	$ -	$ -	$ -
Total Liabilities	-	1,800	-	-	-
Deferred Inflows					
Unearned Revenue - Property Taxes and Special Fees	-	163	-	12,908	3,473
Total Deferred Inflows	-	163	-	12,908	3,473
Fund Balances					
Nonspendable	441	-	-	11,247	-
Restricted	639,075	240,810	244,442	200,610	43,220
Unrestricted	-	-	-	-	-
Total Fund Balances	639,516	240,810	244,442	211,857	43,220
Total Liabilities, Deferred Inflows, and Fund Balances	$ 639,516	$ 242,773	$ 244,442	$ 224,765	$ 46,693

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

	Veterans Memorial	Weeds	Pest Control	Waterways	Valley County Snowmobile
Assets					
Cash and Cash Equivalents	$ 177	$ 68,226	$ 51,812	$ 563,891	$ 347,993
Internal Balance	-	-	-	-	-
Receivables, Net:					
Property Taxes	143	5,064	(7)	-	-
Special Fees	-	-	-	-	-
Prepaid Items	-	5,378	-	-	-
Due From Other Governments	-	-	-	-	-
Total Assets	$ 320	$ 78,668	$ 51,805	$ 563,891	$ 347,993
Liabilities					
Internal Balance	$ -	$ -	$ -	$ -	$ -
Warrants and Accounts Payable	$ -	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-	-
Deferred Inflows					
Unearned Revenue - Property Taxes and Special Fees	134	4,574	-	-	-
Total Deferred Inflows	134	4,574	-	-	-
Fund Balances					
Nonspendable	-	5,378	-	-	-
Restricted	186	68,716	51,805	563,891	347,993
Unassigned	-	-	-	-	-
Total Fund Balances	186	74,094	51,805	563,891	347,993
Total Liabilities, Deferred Inflows, and Fund Balances	$ 320	$ 78,668	$ 51,805	$ 563,891	$ 347,993

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

	Circuit Breaker	Bond Redemption	Title III	Sheriff Capital Equipment	Extension Agent
Assets					
Cash and Cash Equivalents	$ 24	$ 5,950	$ 222,716	$ 280,458	$ 1,508
Receivables, Net:					
Property Taxes	-	-	-	-	-
Prepaid Items	-	-	500	-	-
Total Assets	$ 24	$ 5,950	$ 223,216	$ 280,458	$ 1,508
Liabilities					
Warrants and Accounts Payable	$ -	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-	-
Deferred Inflows					
Unearned Revenue - Property Taxes and Special Fees	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	500	-	-
Restricted	24	5,950	-	280,458	1,508
Unassigned	-	-	222,716	-	-
Total Fund Balances	24	5,950	223,216	280,458	1,508
Total Liabilities, Deferred Inflows, and Fund Balances	$ 24	$ 5,950	$ 223,216	$ 280,458	$ 1,508

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

	Interlock Device	OHV	NASI Estate	Court Facility	911 Mountain Top
Assets					
Cash and Cash Equivalents	$ 34,120	$ 29,933	$ 31,174	$ 83,534	$ 34,000
Receivables, Net:					
Property Taxes	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	$ 34,120	$ 29,933	$ 31,174	$ 83,534	$ 34,000
Liabilities					
Warrants and Accounts Payable	$ -	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-	-
Deferred Inflows					
Unearned Revenue - Property Taxes and Special Fees	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	34,120	29,933	31,174	83,534	34,000
Unassigned	-	-	-	-	-
Total Fund Balances	34,120	29,933	31,174	83,534	34,000
Total Liabilities, Deferred Inflows, and Fund Balances	$ 34,120	$ 29,933	$ 31,174	$ 83,534	$ 34,000

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

	Payment in Lieu of Taxes	Jury Fund	911 Communications	Yield Forest Tax	Auditor's Trust
Assets					
Cash and Cash Equivalents	$ 2,043,973	$ 1,660	$ 217,135	$ 25,556	$ 3,911
Receivables, Net:					
Property Taxes	-	-	-	-	-
Prepaid Items	65,509	-	-	-	-
Total Assets	$ 2,109,482	$ 1,660	$ 217,135	$ 25,556	$ 3,911
Liabilities					
Warrants and Accounts Payable	$ -	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-	-
Deferred Inflows					
Unearned Revenue - Property Taxes and Special Fees	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-
Fund Balances					
Nonspendable	65,509	-	-	-	-
Restricted	2,043,973	1,660	217,135	25,556	3,911
Unassigned	-	-	-	-	-
Total Fund Balances	2,109,482	1,660	217,135	25,556	3,911
Total Liabilities, Deferred Inflows, and Fund Balances	$ 2,109,482	$ 1,660	$ 217,135	$ 25,556	$ 3,911

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

	Tax Collection Trust	Extension Agent	VCS Office Sheriff	Uncollected Costs	Homeowners Exempt Dues
Assets					
Cash and Cash Equivalents	$ 601	$ 862	$ 3,231	$ 76	$ 989
Receivables, Net:					
Property Taxes	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	$ 601	$ 862	$ 3,231	$ 76	$ 989
Liabilities					
Warrants and Accounts Payable	$ -	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-	-
Deferred Inflows					
Unearned Revenue - Property Taxes and Special Fees	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	601	862	3,231	76	989
Unassigned	-	-	-	-	-
Total Fund Balances	601	862	3,231	76	989
Total Liabilities, Deferred Inflows, and Fund Balances	$ 601	$ 862	$ 3,231	$ 76	$ 989

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

	Jury Fund Donation	Valley County EMS Dist.	Total
Assets			
Cash and Cash Equivalents	$ 400	$ 143,950	$ 5,907,327
Receivables, Net:			
Property Taxes	-	30,116	69,992
Prepaid Items	-	-	96,366
Total Assets	$ 400	$ 174,066	$ 6,073,685
Liabilities			
Warrants and Accounts Payable	$ -	$ -	$ 5,022
Total Liabilities	-	-	5,022
Deferred Inflows			
Unearned Revenue - Property Taxes and Special Fees	-	26,579	63,045
Total Deferred Inflows	-	26,579	63,045
Fund Balances			
Nonspendable	-	-	96,366
Restricted	400	147,487	5,686,536
Unassigned	-	-	222,716
Total Fund Balances	400	147,487	6,005,618
Total Liabilities, Deferred Inflows, and Fund Balances	$ 400	$ 174,066	$ 6,073,685

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

	Airport	Ambulance	District Court	County Fair	Health District
Revenues					
Property Taxes	$ 19,789	$ -	$ 512,256	$ 66,864	$ 196,030
Intergovernmental	-	-	64,755	-	-
Charges for Services	-	-	133,957	-	-
Grants and Contributions	-	-	20,316	-	-
Earning on Investments	-	-	-	-	-
Other Revenues	-	1,626	20,737	-	-
Total Revenues	19,789	1,626	752,021	66,864	196,030
Expenditures					
Current:					
Salaries	-	-	508,530	-	-
Benefits	-	-	244,368	-	-
Operating Expenditures	28,250	-	55,718	70,999	196,000
Capital Outlay	-	-	-	-	-
Total Expenditures	28,250	-	808,616	70,999	196,000
Excess (Deficiency) of Revenues Over Expenditures	(8,461)	1,626	(56,595)	(4,135)	30
Other Financing Sources (Uses)					
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(8,461)	1,626	(56,595)	(4,135)	30
Fund Balances - Beginning	8,758	843	378,065	19,214	13,152
Fund Balances - Ending	$ 297	$ 2,469	$ 321,470	$ 15,079	$ 13,182

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

	Election Consolidation	Indigent	Junior College	Revaluation	County Tort
Revenues					
Property Taxes	$ -	$ 810	$ -	$ 691,507	$ 181,713
Intergovernmental	71,694	-	-	-	-
Charges for Services	-	-	-	-	-
Grants and Contributions	-	-	-	-	-
Earning on Investments	-	-	-	-	-
Other Revenues	-	35,604	-	-	-
Total Revenues	71,694	36,414	-	691,507	181,713
Expenditures					
Current:					
Salaries	-	-	-	472,328	10,000
Benefits	-	-	-	202,551	-
Operating Expenditures	20,607	41,024	8,350	19,589	169,299
Capital Outlay	-	-	-	-	-
Total Expenditures	20,607	41,024	8,350	694,468	179,299
Excess (Deficiency) of Revenues Over Expenditures	51,087	(4,610)	(8,350)	(2,961)	2,414
Other Financing Sources (Uses)					
Transfers Out	-	-	-	-	(10,000)
Total Other Financing Sources (Uses)	-	-	-	-	(10,000)
Net Change in Fund Balances	51,087	(4,610)	(8,350)	(2,961)	(7,586)
Fund Balances - Beginning	588,429	245,420	252,792	214,818	50,806
Fund Balances - Ending	$ 639,516	$ 240,810	$ 244,442	$ 211,857	$ 43,220

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

	Veterans Memorial	Weeds	Pest Control	Waterways	Valley County Snowmobile
Revenues					
Property Taxes	$ 6,291	$ 239,801	$ -	$ -	$ -
Intergovernmental	-	-	-	-	280,159
Charges for Services	-	15,500	-	208,762	-
Grants and Contributions	-	-	-	51,417	-
Earning on Investments	-	-	-	-	-
Other Revenues	-	15,935	-	-	7,380
Total Revenues	6,291	271,236	-	260,179	287,539
Expenditures					
Current:					
Salaries	-	140,161	-	108,682	111,519
Benefits	-	55,741	-	6,608	22,422
Operating Expenditures	8,500	36,140	7,210	138,868	158,032
Capital Outlay	-	11,000	-	4,622	-
Total Expenditures	8,500	243,042	7,210	258,780	291,973
Excess (Deficiency) of Revenues Over Expenditures	(2,209)	28,194	(7,210)	1,399	(4,434)
Other Financing Sources (Uses)					
Transfers Out	-	-	-	(41,551)	-
Total Other Financing Sources (Uses)	-	-	-	(41,551)	-
Net Change in Fund Balances	(2,209)	28,194	(7,210)	(40,152)	(4,434)
Fund Balances - Beginning	2,395	45,900	59,015	604,043	352,427
Fund Balances - Ending	$ 186	$ 74,094	$ 51,805	$ 563,891	$ 347,993

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

	Circuit Breaker	Bond Redemption	Title III	Sheriff Capital Equipment	Extension Agent
Revenues					
Property Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Grants and Contributions	-	-	139,595	98,800	-
Earning on Investments	-	-	-	-	-
Other Revenues	-	-	-	-	20,896
Total Revenues	-	-	139,595	98,800	20,896
Expenditures					
Current:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Operating Expenditures	-	-	195,079	-	28,892
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	195,079	-	28,892
Excess (Deficiency) of Revenues Over Expenditures	-	-	(55,484)	98,800	(7,996)
Other Financing Sources (Uses)					
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	-	(55,484)	98,800	(7,996)
Fund Balances - Beginning	24	5,950	278,700	181,658	9,504
Fund Balances - Ending	$ 24	$ 5,950	$ 223,216	$ 280,458	$ 1,508

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

	Interlock Device	OHV	NASI Estate	Court Facility	911 Mountain Top
Revenues					
Property Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	2,490	-
Grants and Contributions	-	-	-	-	3,250
Earning on Investments	-	-	-	-	-
Other Revenues	2,187	21,515	680	-	-
Total Revenues	2,187	21,515	680	2,490	3,250
Expenditures					
Current:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Operating Expenditures	386	20,003	16,000	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	386	20,003	16,000	-	-
Excess (Deficiency) of Revenues Over Expenditures	1,801	1,512	(15,320)	2,490	3,250
Other Financing Sources (Uses)					
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	1,801	1,512	(15,320)	2,490	3,250
Fund Balances - Beginning	32,319	28,421	46,494	81,044	30,750
Fund Balances - Ending	$ 34,120	$ 29,933	$ 31,174	$ 83,534	$ 34,000

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

	Payment In Lieu of Taxes	Jury Fund Donation	911 Communications	Yield Forest Tax	Auditor's Trust
Revenues					
Property Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	721,347	-	-	-	-
Charges for Services	-	-	-	-	-
Grants and Contributions	-	-	(23,612)	-	-
Earning on Investments	-	-	-	-	-
Other Revenues	-	165	12,365	-	(963)
Total Revenues	721,347	165	(11,247)	-	(963)
Expenditures					
Current:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Operating Expenditures	-	-	-	-	-
Capital Outlay	1,277,935	-	-	-	-
Total Expenditures	1,277,935	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	(556,588)	165	(11,247)	-	(963)
Other Financing Sources (Uses)					
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(556,588)	165	(11,247)	-	(963)
Fund Balances - Beginning	2,666,070	1,495	228,382	25,556	4,874
Fund Balances - Ending	$ 2,109,482	$ 1,660	$ 217,135	$ 25,556	$ 3,911

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

	Tax Collection Trust	Extension Agent	VCS Office Sheriff	Uncollected Costs	Homeowners Exempt Dues
Revenues					
Property Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Grants and Contributions	-	-	-	-	-
Earning on Investments	-	-	-	-	-
Other Revenues	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
Current:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Operating Expenditures	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	-	-	-	-
Fund Balances - Beginning	601	862	3,231	76	989
Fund Balances - Ending	$ 601	$ 862	$ 3,231	$ 76	$ 989

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

	Jury Fund Donation	Valley County EMS Dist.	Total
Revenues			
Property Taxes	$ -	$ 1,267,299	$ 3,182,360
Intergovernmental	-	-	1,137,955
Charges for Services	-	-	360,709
Grants and Contributions	-	-	289,766
Earning on Investments	-	456	456
Other Revenues	-	608	138,735
Total Revenues	-	1,268,363	5,109,981
Expenditures			
Current:			
Salaries	-	-	1,351,220
Benefits	-	1,264,371	1,796,061
Operating Expenditures	-	3,000	1,221,946
Capital Outlay	-	-	1,293,557
Total Expenditures	-	1,267,371	5,662,784
Excess (Deficiency) of Revenues Over Expenditures	-	992	(552,803)
Other Financing Sources (Uses)			
Transfers Out	-	-	(51,551)
Total Other Financing Sources (Uses)	-	-	(51,551)
Net Change in Fund Balances	-	992	(604,354)
Fund Balances - Beginning	400	146,495	6,609,972
Fund Balances - Ending	$ 400	$ 147,487	$ 6,005,618

Valley 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	$ 592,401	$ 114,571	$ 706,972
Property Taxes Receivable	-	834,849	834,849
Total Assets	592,401	949,420	1,541,821
Liabilities			
Warrants and Accounts Payable	1,324	-	1,324
Total Liabilities	1,324	-	1,324
Net Position			
Restricted for:			
Individuals, Organizations, or Other Governments	591,077	949,420	1,540,497
Total Net Position	$ 591,077	$ 949,420	$ 1,540,497

Valley 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	$ 5,912,853	$ -	$ 5,912,853
Property taxes collected for other governments	-	28,205,871	28,205,871
Total Additions	5,912,853	28,205,871	34,118,724
Deductions:			
Fees distributed to other governments	5,513,138	-	5,513,138
Taxes distributed to other governments	-	28,190,218	28,190,218
Total Deductions	5,513,138	28,190,218	33,703,356
Change in Net Position	399,715	15,653	415,368
Net Position - Beginning	191,362	933,767	1,125,129
Net Position - Ending	$ 591,077	$ 949,420	$ 1,540,497

FEDERAL REPORTS

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

Program Title	Assistance Listing Number	Flowthrough Number	Program Expenditures
U.S. Department of Agriculture			
Direct Federal Forest Funds			
Forest Service Schools and Roads Cluster			
Schools and Roads - Grants to States	10.665		$ 1,671,705
Total Forest Service Schools and Roads Cluster			1,671,705
Passed through State Department of Lands			
Cooperative Forestry Assistance	10.664		92,618
Total U.S. Department of Agriculture			1,764,323
U.S. Department of Homeland Security			
Direct			
Emergency Management Performance Grants	97.042		15,262
Total U.S. Department of the Interior			15,262
U.S. Department of the Interior			
Direct			
Payment in Lieu of Taxes	15.226		1,543,444
Total U.S. Department of the Interior			1,543,444
U.S. Department of Treasury (TREAS)			
Direct			
Coronavirus State and Local Fiscal Recovery Funds	21.027		310,588
Total U.S. Department of Treasury			310,588
U.S. Department of Transportation			
Direct Federal Forest Funds			
Highway Safety Cluster			
State and Community Highway Safety	20.600		93,448
National Priority Safety Program	20.616		17,385
Total Highway Safety Cluster			110,833
Total U.S. Department of Transportation			110,833
Total Federal Financial Assistance			$ 3,744,450

Valley 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 Valley 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 Valley County, Idaho, it is not intended to and does not present the financial position or changes in Net Position of Valley 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

Valley 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
Valley County
Cascade, 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, each major fund, and the aggregate remaining fund information of Valley County, Idaho, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Valley County, Idaho's basic financial statements, and have issued our report thereon dated April 15, 2024.

Internal Control Over Financial Reporting

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

Nampa, Idaho
April 15, 2024

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

Board of Commissioners
Valley County
Cascade, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Valley County, Idaho's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Valley County, Idaho's major federal programs for the year ended September 30, 2023. Valley 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, Valley County, Idaho complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major 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 Valley 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 Valley 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 Valley 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 Valley 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 Valley 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 Valley 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 Valley 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 Valley 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 & Associates, CPAs PLLC

Nampa, Idaho
April 15, 2024

Valley 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 on whether the financial statements audited were prepared in accordance with GAAP: 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 2 CFR 200.516(a)?	☐ yes	☑ no

Identification of major programs:

Assistance Listing Numbers	Name of Federal Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
15.226	Payment in Lieu of Taxes

Dollar threshold used to distinguish between
Type A and Type B programs: $750,000

Auditee qualified as low risk auditee? ☑ yes ☐ no

Section II - Financial Statement Findings

None.

Section III - Findings and Questioned Costs for Federal Awards

No findings related to the federal awards were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).