CITY OF CASCADE, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2024

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 Balance – Governmental Funds 12

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

Statement of Net Position – Proprietary Funds 15

Statement of Revenues, Expenditures, and Changes in Fund Net Position – Proprietary Funds 16

Statement of Cash Flows – Proprietary Funds 17

Notes to Financial Statements 19

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary (GAAP Basis) Comparison Schedule

General Fund 36

Library Fund 37

Roads and Streets Fund 38

Airport Fund 39

Local Option Tax Fund 40

Table of Contents
(continued)

Page

Notes to Required Supplementary Information 41

Schedule of Required Supplementary Information 42

SUPPLEMENTARY INFORMATION

Supplemental Schedule of Revenues by Source – Budget and Actual – General Fund 44

Supplemental Schedule of Expenditures by Object of Expenditure – Budget and Actual – General Fund – Nonmajor Governmental Funds 45

Combining Balance Sheet – Nonmajor Governmental Funds 47

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 48

FEDERAL REPORTS

Schedule of Expenditures of Federal Awards 50

Notes to Required Supplementary Information 51

I**ndependent 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** 52

I**ndependent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance** 54

Schedule of Findings and Questioned Costs 57

Management's Response to Findings……..60

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

Independent Auditor's Report

Honorable Mayor and
City Council
Cascade, Idaho

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cascade, Idaho (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cascade, Idaho, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are required to be independent of the City of Cascade, 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions ore events, considered in the aggregate, that raise substantial doubt about the City of Cascade, Idaho's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Cascade, 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 City of Cascade, Idaho's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of the City's proportionate share of the net pension liability, and schedule of City contributions on pages 36 through 41 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.

The City has not presented the management's discussion and analysis that governmental 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 the City of Cascade, Idaho's basic financial statements. The supplemental schedules of revenues by source and expenditures by object for the General fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information of revenues by source and expenditures by object for the General fund, and combining nonmajor statements as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules of revenues by source and expenditures by object for the General fund and the combining nonmajor fund financial statements are 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 August 4, 2025, on our consideration of the City of Cascade, 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 the City of Cascade, Idaho's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs, PLLC

Nampa, Idaho
August 4, 2025

City of Cascade, Idaho
Statement of Net Position
September 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 1,743,060	$ 304,561	$ 2,047,621
Accounts Receivable, Net	24,683	83,813	108,496
Property Taxes Receivable, Net	50,664	-	50,664
Intergovernmental Receivable, Net	1,073,653	-	1,073,653
Interest Receivable	5,326	4,515	9,841
Total Current Assets	2,897,386	392,889	3,290,275
Noncurrent Assets:			
Restricted Cash	-	945,309	945,309
Capital Assets:			
Land and Construction in Progress	1,076,743	83,099	1,159,842
Buildings, Improvements, and Equipment, Net	5,051,645	4,749,943	9,801,588
Total Noncurrent Assets	6,128,388	5,778,351	11,906,739
Total Assets	9,025,774	6,171,240	15,197,014
Deferred Outflows			
Pension Related Items	59,782	41,014	100,796
Total Deferred Outflows	59,782	41,014	100,796
Liabilities			
Current Liabilities:			
Accounts Payable	1,033,423	19,894	1,053,317
Accrued Payroll and Benefits	9,897	-	9,897
Accrued Interest	-	1,707	1,707
Municipal Lease - Current Portion	52,529	28,707	81,236
Bonds Payable - Current Portion	-	196,909	196,909
Compensated Absences - Current Portion	18,196	12,188	30,384
Total Current Liabilities	1,114,045	259,405	1,373,450
Long-Term Liabilities:			
Municipal Lease	138,514	46,867	185,381
Bonds Payable	-	3,277,392	3,277,392
Unamortized Bond Premium	-	177,054	177,054
Net Pension Liability	254,620	174,684	429,304
Total Long-Term Liabilities	393,134	3,675,997	4,069,131
Total Liabilities	1,507,179	3,935,402	5,442,581
Deferred Inflows			
Pension Related Items	4,622	3,171	7,793
Total Deferred Inflows	4,622	3,171	7,793
Net Position			
Invested in Capital Assets, Net of Related Debt	5,937,345	1,106,113	7,043,458
Restricted	1,049,953	945,309	1,995,262
Unrestricted Surplus	586,457	222,259	808,716
Total Net Position	$ 7,573,755	$ 2,273,681	$ 9,847,436

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

City of Cascade, Idaho
Statement of Activities
For the Year Ended September 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	647,044	$ 144,538	$ 34,288	$ -	$ (468,218)	$ -	$ (468,218)
Public Protection	185,646	-	-	-	(185,646)	-	(185,646)
Highways and Streets	945,327	-	-	119,848	(825,479)	-	(825,479)
Culture and Recreation	414,651	37,953	-	527,435	150,737	-	150,737
Airport	1,912,565	210	-	1,843,628	(68,727)	-	(68,727)
Impact Fees	30,033	-	-	-	(30,033)	-	(30,033)
Interest on Long-term Debt	215,305	-	-	-	(215,305)	-	(215,305)
Total Governmental Activities	4,350,571	182,701	34,288	2,490,911	(1,642,671)	-	(1,642,671)
Business-type Activities:							
Water	966,653	580,260	-	-	-	(386,393)	(386,393)
Sewer	397,070	424,483	-	-	-	27,413	27,413
Total Business-type Activities	1,363,723	1,004,743	-	-	-	(358,980)	(358,980)
Total Primary Government	$ 5,714,294	$ 1,187,444	$ 34,288	$ 2,490,911	(1,642,671)	(358,980)	(2,001,651)
General Revenues:							
Property Taxes					938,725	-	938,725
Intergovernmental					281,707	-	281,707
Local Option Tax					354,314	-	354,314
Impact Fees					31,999	-	31,999
Interest					102,433	43,294	145,727
Proceeds from Debt					211,712	70,571	282,283
Other					48,087	-	48,087
Transfers Between Business Type Activities and Governmental Activities					(593,957)	593,957	-
Total General Revenues and Special Items					1,375,020	707,822	2,082,842
Change in Net Position					(267,651)	348,842	81,191
Net Position, Beginning of Year, As Previously Stated					7,804,496	1,891,649	9,696,145
Prior Period Adjustment					36,910	33,190	70,100
Net Position, Beginning of Year, Restated					7,841,406	1,924,839	9,766,245
Net Position, End of Year					$ 7,573,755	$ 2,273,681	$ 9,847,436

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

City of Cascade, Idaho
Balance Sheet -
Governmental Funds
September 30, 2024

	General	Roads and Streets	Airport	Library
Assets				
Cash and Cash Equivalents	$ 743,604	$ 46,263	$ -	$ 154,893
Internal Balance	55,980	-	-	-
Receivables:				
Property Taxes, Net	17,417	21,061	830	6,168
Intergovernmental, Net	28,108	3,910	1,041,635	-
Accounts	-	-	-	-
Interest	1,496	1,917	352	300
Total Assets	$ 846,605	$ 73,151	$ 1,042,817	$ 161,361
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Internal Balances	$ -	$ -	$ 36,649	$ -
Accounts Payable	10,318	19,090	905,856	64,796
Accrued Payroll and Benefits	9,897	-	-	-
Total Liabilities	20,215	19,090	942,505	64,796
Deferred Inflows				
Unavailable Revenue - Property Taxes	15,662	18,939	746	5,547
Total Deferred Inflows	15,662	18,939	746	5,547
Fund Balances				
Restricted	-	35,122	99,566	91,018
Unassigned	810,728	-	-	-
Total Fund Balances	810,728	35,122	99,566	91,018
Total Liabilities, Deferred Inflows, and Fund Balances	$ 846,605	$ 73,151	$ 1,042,817	$ 161,361

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

City of Cascade, Idaho
Balance Sheet -
Governmental Funds (continued)
September 30, 2024

	Local Option Tax	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	$ 757,838	$ 40,462	$ 1,743,060
Internal Balance	-	-	55,980
Receivables:			
Property Taxes, Net	-	5,188	50,664
Intergovernmental, Net	-	-	1,073,653
Accounts	24,683	-	24,683
Interest	1,152	109	5,326
Total Assets	$ 783,673	$ 45,759	$ 2,953,366
Liabilities, Deferred Inflows, and Fund Balances			
Liabilities			
Internal Balances	$ -	$ 19,331	$ 55,980
Accounts Payable	-	33,363	1,033,423
Accrued Payroll and Benefits	-	-	9,897
Total Liabilities	-	52,694	1,099,300
Deferred Inflows			
Unavailable Revenue - Property Taxes	-	4,665	45,559
Total Deferred Inflows	-	4,665	45,559
Fund Balances			
Restricted	783,673	40,574	1,049,953
Unassigned	-	(52,174)	758,554
Total Fund Balances	783,673	(11,600)	1,808,507
Total Liabilities, Deferred Inflows, and Fund Balances	$ 783,673	$ 45,759	$ 2,953,366

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

City of Cascade, Idaho
Reconciliation of the Balance Sheet of the Governmental
Funds to the Statement of Net Position
September 30, 2024

Total Fund Balances - Governmental Funds		$ 1,808,507
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. The cost of assets consist of:		
Land and Construction in Progress	$ 1,076,743	
Buildings, Net of $462,762 Accumulated Depreciation	663,632	
Improvements, Net of $3,765,271 Accumulated Depreciation	4,013,070	
Equipment, Net of $429,151 Accumulated Depreciation	374,943	
		6,128,388
Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures and, therefore, are deferred in the funds.		45,559
Long-term liabilities, applicable to the City'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.		
Municipal Leases Payable	$ (191,043)	
Compensated Absences	(18,196)	
		(209,239)
The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.		
Net Pension Liability	$ (254,620)	
Pension Related Deferred Inflows	(4,622)	
Pension Related Deferred Outflows	59,782	
		(199,460)
Net Position of Governmental Activities		$ 7,573,755

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

City of Cascade, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2024

	General	Roads and Streets	Airport	Library
Revenues				
Taxes	$ 318,581	$ 385,229	$ 15,184	$ 112,592
Licenses and Permits	124,239	-	-	-
Intergovernmental	178,172	103,535	-	-
Interest	70,743	14,893	1,235	3,659
Grants	34,288	119,848	1,843,628	516,335
Other	46,202	-	20,894	37,153
Total Revenues	772,225	623,505	1,880,941	669,739
Expenditures				
Current:				
General Government	524,562	-	-	-
Public Protection	185,646	-	-	-
Highways and Streets	-	626,264	-	-
Culture and Recreation	-	-	-	651,889
Airport	-	-	1,808,075	-
Municipal Lease	-	275,431	-	-
Capital Outlay	-	335,277	-	-
Total Expenditures	710,208	1,236,972	1,808,075	651,889
Excess (Deficiency) of Revenues Over Expenditures	62,017	(613,467)	72,866	17,850
Other Financing Resources (Uses)				
Proceeds of Municipal Lease	-	211,712	-	-
Impact Fees Revenue	31,999	-	-	-
Impact Fees Expenditure	(30,033)	-	-	-
Transfers In	-	153,207	-	-
Transfers Out	(747,164)	-	-	-
Total Other Financing Sources (Uses)	(745,198)	364,919	-	-
Net Change in Fund Balances	(683,181)	(248,548)	72,866	17,850
Fund Balances - Beginning	1,493,909	283,670	26,700	73,168
Fund Balances - Ending	$ 810,728	$ 35,122	$ 99,566	$ 91,018

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

City of Cascade, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds (continued)
For the Year Ended September 30, 2024

	Local Option Tax	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ -	$ 94,904	$ 926,490
Licenses and Permits	-	-	124,239
Local Option Tax Revenue	354,314	-	354,314
Intergovernmental	-	-	281,707
Interest	11,794	109	102,433
Grants	-	11,100	2,525,199
Other	-	2,300	106,549
Total Revenues	366,108	108,413	4,420,931
Expenditures			
Current:			
General Government	-	-	524,562
Public Protection	-	-	185,646
Highways and Streets	-	-	626,264
Culture and Recreation	-	192,858	844,747
Airport	-	-	1,808,075
Municipal Lease	-	-	275,431
Local Option Tax	35,235	-	35,235
Capital Outlay	-	1,222	336,499
Total Expenditures	35,235	194,080	4,636,459
Excess (Deficiency) of Revenues Over Expenditures	330,873	(85,667)	(215,528)
Other Financing Resources (Uses)			
Proceeds of Municipal Lease	-	-	211,712
Impact Fees Revenue	-	-	31,999
Impact Fees Expenditure	-	-	(30,033)
Transfers In	-	21,000	174,207
Transfers Out	(21,000)	-	(768,164)
Total Other Financing Sources (Uses)	(21,000)	21,000	(380,279)
Net Change in Fund Balances	309,873	(64,667)	(595,807)
Fund Balances - Beginning	473,800	53,067	2,404,314
Fund Balances - Ending	$ 783,673	$ (11,600)	$ 1,808,507

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

City of Cascade, 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, 2024

Total Net Change in Fund Balance - Governmental Funds		$ (595,807)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. Conversely, disposals of capital assets do not report a gain or loss in the governmental funds but in the Statement of Activities the remaining cost of the asset(s) is written off. In the current period these amounts are:		
Capital Outlay	$ 560,247	
Depreciation Expense	(267,700)	
Net		292,547
Because some property taxes will not be collected for several months after the City'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.		12,235
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Repayment of Bond and Municipal Lease Principal		60,126
The District participates in the Public Employee 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.		(32,509)
Change in Net Position of Governmental Activities		$ (267,651)

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

City of Cascade, Idaho
Statement of Net Position - Proprietary Funds
September 30, 2024

	Water	Sewer	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 304,561	$ -	$ 304,561
Internal Balances	202,784	-	202,784
Accounts Receivable, Net	36,550	47,263	83,813
Interest Receivable	2,392	2,123	4,515
Total Current Assets	546,287	49,386	595,673
Noncurrent Assets:			
Restricted Cash	579,327	365,982	945,309
Capital Assets:			
Land and Construction in Progress	83,099	-	83,099
Buildings, Improvements, and Equipment, Net	1,963,292	2,786,651	4,749,943
Total Noncurrent Assets	2,625,718	3,152,633	5,778,351
Total Assets	3,172,005	3,202,019	6,374,024
Deferred Outflows			
Pension Related Items	24,030	16,984	41,014
Total Deferred Outflows	24,030	16,984	41,014
Liabilities			
Current Liabilities:			
Internal Balances	-	202,784	202,784
Accounts Payable	4,326	15,568	19,894
Compensated Absences	7,265	4,923	12,188
Accrued Interest	-	1,707	1,707
Current Portion - Municipal Lease	21,147	7,560	28,707
Current Portion - Bond Payable	117,000	79,909	196,909
Total Current Liabilities	149,738	312,451	462,189
Long-term Liabilities:			
Lease Payable	46,378	489	46,867
Bond Payable	1,714,500	1,562,892	3,277,392
Unamortized Bond Premium	159,349	17,705	177,054
Net Pension Liability	102,347	72,337	174,684
Total Long-term Liabilities	2,022,574	1,653,423	3,675,997
Total Liabilities	2,172,312	1,965,874	4,138,186
Deferred Inflows			
Pension Related Items	1,858	1,313	3,171
Total Deferred Inflows	1,858	1,313	3,171
Net Position			
Invested in Capital Assets, Net of Related Debt	1,702,517	2,680,988	4,383,505
Restricted	579,327	365,982	945,309
Unrestricted	(1,259,979)	(1,795,154)	(3,055,133)
Total Net Position	$ 1,021,865	$ 1,251,816	$ 2,273,681

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

City of Cascade, Idaho
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
For the Year Ended September 30, 2024

	Water	Sewer	Total
Operating Revenues			
Charges for Services	$ 557,546	$ 405,416	$ 962,962
Surcharge	-	2,400	2,400
Hook Ups	14,584	4,554	19,138
Other	8,130	12,113	20,243
Total Operating Revenues	580,260	424,483	1,004,743
Operating Expenses			
Salaries and Benefits	188,137	120,870	309,007
Maintenance and Operations	387,645	108,083	495,728
Depreciation	254,987	152,635	407,622
Total Operating Expenses	830,769	381,588	1,212,357
Operating Income (Loss)	(250,509)	42,895	(207,614)
Nonoperating Revenues (Expenses)			
Proceeds from Debt	70,571	-	70,571
Interest Earned	20,783	22,511	43,294
Interest Expense	(135,884)	(15,482)	(151,366)
Total Nonoperating Revenues (Expenses)	(44,530)	7,029	(37,501)
Income (Loss) Before Transfers	(295,039)	49,924	(245,115)
Transfers			
Transfers In	351,476	242,481	593,957
Net Transfers	351,476	242,481	593,957
Change in Net Position	56,437	292,405	348,842
Total Net Position - Beginning, As Previously Stated	965,428	926,221	1,891,649
Prior Period Adjustment	-	33,190	33,190
Total Net Position - Beginning	965,428	959,411	1,924,839
Total Net Position - Ending	$ 1,021,865	$ 1,251,816	$ 2,273,681

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

City of Cascade, Idaho
Statement of Cash Flows -
Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash Flows From Operating Activities			
Receipts from Customers	$ 566,070	$ 409,074	$ 975,144
Other Operating Cash Receipts	8,130	12,113	20,243
Payments to Suppliers for Goods or Services	(388,601)	(98,064)	(486,665)
Payments to Employees for Services	(161,982)	(102,617)	(264,599)
Net Cash Provided (Used) by Operating Activities	23,617	220,506	244,123
Cash Flows From Noncapital Financing Activities			
Transfers In (Out)	351,476	242,481	593,957
Net Cash Provided (Used) by Noncapital Financing Activities	351,476	242,481	593,957
Cash Flows From Capital and Related Financing Activities			
Purchases and Construction of Capital Assets	(70,407)	(140,268)	(210,675)
Principal Paid on Capital Debt	(112,500)	(45,687)	(158,187)
Interest Paid on Capital Debt	(148,140)	(15,137)	(163,277)
Principal Payment on Municipal Lease	(37,937)	(26,842)	(64,779)
Net Cash Used by Capital and Related Financing Activities	(368,984)	(227,934)	(596,918)
Cash Flows From Investing Activities			
Interest and Dividends	19,946	22,088	42,034
Net Change in Cash and Cash Equivalents	26,055	257,141	283,196
Cash and Cash Equivalents, Beginning	1,060,617	(93,943)	966,674
Cash and Cash Equivalents, Ending	$ 1,086,672	$ 163,198	$ 1,249,870
Displayed As:			
Cash and Cash Equivalents	$ 304,561	$ -	$ 304,561
Internal Balances	202,784	(202,784)	-
Restricted Cash	579,327	365,982	945,309
	$ 1,086,672	$ 163,198	$ 1,249,870
Noncash Transactions:			
Issued Municipal Lease to Purchase Equipment	$ 70,571	$ -	$ 70,571

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

City of Cascade, Idaho
Statement of Cash Flows -
Proprietary Funds (continued)
For the Year Ended September 30, 2024

	Water	Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (250,509)	$ 42,895	$ (207,614)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	254,987	152,635	407,622
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(6,060)	(3,296)	(9,356)
(Increase) Decrease in Deferred Outflows	13,733	9,707	23,440
Increase (Decrease) in Accrued Payroll and Benefits	2,242	1,352	3,594
Increase (Decrease) in Accounts Payable	(956)	10,019	9,063
Increase (Decrease) in Net Pension Liability	8,322	5,881	14,203
Increase (Decrease) in Deferred Inflows	1,858	1,313	3,171
Net Cash Provided by Operating Activities	$ 23,617	$ 220,506	$ 244,123

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements present the activities of the City of Cascade, Idaho (the City), which has responsibility and control over all activities related to water, sewer, and public safety within the City. The City receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding-source entities. However, the City is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Council members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the City's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

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 City, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City'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 are expenses of the general government related to the administration and support of the City's programs, such as personnel and accounting (but not interest on long-term debt) and are allocated to programs based on their percentage of total primary-government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt for business-type activities.

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

The City reports the following major governmental funds:

- *General fund.* This is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- *Roads and Streets fund.* This fund accounts for repairs and maintenance of roads and construction of new roads.
- *Airport fund.* This fund accounts for repairs and maintenance of the airport.
- *Local Option Tax fund.* This fund accounts for the collection and use of the local option tax levied within the City limits.
- *Library fund.* This fund accounts for repairs and maintenance of the library.

Proprietary fund operating revenues and expenses are related to providing water and sewer services to the residents and businesses of the City and providing services to other parts of the City government. Revenues and expenses that arise from capital and non-capital financing activities and from investing activities are presented as non-operating revenues or expenses.

The City reports the following major enterprise funds:

- *Water fund.* This fund accounts for the activities of the City's water supply system, pumping stations, and collection systems.
- *Sewer fund.* This fund accounts for the operations and collections of the City's sewer system.

Basis of Accounting

The government-wide and proprietary 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.

Non-exchange transactions, in which the City 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 City considers all revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the year. 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 City uses the following fund balance categories in the governmental fund Balance Sheet:

- *Nonspendable.* Prepaid items 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 City Council, the City's highest level of decision-making authority, through a formal action. The City Council would also have the authority to assign funds or authorize another official to do so.

Under the terms of grant agreements, the City 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 or fund balance available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed.

There is also no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the City'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 City considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.
The fund balances in the Library, Cemetery, Parks, and Airport funds are restricted by property tax levies. The Roads and Streets fund is restricted by both a property tax levy and by state funds. The Debt Service fund is restricted by the local improvement district.

C. Assets and Liabilities

Cash Equivalents

The City requires all cash belonging to the City 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.

Receivables

All trade and property tax receivables are shown net of any allowance for uncollectible accounts.

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 Threshold	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$5,000	Straight Line	10-30 years
Equipment and Vehicles	$5,000	Straight Line	5-30 years

General infrastructure assets acquired prior to October, 2003, are not reported in the basic financial statements. 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.

Property Tax Calendar

The City of Cascade, Idaho receives tax revenue from Valley County. The County is responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the City by the County as of September 30, 2024, are considered receivable by the City.

Taxes not collected within 60 days after the end of the year are not considered available for use by the City and are recorded as deferred revenue in the fund financial statements.

The City levies its real property taxes through the county in September of each year based on the assessed valuation as of the previous July 1. Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 and July 1, at which time the property is subject to lien.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability (asset) 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 the 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.

2. PENSION PLAN

Plan Description

The City of Cascade, Idaho contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by the 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, 2024, it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The City's contributions were $58,643 for the year ended September 30, 2024.

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

At September 30, 2024, the City 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, 2024, and the total pension liability (asset) used to calculate the net pension

liability (asset) was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City's proportion was 0.01147675 percent.

For the year ended September 30, 2024, the City recognized pension expense (revenue) of $163,899. At September 30, 2024, the City 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	$ 68,349	$ -
Changes in assumptions or other inputs	17,008	-
Net difference between projected and actual earnings on pension plan investments	-	7,793
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	-	-
City of Cascade, Idaho's contributions subsequent to the measurement date	15,439	-
Total	$ 100,796	$ 7,793

$15,439 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending September 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 for the measurement period ended June 30, 2024.

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

For the Year Ended September 30:	PERSI
2025	$ 36,628
2026	80,045
2027	(13,804)
2028	(9,866)

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 (asset) 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 (asset) in the June 30, 2024 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 expenses
Cost-of-living -adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries

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

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability (Asset) as June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

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

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

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 2024.

Fixed Income	30.0%
US/Global Equity	55.0%
International Equity	15.0%
Cash	0.0%
Total	100.0%

Discount Rate

The discount rate used to measure the total pension liability (asset) 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 (asset). 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 City's proportionate share of the net pension liability to changes in the discount rate.

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.35 percent, as well as what the City's proportionate share of the net pension liability (asset) 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)	$ 815,812	$ 429,304	$ 113,626

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.

3. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees. In the event of termination, an employee is reimbursed for accumulated vacation leave.

Changes in compensated absences for the year ended September 30, 2024, are as follows:

	9/30/2023	Earned	Used	9/30/2024	Current Portion
Governmental Activities	$ 13,953	$ 16,089	$ (11,846)	$ 18,196	$ 18,196
Business-Type Activities	8,594	10,325	(6,731)	12,188	12,188
	$ 22,547	$ 26,414	$ (18,577)	$ 30,384	$ 30,384

4. CASH AND INVESTMENTS

Deposits

As of September 30, 2024, the carrying amount of the City's deposits was $688,637 and the respective bank balances totaled $743,166. Of the total bank balance $500,000 was insured or collateralized with pooled securities held by the pledging institution in the name of the City.

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, 2024, $243,166 of the City's deposits were not covered by the federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus were exposed to custodial credit risk. The City does not have a formal policy limiting its exposure to custodial credit risk. The City also had $185 of cash on hand at the end of the year.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The City does not have a formal policy limiting its exposure to custodial credit risk.

Interest Rate Risk

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

Investments

The City 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 City's investments in the pool is the same as the value of the pool shares. The City follows Idaho Statute that outlines qualifying investment options as follows:

> Idaho Code authorizes the City 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 City's investments at September 30, 2024, are summarized below:

		Investment Maturities (in Years)	
Investment Type	Fair Value	Less Than 1	1-5
External Investment Pool	$ 2,304,110	$ 2,304,110	$ -

At the end of the year, the cash and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 384,261	$ 304,561	$ 688,822
Restricted cash	-	945,309	945,309
Investments categorized as deposits	1,358,801	-	1,358,801
	$ 1,743,062	$ 1,249,870	$ 2,992,932

5. RISK MANAGEMENT

The City 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.

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2024, was as follows:

	Beginning 9/30/2023	Additions	Disposals	Ending 9/30/2024
Governmental Activities:				
Nondepreciable Capital Assets:				
Land	$ 526,569	$ -	$ -	$ 526,569
Construction in Progress	911,683	458,417	(819,926)	550,174
Total Nondepreciable Capital Assets	1,438,252	458,417	(819,926)	1,076,743
Depreciable Capital Assets:				
Buildings	466,269	660,125	-	1,126,394
Equipment	583,883	220,211	-	804,094
Improvements	7,465,374	312,967	-	7,778,341
Total Depreciable Assets	8,515,526	1,193,303	-	9,708,829
Less: Accumulated Depreciation				
Buildings	450,825	11,937	-	462,762
Equipment	373,307	55,844	-	429,151
Improvements	3,565,352	199,919	-	3,765,271
Total Accumulated Depreciation	4,389,484	267,700	-	4,657,184
Net Depreciable Assets	4,126,042	925,603	-	5,051,645
Governmental Activities Capital Assets - Net	$5,564,294	$1,384,020	$(819,926)	$ 6,128,388

	Beginning 9/30/2023	Additions	Disposals	Ending 9/30/2024
Business-type Activities:				
Nondepreciable Capital Assets:				
Land	$ 83,099	$ -	$ -	$ 83,099
Total Nondepreciable Capital Assets	83,099	-	-	83,099
Depreciable Capital Assets:				
Buildings	-	281,246	-	281,246
Equipment	792,554	70,571	-	863,125
Improvements	10,061,841	-	-	10,061,841
Total Depreciable Assets	10,854,395	351,817	-	11,206,212
Less: Accumulated Depreciation				
Buildings	-	5,273	-	5,273
Equipment	441,044	64,136	-	505,180
Improvements	5,607,603	338,213	-	5,945,816
Total Accumulated Depreciation	6,048,647	407,622	-	6,456,269
Net Depreciable Assets	4,805,748	(55,805)	-	4,749,943
Business-type Activities Capital Assets - Net	$4,888,847	$ (55,805)	$ -	$ 4,833,042

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

Governmental Activities:	
General Government	$ 67,781
Highways and Streets	68,362
Culture and Recreation	16,842
Airport	114,715
	$267,700
Business-type Activities:	
Water	$254,987
Sewer	152,635
	$407,622

7. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of state revenue sharing of $28,108, due from the State of Idaho and $1,049,455 from grants.

8. TAX ABATEMENT

Valley County entered in to a property tax abatement with one property under Idaho Code 63-602NN.

For the year ended September, 2021 Valley County Commissioners abated $1,346 of property taxes from certain business tax levy, which they were not required to pay.

9. LONG-TERM OBLIGATIONS

Governmental Activities:

Capital asset acquisitions were financed through municipal leases.

Changes in long-term obligations for the year ended September 30, 2024, are as follows:

Description	Maturity	Rate	Required Reserve	9/30/2023	Increase	Decrease	9/30/2024	Current Portion
Governmental Activities:								
Loader Lease	2025	3.25%	$ -	$ 23,101	$ -	$ (21,295)	$ 1,806	$ 1,806
Track Loader Lease	2026	3.68%	-	20,412	-	(9,603)	10,809	9,962
Wheel Tractor 621G	2029	3.08%	-	-	211,712	(33,284)	178,428	40,761
			$ -	$ 43,513	$211,712	$ (64,182)	$ 191,043	$ 52,529

Future minimum lease requirements as of September 30, 2024, are as follows:

Year Ending September 30,	Principal	Interest	Total Payment
2025	$ 52,529	$ 5,159	$ 57,688
2026	42,881	3,653	46,534
2027	43,347	2,337	45,684
2028	44,701	983	45,684
	7,585	29	7,614
	$ 191,043	$ 12,161	$ 203,204

Business-type Activities:

Bonds have been issued to provide funds for water and sewer projects. Leases were used to acquire capital equipment.

Changes in long-term obligations for the year ended September 30, 2024, are as follows:

Description	Maturity	Rate	Required Reserve	9/30/2023	Increase	Decrease	9/30/2024	Current Portion
Business-type Activities:								
Loader Lease	2025	3.25%	$ -	$ 46,202	$ -	$ (42,591)	$ 3,611	$ 3,611
Track Loader Lease	2026	3.68%	-	23,579	-	(11,093)	12,486	11,508
Wheel Tractor 621G	2029	3.08%	-	-	70,571	(11,094)	59,477	13,588
Idaho Bond Bank	2036	4.0-5.0%	-	2,160,000	-	(125,000)	2,035,000	130,000
DEQ Loan	2045	0.24%	56,258	1,505,679	-	(66,378)	1,439,301	66,909
			56,258	3,735,460	70,571	(256,156)	3,549,875	225,616
Unamortized Bond Premium			-	190,674	-	(13,620)	177,054	-
			$ 56,258	$ 3,926,134	$ 70,571	$ (269,776)	$ 3,726,929	$ 225,616

All reserve amounts have been set aside in the State Investment Pool. Interest incurred and expensed during the year totaled $81,274 for business-type activities. No interest was capitalized during the year.

Debt service requirements on long-term debt at September 30, 2024, are as follows:

Year Ending September 30,	Principal	Interest
2025	$ 225,616	$ 90,931
2026	222,059	83,573
2027	231,679	75,972
2028	232,284	67,867
2029	230,082	61,379
2030-2034	1,235,203	203,612
2035-2039	754,310	32,105
2040-2044	348,465	3,150
2045	70,177	127
	$ 3,549,875	$ 618,716

10. INTERNAL BALANCES

At September 30, 2024, the City had the following internal balance:

$ 18,231	Due from the Parks Fund to the General Fund for Overdrawn Cash
$ 36,649	Due from the Airport Fund to the General Fund for Overdrawn Cash
$ 202,784	Due from the Sewer Fund to the Water Fund for Overdrawn Cash

Until such time as the City is able to raise its sewer rates, the internal balance for the Sewer Fund is not expected to be repaid with the next year.

11. OTHER COMMITMENTS

The City has credit card available for use with a total credit limit of $5,000. Of the available credit, $1,502 was in use as of September 30, 2024.

12. RESTATEMENT

In the prior year, the fixed assets in the Government Funds were understated and the Sewer debt was overstated. This caused the Governmental Net Position to be understated and the Business-type activities Net Position to be overstated. The Net Position was restated as follows:

	Governmental Activities
Net Position, Beginning - As Previously Stated	$ 7,804,501
Increase in Net Position due to Understatement of Fixed Assets	36,910
Net Position, Beginning - Restated	$ 7,841,411

	Business-type Activities
Net Position, Beginning - As Previously Stated	$ 1,891,649
Decrease in Net Position due to Overstatement of the Sewer Debt	33,190
Net Position, Beginning - Restated	$ 1,924,839

12. TRANSFERS

The following transfers were made between funds during the year ending September 30, 2024.

$ 351,476	To the Water Fund from the General Fund for capital projects
242,481	To the Sewer Fund from the General Fund for capital projects
21,000	To the Park Fund from the Local Option Tax Fund for capital projects
153,207	To the Streets Fund from the General Fund for capital projects
$ 768,164	

REQUIRED SUPPLEMENTARY INFORMATION

City of Cascade, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Local Option Tax
For the Year Ended September 30, 2024

	Budgeted Amounts				
	Original	Amendments	Final	Actual	Variance
Revenues					
Interest	$ -	$ -	$ -	$ 11,794	$ 11,794
Local Option Tax Revenue	264,000	-	264,000	354,314	90,314
Total Revenues	264,000	-	264,000	366,108	102,108
Expenditures					
Current:					
Local Option Tax	44,656	-	44,656	35,235	9,421
Capital Outlay	219,344	-	219,344	-	219,344
Total Expenditures	264,000	-	264,000	35,235	228,765
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	330,873	330,873
Other Financing Sources (Uses)					
Transfers Out	-	-	-	(21,000)	(21,000)
Total Other Financing Sources (Uses)	-	-	-	(21,000)	(21,000)
Net Change in Fund Balances	-	-	-	309,873	309,873
Fund Balances - Beginning	-	-	-	473,800	473,800
Fund Balances - Ending	$ -	$ -	$ -	$ 783,673	$ 783,673

1. BUDGETS AND BUDGETARY ACCOUNTING

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

A. Prior to September 1, the City Clerk, Mayor, and City Council 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 City Hall to obtain taxpayer comments.

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

D. The City 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 City, however, must follow the same budgetary procedures as they followed when the original budget was approved. The budget for Proprietary funds may also be revised in the same manner as those situations involving federal and state grants.

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

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

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

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Library fund had expenditures that exceeded appropriations by $517,532.

The Airport fund had expenditures that exceeded appropriations by $1,754,068.

City of Cascade, Idaho
Schedules of Required Supplementary Information
Public Employee Retirement System of Idaho
Last 10 - Fiscal Years

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

Year	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered-employee payroll	City'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
2024	0.0114768%	$ 429,304	$ 518,145	82.85%	85.54%
2023	0.0098830%	394,399	497,399	79.29%	83.83%
2022	0.0099389%	391,468	410,041	95.47%	83.09%
2021	0.0104131%	(8,224)	394,694	-2.08%	100.36%
2020	0.0093777%	217,763	346,230	62.90%	88.22%
2019	0.0081593%	93,136	286,736	32.48%	93.79%
2018	0.0093617%	138,087	264,489	52.21%	91.69%
2017	0.0158152%	248,588	462,604	53.74%	90.68%
2016	0.0174764%	354,273	506,155	69.99%	87.26%
2015	0.0190585%	250,969	500,362	50.16%	91.38%

Data reported is measured as of June 30, 2024.

Schedule of City Contributions

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	City's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 58,643	$ 58,643		$ 518,145	11.32%
2023	58,524	58,524	-	497,399	11.77%
2022	48,959	48,959	-	410,041	11.94%
2021	47,127	47,127	-	394,694	11.94%
2020	41,340	41,340	-	346,230	11.94%
2019	32,822	32,822	-	286,736	11.45%
2018	29,953	29,953	-	264,489	11.32%
2017	52,955	52,955	-	462,604	11.45%
2016	57,986	57,986	-	506,155	11.46%
2015	57,308	57,308	-	500,362	11.45%

Data reported is measured as of September 30, 2024.

SUPPLEMENTAL INFORMATION

City of Cascade, Idaho
Supplemental Schedule of Revenues by Source
- Budget and Actual - General Fund
For the Year Ended September 30, 2024

	Budget	Actual	Variance
Taxes			
Property Taxes	$ 320,148	$ 318,581	$ (1,567)
	320,148	318,581	(1,567)
Licenses and Permits			
Beer, Wine, and Liquor Licenses	3,300	3,050	(250)
Off-Premise Licenses	-	1,325	1,325
Franchise Fees	21,910	24,757	2,847
Building Permits	45,900	56,467	10,567
Dog Licenses	180	160	(20)
Planning and Zoning	27,950	38,480	10,530
	99,240	124,239	24,999
Intergovernmental			
State Liquor Apportionment	61,445	61,622	177
State Revenue Sharing	120,070	107,150	(12,920)
State Sales Tax Surplus	-	27	27
Personal Property Replacement	18,772	9,373	(9,399)
Other Grant	35,040	34,288	(752)
	235,327	212,460	(22,867)
Other			
Airport Building Rentals	17,000	16,539	(461)
Interest Earned	-	70,743	70,743
Fines	9,400	20,299	10,899
Other	31,050	9,364	(21,686)
Impact Fees	-	31,999	31,999
	57,450	148,944	91,494
Total Revenue	$ 712,165	$ 804,224	$ 92,059

City of Cascade, Idaho
Supplemental Schedule of Expenditures by Object of Expenditure
- Budget and Actual - General Fund
For the Year Ended September 30, 2024

	Budget	Actual	Variance
Mayor and Council			
Salaries	$ 31,003	$ 31,129	$ (126)
Benefits	3,695	3,360	335
Telephone and Utilities	1,000	4,026	(3,026)
	35,698	38,515	(2,817)
Administration			
Salaries	60,887	103,819	(42,932)
Benefits	19,579	26,020	(6,441)
Office Supplies and Postage	4,250	10,022	(5,772)
Computer Expense	18,630	19,990	(1,360)
Advertising and Notices	3,040	2,280	760
Travel and Meetings	2,500	2,265	235
Dues and Subscriptions	1,200	1,289	(89)
Miscellaneous	11,100	17,619	(6,519)
Telephone and Utilities	6,670	9,359	(2,689)
Property Tax	-	18	(18)
Rent	800	1,268	(468)
Maintenance and Repair	4,700	17,952	(13,252)
	133,356	211,901	(78,545)
Professional Services			
Accounting and Auditing Services	8,900	15,000	(6,100)
Legal Services	36,000	43,836	(7,836)
Engineering Services	10,000	15,988	(5,988)
Insurance	13,164	8,853	4,311
Other	60,250	53,719	6,531
	128,314	137,396	(9,082)

City of Cascade, Idaho
Supplemental Schedule of Expenditures by Object of Expenditure
- Budget and Actual - General Fund (continued)
For the Year Ended September 30, 2024

	Budget	Actual	Variance
Planning and Zoning			
Salaries	$ 17,337	$ 10,919	$ 6,418
Benefits	7,880	4,403	3,477
Office Supplies	300	-	300
Professional Services	18,000	21,702	(3,702)
Advertising	1,000	184	816
Miscellaneous	1,316	887	429
Dues and Publications	-	685	(685)
Travel and Training	1,000	-	1,000
	46,833	38,780	8,053
Building Inspector			
Salaries	58,750	55,757	2,993
Benefits	24,657	22,554	2,103
Review Services	2,000	9,288	(7,288)
	85,407	87,599	(2,192)
Code Enforcement			
Salaries	5,830	6,596	(766)
Benefits	446	1,543	(1,097)
Supplies	50	-	50
Utilities	570	-	570
Insurance	-	1,880	(1,880)
Misc.	290	349	(59)
	7,186	10,368	(3,182)
Police Services			
Valley County Police Contract	249,902	180,577	69,325
Misc.	10,000	5,000	5,000
Animal Control	-	69	(69)
	259,902	185,646	74,256
Other			
Impact Fees	-	30,033	30,033
Capital Outlay	20,000	-	20,000
	20,000	30,033	50,033
Total Expenditures	$ 716,696	$ 740,238	$ 36,524

City of Cascade, Idaho
Combining Balance Sheet -
Nonmajor Governmental Funds
September 30, 2024

	Parks	Cemetery	Geothermal	Total
Assets				
Cash and Cash Equivalents	$ -	$ 40,462	$ -	$ 40,462
Property Taxes Receivable, Net	4,072	1,116	-	5,188
Interest Receivable	109	-	-	109
Total Assets	$ 4,181	$ 41,578	$ -	$ 45,759
Liabilities and Fund Balances				
Liabilities:				
Internal Balances	$ 18,231	$ -	$ 1,100	$ 19,331
Accounts Payable	33,363	-	-	33,363
Total Liabilities	51,594	-	1,100	52,694
Deferred Inflows				
Unavailable Revenue - Property Taxes	3,661	1,004	-	4,665
Fund Balances:				
Restricted	-	40,574	-	40,574
	(51,074)	-	(1,100)	(52,174)
Total Fund Balances	(51,074)	40,574	(1,100)	(11,600)
Total Liabilities and Fund Balances	$ 4,181	$ 41,578	$ -	$ 45,759

City of Cascade, Idaho
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Parks	Cemetery	Geothermal	Total
Revenues				
Property Taxes	$ 74,483	$ 20,421	$ -	$ 94,904
Interest	109	-	-	109
Grants	11,100	-	-	11,100
Other	1,825	475	-	2,300
Total Revenues	87,517	20,896	-	108,413
Expenditures				
Current:				
Culture and Recreation	182,605	10,253	-	192,858
Capital Outlay	122	-	1,100	1,222
Total Expenditures	182,727	10,253	1,100	194,080
Excess (Deficiency) of Revenues Over Expenditures	(95,210)	10,643	(1,100)	(85,667)
Other Financing Sources (Uses)				
Transfers In	21,000	-	-	21,000
Total Other Financing Sources (Uses)	21,000	-	-	21,000
Net Change in Fund Balances	(74,210)	10,643	(1,100)	(64,667)
Fund Balances - Beginning	23,136	29,931	-	53,067
Fund Balances - Ending	$ (51,074)	$ 40,574	$ (1,100)	$ (11,600)

FEDERAL REPORT

City of Cascade, Idaho
Schedule of Expenditures of Federal Awards

Program Title	Federal Assisting Listing Number	Flow through Number	Expenditures
U.S. Department of Transportation			
Direct:			
Airport Improvement Program	20.106		$ 1,708,344
U.S. Department of Treasury			
Passed through Idaho Commisio for Libraries			
Library Grant	21.029	P87EHFNJVS	458,417
U.S. Department of Homeland Security			
Direct			
Stormwater Grant	97.047		97,639
Total Federal Financial Assistance			$ 2,264,400

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

City of Cascade, Idaho
Notes to Required Supplementary Information
For the Year Ended September 30, 2024

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Cascade, Idaho under programs of the Federal Government for the year ended September 30, 2024. 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 the City of Cascade, Idaho, it is not intended to and does not present the financial position or changes in Net Position of the City of Cascade, Idaho.

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.

INDIRECT COST RATE

The City of Cascade, Idaho has not elected to use the 10-percent de minimis indirect cost rate.

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

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

Honorable Mayor and
City Council
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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cascade, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Cascade, Idaho's basic financial statements, and have issued our report thereon dated August 4, 2025.

Internal Control Over Financial Reporting

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

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.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cascade, 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*.

City of Cascade, Idaho's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Cascade, Idaho's response to the findings identified in our audit and described in the accompanying the schedule in which the findings and questioned costs. The City of Cascade, Idaho's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
August 4, 2025

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

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

Honorable Mayor
and City Council
City of Cascade, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Cascade, Idaho's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Cascade, Idaho's major federal programs for the year ended September 30, 2024. The City of Cascade, 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, the City of Cascade, Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

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 the City of Cascade, 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 the City of Cascade, 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 laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Cascade, 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 the City of Cascade, Idaho's compliance based on out 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 the City of Cascade, 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 the City of Cascade, 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 the City of Cascade, 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 the City of Cascade, 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 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
August 4, 2025

City of Cascade, Idaho
Schedule of Findings and Questioned Costs (continued)
For the Year Ended September 30, 2024

Section II - Financial Statement Findings

2024-001 - Timely Bank Reconciliations:
Conditions: While performing the audit it was noted that the Treasurer was not reconciling the bank statements in a timely manner although the statements are being reviewed at each council meeting.

Criteria: The City should have controls in place that require the bank statements be reconciled in a timely manner.

Effect: This increased the risk of misstatements or misuse of funds to go unnoticed or fail to be corrected in a timely manner, whether due to error or fraud.

Recommendations: The City should require bank statements be reconciled within 30-60 days as of the end of the month.

Section III - Findings and Questioned Costs for Federal Awards

No matters reported.

City of Cascade, Idaho
Management's Response to Findings
For the Year Ended September 30, 2024

2024-001 - Timely Bank Reconciliations:

The City is working to put procedures in place to make sure that all bank accounts are reconciled monthly.

If there are any questions on management's response to findings please contact the City at (208)382-4279.