

SHOSHONE COUNTY, IDAHO

Wallace, Idaho

**Audited Financial Statements
For the Year Ended September 30, 2019**

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

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INTRODUCTORY SECTION



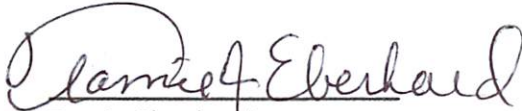
SHOSHONE COUNTY

COUNTY AUDITOR'S CERTIFICATE

For the Fiscal Year Ended September 30, 2019

COUNTY OF SHOSHONE
STATE OF IDAHO

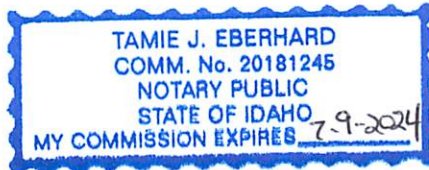
Tamie Eberhard, being first duly sworn, deposes and says that she is the County Clerk of Shoshone County, Idaho, that to the best of her knowledge the following is a full, true, and correct and complete statement of the financial condition of said county for the year ended September 30, 2019.




Tamie Eberhard,
County Clerk

Subscribed and sworn to before me this 29 day of JUNE, 2020.

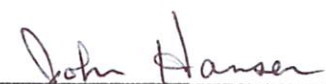
Notary Public



Approved by the Board of Commissioners of Shoshone County, Idaho in regular session this 29th day of June, 2020.


Mike Fitzgerald, Commissioner


Jay Huber, Commissioner


John Hansen, Commissioner

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
Shoshone County, Idaho
Wallace, Idaho 83873

Report on the Financial Statements

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 Shoshone County, Idaho, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Shoshone County, Idaho, as of September 30, 2019, 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.

Emphasis of Matter

As discussed in Note 15 to the financial statements, The County recorded a prior period adjustment to account for a prepaid debt service payment and to account for the re-evaluation of the nature of some of the County's lease classification as of September 30, 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the budgetary comparisons on pages 39 through 41 and the net pension liability related schedules on page 42 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Shoshone County's basic financial statements. The introductory section and supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards 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 supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2020 on our consideration of the County of Shoshone, Idaho's internal control over financial reporting and 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 Shoshone County, Idaho's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
May 29, 2020

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019

As management of Shoshone County, Idaho (County), we offer readers of the County's financial statements this narrative discussion, overview, and analysis of the financial activities of the County for the fiscal year ending September 30, 2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Shoshone County's basic financial statements. The County's basic financial statements have three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also contains supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The statements present an aggregate view of the County's finances. They contain useful long-term information for the just completed fiscal year.

The Statement of Net Position presents information on all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the County, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the net position of the County changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. In the statements, the County's activities are all classified as government activities or business-type activities.

Fund Financial Statements: A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements.

Some funds are required by state law and bond covenants. The County establishes other funds to control and manage money for particular purposes (i.e. repaying long-term debt.) The County has three types of funds: Governmental, Proprietary, and Fiduciary.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds: Proprietary funds are used to report activities where user fees and charges are intended to cover the cost of providing a service. Proprietary net position and activities are reported separately in the fund financials.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs.

Notes to the Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information: The budgetary comparison schedules and the net pension liability schedules provide additional information required by GASB.

Supplementary Information: The supplementary information includes budgetary and financial information for the combining statements for nonmajor funds (which are shown in the fund financial statements in a single column). This information is provided to address certain specific needs of various uses of the report.

Basis of Accounting

The County's government-wide financial statements are presented on the accrual basis of accounting. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and related assets and liabilities. Under the accrual basis of accounting, receipts and disbursements and related assets and liabilities are recorded when revenues are earned and obligations incurred. Also, infrastructure asset amounts (roads and bridges) and the related depreciation are recorded.

Financial Analysis of the County as Whole

Statement of Net Position

For the fiscal year ended September 30, 2019, net position of the County increased by \$1,457,437:

Government -Wide Financial Analysis Statement of Net Position

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Assets			
Current assets	14,311,372	12,608,360	1,703,012
Non current assets	18,014,228	15,083,414	2,930,814
Total Assets	<u>32,325,600</u>	<u>27,691,774</u>	<u>4,633,826</u>
Deferred Outflows of Resources	<u>518,879</u>	<u>498,441</u>	<u>20,438</u>
Liabilities			
Current liabilities	2,614,378	1,215,860	1,398,518
Long-term liabilities	3,568,070	2,177,322	1,390,748
Total Liabilities	<u>6,182,448</u>	<u>3,393,182</u>	<u>2,789,266</u>
Deferred Inflows of Resources	<u>5,530,495</u>	<u>5,122,934</u>	<u>407,561</u>
Net Position			
Net investment in capital assets	15,882,774	14,815,527	1,067,247
Restricted	4,100,449	3,673,266	427,183
Unrestricted	1,148,313	1,185,306	(36,993)
Total Net Position	<u>\$21,131,536</u>	<u>\$19,674,099</u>	<u>\$ 1,457,437</u>

Statement of Activities

Receipts for the County's activities increased by \$4,222,969 and expenses increased by \$4,308,423.

Government- Wide Financial Analysis Changes in Net Position

	<u>2018-2019</u>	<u>2017-2018</u>	<u>Change</u>
Revenues			
Program Revenues:			
Charges for services	1,385,105	1,827,129	(442,024)
Operating grants and contributions	2,533,455	2,343,840	189,615
Capital grants and contributions	979,226	513,491	465,735
Taxes	5,175,509	4,427,420	748,089
Intergovernmental revenues	7,765,637	4,586,659	3,178,978
Licenses and permits	305,015	286,168	18,847
Fines	86,496	66,754	19,742
Miscellaneous	680,695	725,024	(44,329)
Interest earnings	183,012	94,696	88,316
Total Revenues	<u>19,094,150</u>	<u>14,871,181</u>	<u>4,222,969</u>
Expenses			
Program Expenses:			
Governmental activities			
General government	4,368,862	4,083,023	285,839
Public safety	3,869,733	3,728,553	141,180
Public works	6,468,462	3,326,050	3,142,412
Culture and recreation	146,785	99,793	46,992
Health and welfare	711,732	466,859	244,873
Education	56,200	88,858	(32,658)
Capital outlay	682,777	94,645	588,132
Debt service	49,442	275,128	(225,686)
Business-type activities			
Solid waste	1,178,778	1,061,439	117,339
Total Expenses	<u>17,532,771</u>	<u>13,224,348</u>	<u>4,308,423</u>
Change in Net Position	1,561,379	1,646,833	(85,454)
Net Position – Beginning	19,674,099	18,027,266	1,646,833
Net Position – Prior Period			
Adjustment	(103,942)	-	(103,942)
Net Position – Ending	<u>\$21,131,536</u>	<u>\$19,674,099</u>	<u>\$ 1,457,437</u>

Governmental Activities

Property taxes and Intergovernmental revenues were the largest sources of general revenue, making up 24.6% and 43.7% of total governmental revenues, respectively.

The County's grant revenues from federal, state and local sources made up \$3,512,681 or 19.6% of total governmental revenues.

The general government function accounted for \$4,368,862 of the \$16,353,993, or 26.7% of total expenses for governmental activities. The main components of the expenses under this function are related to salaries and benefits. The public works function accounted for \$6,468,462 and representing 36.4% of total governmental expenses.

Overall, the net position for governmental activities increased by \$1,424,337.

Business-Type Activities

The net position for business-type activities increased by \$137,042 during the year, with the major revenue source being charges for services at \$475,400.

The major category of expenses are related to solid waste operations of \$1,178,778, which accounts for all of the expenses.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Certain funds experienced changes from the prior year and are highlighted as follows.

1. Grant Management – A new Grant Management Policy was approved by the BOCC in 2018. The new policy requires quarterly reports from all Grant Administrators and the BOCC, to the Auditor within 30 days of Quarter end. The Auditor reviews and reconciles with Computer Arts all revenue and expenses for the quarter. It also requires the Grant Administrator to process all invoices for year-end no later than November 30th so the work that was done in the prior year is accounted for in that year and not in the new fiscal year. This policy was the result of prior issues such as the Auditors office not being notified when Grant Administrators were having trouble with keeping track of the grant expenses and revenue, posting to invalid funds, not providing the Auditor with a copy of all new grants, and addressing over budget issues in a timely manner. Grant Administrators need to continue to work on getting all invoices processed for payment no later than November 15th so as to meet the November 30th date to have all prior year accounted for in the appropriate year.
2. Journal Vouchers (JVs) – A new process was put into place in 2018-2019. Each JV is reviewed by the Elected County Auditor. In June of 2019, a process was put into place

to scan all backup documentation for both JV's and AC's so they are electronically associated and are easily retrievable for future reference.

3. Current Expense – The County received \$494,868 for Payment In Lieu of Taxes (PILT) and Idaho Fish & Game in 2019, which significantly helped our financial position.
 - a. Sheriff's Office – Payroll & benefits were increased for the Sheriff's office to reduce the loss of work force to outside agencies. The increase in wages did not appear to reduce the amount of personnel leaving to join other agencies.
 - b. Billing is to be done on a monthly basis BLM Patrolling by the Sheriff's Office but still isn't being received after the end of the year and posted late.
 - c. Changes in Idaho Statutes established that all Public Defender expenses come out of the County Indigent Budget rather than Current Expense. This will help the Current Expense fund balance.
4. Road Department – SRS funding approved this year and in May we received \$1,530,416 which significantly impacts our maintenance budget. The Budget was also increased due to unanticipated revenue from grants for specific projects which were not included during the budget process. The new Grant Management Policy requires that all new grants be provided to the Auditor when signed and that they are reviewed quarterly. This process will ensure that expenses and revenues associated with those grants are monitored throughout the budget process and that the BOCC can address overages in a timely manner. The processing invoices and payments no later than November 30th will ensure they are accounted for in the appropriate fiscal year. This process has improved tracking of grants on a more regular basis.
5. Airport – Fuel expenses were much higher than expected. Revenue from sale of fuel were also much higher. The County created a new fund in 2020 to better track the purchase and sale of fuels.

Fund Budgetary Highlights

1. General Fund – The General Fund expenditures came in lower than budgeted for.
2. Road and Bridge Fund – Road and Bridge expenditures came in higher than expected but were offset by grants that came in to support the work completed. Revenue was also higher than expected.
3. Indigent Fund – Social Services expenditures were lower than expected. Indigent Public Defense fund was created for better tracking and to remove revenues and expenditures from the General Fund. This fund came in under budget also.
4. Snowmobile – The sale of old a Groomer increased revenue expectations. The County purchased a new groomer to replace the old one increases in capital expenses.

5. E-911 Emergency Fund – 911 Emergency was under budget due to the new 911 equipment grant which reduced Equipment Maintenance and New Equipment budget items significantly.

Economic Conditions and Outlook

Shoshone County is primarily supported by the mining industry, a car dealership and tourism. It is in the Panhandle of Idaho. It is home to the fabled Coeur d'Alene Mining District, one of the richest mining districts in the world. Wallace is the county seat and located on I-90 approximately 13 miles from the Montana border. The primary business bases are Hecla Mining Company, which continues to be on strike for 2017-2019 budget years, U.S. Silver Mining Corp and Dave Smith Motors. Two ski areas along with extensive snowmobile trails system provided winter recreation. An extensive ATV trail system provide the summer tourist draw. The Trail of the Coeur d'Alene runs through Shoshone County on the old railroad bed. A well-known bike trail on the railroad beds is known now nationally as the Hiawatha Bike Trail. Many tourists have come to the Silver Valley to experience the trail which is primary located in the Shoshone County.

Shoshone County's long mining history has become the site of one of the largest EPA Super Fund sites in the nations. The EPA cleanup continues to improve the landscape and cleanup in Shoshone County. It is still one of the major industries in providing jobs for the residents of Shoshone County. Repairs for roads damaged by remediation work continues this year. Cities are still working on major upgrades to sewer and water systems.

Shoshone County continues to offer a benefit package to its employees. The County is a member of PERSI, Public Employee Retirement System of Idaho. PERSI offers an Employee Elective 401 K Plan as well. A plan is also offered to employee elective #457 Plan. The County pays for medical, dental, vision, and term life insurance for benefited employees. There are 10 paid holidays, ½ day sick leave per month and a sick leave bank. Workman's Compensation is covered through the State Insurance Fund. When an employee is terminated, they receive accrued vacation pay and accrued compensation pay. Any unused sick leave is forfeited.

Capital Assets and Debt Administration

Capital Assets

Significant acquisitions made during the year consisted of the following purchases: repeater, backhoe loader, Ford Starcraft, utility trailer, three Dodge Rams, two Dodge Chargers, and continued work on road and bridge projects .

	<u>2018-2019</u>	<u>2017-2018</u>	<u>Change</u>
Land	573,919	573,919	-
Construction in progress	3,529,517	1,617,997	1,911,520
Buildings	593,687	491,914	101,773
Equipment	2,095,447	1,049,240	1,046,207
Roads and bridges	9,157,435	9,275,143	(117,708)
Airport runway	<u>1,282,824</u>	<u>1,393,784</u>	<u>(110,960)</u>
Total Net Capital Assets	<u>\$17,232,829</u>	<u>\$14,401,997</u>	<u>\$ 2,830,832</u>

Long-Term Debt

Long-term liabilities are the debt incurred by the County. The debt typically has a maturity date that extends beyond a single annual reporting cycle. Additional information on long-term debt can be found in note 6.

The County has leased various vehicles and equipment for a total amount payable at September 30, 2019 of \$2,131,454.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances. Any questions or request for additional information should be directed to the County Clerk, Tamie Eberhard, at the Shoshone County Courthouse, Auditor's Office, 700 Bank Street, Suite 120, Wallace ID, 83873, by phone at (208) 752-1264 or by email at teberhard@co.shoshone.is.us.

FINANCIAL STATEMENTS



SHOSHONE COUNTY, IDAHO
Wallace, Idaho

STATEMENT OF NET POSITION
September 30, 2019

	PRIMARY GOVERNMENT		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and investments	6,537,420	952,630	7,490,050
Receivables:			
Taxes	263,328	14,087	277,415
Unbilled taxes	4,378,458	230,962	4,609,420
Accounts	627,707	10,673	638,380
Fee receivable	-	71,204	71,204
Prepaid expenses	-	-	-
Due from other governments	1,124,393	7	1,124,400
LHTAC deposit	100,503	-	100,503
Total current assets	<u>13,031,809</u>	<u>1,279,563</u>	<u>14,311,372</u>
Noncurrent assets:			
Non-depreciable assets	4,103,436	50,000	4,153,436
Depreciable assets	374,262,113	2,041,654	376,303,767
Less: accumulated depreciation	<u>(361,132,720)</u>	<u>(1,310,255)</u>	<u>(362,442,975)</u>
Total noncurrent assets	<u>17,232,829</u>	<u>781,399</u>	<u>18,014,228</u>
Total assets	<u>30,264,638</u>	<u>2,060,962</u>	<u>32,325,600</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	<u>484,892</u>	<u>33,987</u>	<u>518,879</u>
LIABILITIES			
Current liabilities:			
Warrants payable	1,592,328	87,910	1,680,238
Non-warrants payable	612,316	-	612,316
Accrued wages payable	66,235	6,007	72,242
Other liabilities	2,500	-	2,500
Capital lease payable, due within one year	224,733	22,349	247,082
Notes payable, due within one year	-	-	-
Total current liabilities	<u>2,498,112</u>	<u>116,266</u>	<u>2,614,378</u>
Noncurrent liabilities:			
Accrued compensated absences	159,486	8,496	167,982
Net pension liability	1,416,437	99,279	1,515,716
Capital lease payable, due after one year	<u>1,836,754</u>	<u>47,618</u>	<u>1,884,372</u>
Total noncurrent liabilities	<u>3,412,677</u>	<u>155,393</u>	<u>3,568,070</u>
Total liabilities	<u>5,910,789</u>	<u>271,659</u>	<u>6,182,448</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	-	-	-
Unavailable tax revenue	4,378,458	230,962	4,609,420
Deferred grant revenue	41,151	-	41,151
Pension related items	822,288	57,636	879,924
Total deferred inflows of resources	<u>5,241,897</u>	<u>288,598</u>	<u>5,530,495</u>
NET POSITION			
Net investment in capital assets	15,171,342	711,432	15,882,774
Restricted for:			
General government	794,179	-	794,179
Public safety	1,233,798	-	1,233,798
Public works	1,849,372	-	1,849,372
Culture and recreation	109,918	-	109,918
Health and welfare	41,789	-	41,789
Education	71,393	-	71,393
Grant programs	-	-	-
Unrestricted	<u>325,053</u>	<u>823,260</u>	<u>1,148,313</u>
Total net position	<u>\$ 19,596,844</u>	<u>\$ 1,534,692</u>	<u>\$ 21,131,536</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental activities:							
General government	4,368,862	667,220	269,756	-	(3,431,886)	-	(3,431,886)
Public safety	3,869,733	220,096	5,125	-	(3,644,512)	-	(3,644,512)
Public works	6,468,462	18,860	1,639,157	979,226	(3,831,219)	-	(3,831,219)
Culture and recreation	146,785	3,529	-	-	(143,256)	-	(143,256)
Health and welfare	711,732	-	619,417	-	(92,315)	-	(92,315)
Education	56,200	-	-	-	(56,200)	-	(56,200)
Capital outlay	682,777	-	-	-	(682,777)	-	(682,777)
Debt service	49,442	-	-	-	(49,442)	-	(49,442)
Total governmental activities	<u>16,353,993</u>	<u>909,705</u>	<u>2,533,455</u>	<u>979,226</u>	<u>(11,931,607)</u>	<u>-</u>	<u>(11,931,607)</u>
Business-type activities:							
Solid waste	1,178,778	475,400	-	-	-	(703,378)	(703,378)
Total business-type activities	<u>1,178,778</u>	<u>475,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(703,378)</u>	<u>(703,378)</u>
Total primary government	<u>\$ 17,532,771</u>	<u>\$ 1,385,105</u>	<u>\$ 2,533,455</u>	<u>\$ 979,226</u>	<u>(11,931,607)</u>	<u>(703,378)</u>	<u>(12,634,985)</u>
General revenues							
Taxes				4,378,080	797,429		5,175,509
Intergovernmental				7,792,187	-		7,792,187
Licenses and permits				305,015	-		305,015
Fines				86,496	-		86,496
Miscellaneous				630,625	6,688		637,313
Interest earnings				163,541	19,471		183,012
Gain on sale of capital asset				-	16,832		16,832
Total general revenues				<u>13,355,944</u>	<u>840,420</u>		<u>14,196,364</u>
Change in net position				1,424,337	137,042		1,561,379
Total net position - beginning of year				18,276,449	1,397,650		19,674,099
Prior period adjustment				(103,942)	-		(103,942)
Total net position - end of year				<u>\$ 19,596,844</u>	<u>\$ 1,534,692</u>		<u>\$ 21,131,536</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2019

	General	Road	Indigent	Grant & Match	Nonmajor Governmental	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Cash and investments	1,852,565	1,455,903	891,042	814,327	1,523,583	6,537,420
Receivables:						
Taxes	153,243	4,063	35,545	-	70,477	263,328
Unbilled taxes	2,827,937	112,698	430,401	-	1,007,422	4,378,458
Accounts	10,906	1,800	26,180	576,341	12,480	627,707
Due from other governments	405,376	636,024	33	60,737	22,223	1,124,393
LHTAC deposit	-	100,503	-	-	-	100,503
Due from other funds	44,736	-	-	-	-	44,736
Total assets	<u>5,294,763</u>	<u>2,310,991</u>	<u>1,383,201</u>	<u>1,451,405</u>	<u>2,636,185</u>	<u>13,076,545</u>
Deferred outflows of resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,294,763</u>	<u>\$ 2,310,991</u>	<u>\$ 1,383,201</u>	<u>\$ 1,451,405</u>	<u>\$ 2,636,185</u>	<u>\$ 13,076,545</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
Liabilities:						
Warrants payable	332,585	326,699	6,911	799,249	126,884	1,592,328
Non-warrants payable	2,020	2,642	-	601,891	5,763	612,316
Accrued wages payable	43,949	12,174	1,240	-	8,872	66,235
Other liabilities	-	-	-	-	2,500	2,500
Due to other funds	-	-	-	44,736	-	44,736
Total liabilities	<u>378,554</u>	<u>341,515</u>	<u>8,151</u>	<u>1,445,876</u>	<u>144,019</u>	<u>2,318,115</u>
Deferred inflows of resources:						
Deferred revenue	140,295	3,790	32,431	-	64,512	241,028
Deferred grant revenue	-	41,151	-	-	-	41,151
Unavailable tax revenue	2,827,937	112,698	430,401	-	1,007,422	4,378,458
Total deferred inflows of resources	<u>2,968,232</u>	<u>157,639</u>	<u>462,832</u>	<u>-</u>	<u>1,071,934</u>	<u>4,660,637</u>
Fund balances:						
Nonspendable	-	100,503	-	-	-	100,503
Restricted for:						
General government	-	-	-	-	743,838	743,838
Public safety	-	-	912,218	-	283,252	1,195,470
Public works	-	1,711,334	-	-	32,244	1,743,578
Culture and recreation	-	-	-	-	107,747	107,747
Health and welfare	-	-	-	5,529	32,839	38,368
Education	-	-	-	-	70,212	70,212
Unassigned	1,947,977	-	-	-	150,100	2,098,077
Total fund balance	<u>1,947,977</u>	<u>1,811,837</u>	<u>912,218</u>	<u>5,529</u>	<u>1,420,232</u>	<u>6,097,793</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 5,294,763</u>	<u>\$ 2,310,991</u>	<u>\$ 1,383,201</u>	<u>\$ 1,451,405</u>	<u>\$ 2,636,185</u>	<u>\$ 13,076,545</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2019**

Total fund balances - governmental funds		6,097,793
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:</p>		
Cost of capital assets	378,365,549	
Accumulated depreciation	<u>(361,132,720)</u>	
		17,232,829
<p>Assets that are not available to pay for current period expenditures are not considered available in the governmental funds:</p>		
Property taxes		241,028
<p>Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in future periods for governmental activities:</p>		
Deferred outflow of resources		484,892
Deferred inflow of resources		(822,288)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:</p>		
Capital leases payable, due within one year	(224,733)	
Capital leases payable, due after one year	(1,836,754)	
Compensated absences	(159,486)	
Net pension liability	<u>(1,416,437)</u>	
		<u>(3,637,410)</u>
Total net position - governmental activities		<u>\$ 19,596,844</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2019

	General	Road	Indigent	Grant & Match	Nonmajor Governmental	Total Governmental Funds
REVENUES						
Taxes	2,576,212	4,598	531,667	-	1,268,849	4,381,326
Intergovernmental	2,157,298	5,283,291	5,125	3,520,772	338,382	11,304,868
Licenses and permits	290,859	150	-	-	14,006	305,015
Charges for services	711,165	18,860	-	-	179,680	909,705
Fines	-	-	-	-	86,496	86,496
Miscellaneous	98,688	40,476	178,548	71,961	240,952	630,625
Interest earnings	120,014	35,245	-	-	8,282	163,541
Total revenues	<u>5,954,236</u>	<u>5,382,620</u>	<u>715,340</u>	<u>3,592,733</u>	<u>2,136,647</u>	<u>17,781,576</u>
EXPENDITURES						
General government	2,310,317	-	-	253,204	1,642,808	4,206,329
Public safety	3,326,456	-	-	157,785	228,818	3,713,059
Public works	-	2,541,741	-	3,125,483	29,469	5,696,693
Culture and recreation	-	-	-	50,732	89,518	140,250
Health and welfare	-	-	655,346	-	55,598	710,944
Education	-	-	-	-	56,200	56,200
Capital outlay	387,402	3,144,272	411	-	76,844	3,608,929
Debt service						
Principal	49,233	119,788	-	-	-	169,021
Interest	8,892	40,550	-	-	-	49,442
Total expenditures	<u>6,082,300</u>	<u>5,846,351</u>	<u>655,757</u>	<u>3,587,204</u>	<u>2,179,255</u>	<u>18,350,867</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(128,064)</u>	<u>(463,731)</u>	<u>59,583</u>	<u>5,529</u>	<u>(42,608)</u>	<u>(569,291)</u>
Other financing sources (uses)						
Proceeds from capital lease financing	92,617	758,092	-	-	-	850,709
Net change in fund balance	(35,447)	294,361	59,583	5,529	(42,608)	281,418
Fund balances - beginning of year	1,983,424	1,449,476	852,635	-	1,462,840	5,748,375
Prior period adjustment	-	68,000	-	-	-	68,000
Fund balances - end of year	<u>\$ 1,947,977</u>	<u>\$ 1,811,837</u>	<u>\$ 912,218</u>	<u>\$ 5,529</u>	<u>\$ 1,420,232</u>	<u>\$ 6,097,793</u>

SHOSHONE COUNTY, IDAHO

Wallace, Idaho

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019

Net change in fund balances - governmental funds		281,418
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital additions	2,926,152	
Depreciation expense	<u>(1,126,742)</u>	1,799,410
Some property taxes will not be collected for several months after the County's fiscal year end, and are not considered as "available" revenues in the governmental funds. Instead, they are recorded as deferred revenues. They are however, recorded as revenues in the Statement of Activities.		
		(3,246)
Proceeds from the issuance of long-term debt are recorded as revenues for governmental funds, but the issuance increases long-term debt in the Statement of Net Position. Repayment of the principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:		
Capital lease proceeds	(850,709)	
Capital lease principal payments	<u>169,021</u>	(681,688)
Net pension liability adjustments:		
Fiscal year 2018 employer PERSI contributions recognized as pension expense in the current year	(113,556)	
Fiscal year 2019 employer PERSI contributions deferred to subsequent year	131,548	
Pension related amortization expense	<u>17,072</u>	35,064
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This is the amount by which compensated absences incurred exceeded the amount paid during the year.		
		<u>(6,621)</u>
Total change in net position - governmental activities		<u>\$ 1,424,337</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SOLID WASTE FUND
STATEMENT OF NET POSITION
September 30, 2019

ASSETS

Current assets:		
Cash and cash equivalents	952,630	
Receivables:		
Taxes	14,087	
Unbilled taxes	230,962	
Accounts receivable	10,673	
Fee receivable	71,204	
Due from other governments	7	
Total current assets	<u> </u>	1,279,563
Noncurrent assets:		
Land	50,000	
Buildings	915,407	
Equipment	1,126,247	
Less: accumulated depreciation	<u>(1,310,255)</u>	
Total noncurrent assets		<u>781,399</u>
Total assets		<u>2,060,962</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related items		<u>33,987</u>
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LIABILITIES

Current liabilities:		
Warrants payable	87,910	
Accrued wages payable	6,007	
Capital lease payable, due with in one year	<u>22,349</u>	
Total current liabilities		116,266
Noncurrent liabilities:		
Accrued compensated absences	8,496	
Capital lease payable, due after one year	47,618	
Net pension liability	<u>99,279</u>	
Total noncurrent liabilities		<u>155,393</u>
Total liabilities		<u>271,659</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable tax revenue	230,962	
Pension related items	<u>57,636</u>	
Total deferred inflows of resources		<u>288,598</u>

NET POSITION

Net investment in capital assets	711,432	
Unrestricted	<u>823,260</u>	
Total net position		<u>\$ 1,534,692</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SOLID WASTE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2019

OPERATING REVENUES

Charges for services	475,400	
Miscellaneous income	6,688	
Total operating revenues	<u> </u>	482,088

OPERATING EXPENSES

Salaries	491,984	
Collection expense	624,726	
Depreciation expense	62,068	
Total operating expenses	<u> </u>	<u>1,178,778</u>

Operating loss (696,690)

NON-OPERATING REVENUES

Taxes	797,429	
Gain on sale of capital asset	16,832	
Interest earnings	19,471	
Total non-operating revenues	<u> </u>	<u>833,732</u>

Change in net position 137,042

Net position - beginning of year 1,397,650

Net position - end of year \$ 1,534,692

SHOSHONE COUNTY, IDAHO

Wallace, Idaho

**SOLID WASTE FUND
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	507,165	
Cash paid to suppliers	(593,321)	
Cash paid for salaries and benefits	(487,719)	
Net cash used in operating activities		(573,875)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	19,471	
Net cash provided by investment activities		19,471
CASH FLOWS FROM CAPITAL FINANCING AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(165,468)	
Proceeds from sale of capital asset	20,250	
Principal payments on capital lease	(21,485)	
Net cash used in capital financing activities		(166,703)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes received	792,437	
Net cash provided by noncapital financing activities		792,437
NET INCREASE IN CASH AND CASH EQUIVALENTS		
		71,330
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		
		881,300
CASH AND CASH EQUIVALENTS - END OF YEAR		
		<u>\$ 952,630</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED		
IN OPERATING ACTIVITIES:		
Operating income (loss)		(696,690)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		62,068
Change in pension related items:		
Deferred outflow of resources	(3,383)	
Deferred inflow of resources	21,549	
Decrease (increase) in assets:		
Receivables	25,077	
Increase (decrease) in liabilities:		
Warrants/non-warrants payable	30,726	
Accrued wages payable	679	
Accrued compensated absences	(1,639)	
Net pension liability	(12,262)	
Total adjustments		60,747
Net cash used in operating activities		<u>\$ (573,875)</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2019

	<u>Agency Funds</u>
ASSETS	
Current assets:	
Cash and investments	<u>962,825</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
LIABILITIES	
Current liabilities:	
Warrants payable	242,669
Due to other governments	<u>720,156</u>
Total current liabilities	<u>962,825</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>
NET POSITION	<u><u>\$ -</u></u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE 1 Summary of Significant Accounting Policies

Shoshone County, Idaho (the “County”) was incorporated in January 1861 and operates under a commissioner form of government, with supervision of various departments by elected officials as provided by the State Constitution. Shoshone County, Idaho provides the following services: public safety (sheriff), sanitation, health and social services, welfare, culture-recreation, public works, planning and zoning and general administrative services. The County grants credit to individuals and businesses utilizing utility and solid waste services, substantially all of who are residents in the County.

The financial statements of Shoshone County, Idaho have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

Reporting Entity

Shoshone County, Idaho is the basic level of government, which has financial accountability, and control over all activities related to county government in Shoshone County. The County receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the County is not included in any other governmental “reporting entity” as defined by GASB pronouncements, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. In addition, there are no component units as defined by Governmental Accounting Standards Board Statement 14 as amended by GASB 61, which are included in the County’s reporting entity.

Basis of Presentation

Government-Wide Statements – The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall County government, except for fiduciary activities. Both governmental activities, which are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues, and business-type activities, which are financed in whole or in part by fees charged to external parties for goods or services, are included.

NOTE 1 Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of net capital assets reduced by the outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets or the related debt obligations.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed through enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) is offset by program revenues.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable with a particular function.
- Program revenues include (1) charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported, instead, as general revenues.
- Indirect expenses have been allocated to the programs which best represent the nature of the expenditures as determined by management.

Fund Financial Statements – The fund financial statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category (governmental, business-type 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.

NOTE 1 Summary of Significant Accounting Policies (Continued)

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 general government, except those required to be accounted for in another fund.
- **Road Fund:** This fund accounts for the maintenance of County roads.
- **Indigent Fund:** This fund accounts for the provision of social services assistance and public defense services to County residents.
- **Grant & Match Fund:** These funds account for the revenues and expenditures related to grants received by the County.

The County reports the following proprietary fund:

- **Solid Waste Fund:** This fund accounts for the services and equipment used provide solid waste management to the County.

Additionally, the County reports the following funds:

- **Agency Funds.** These funds report resources held for other governmental agencies, taxing districts and special purpose trusts on a short-term basis in a purely custodial capacity.

Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements (except agency funds) 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 County gives (or receives) value without directly receiving (or giving) equal value in return, include property taxes, grants, entitlements, 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, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. State support and grant revenues are susceptible to accrual.

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 revenue available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Claims, judgments, and compensated absences are recognized as expenditures only to the extent they are normally expected to be paid from existing unrestricted fund balance.

NOTE 1 Summary of Significant Accounting Policies (Continued)

General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

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 resources available to finance the program. It is the County's policy to first apply restricted resources to such programs, followed by unrestricted resources.

Budgets – Budgets are adopted on a basis consistent with governmental accounting principles. Annual appropriated budgets are adopted for the general, special revenue and proprietary funds. All annual appropriations lapse at year-end. The budget may be amended after a public hearing is held.

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

1. Prior to the first Monday in August, the County Clerk submits to the County Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed revenues and expenditures. It is published publicly on or before the third week in August.
2. Public hearings are conducted at the Courthouse to obtain taxpayer comments.
3. Prior to the first Tuesday after the first Monday of September, the budget is legally adopted by the Commission.

Cash and Cash Equivalents – Cash includes amounts in demand deposits and short-term investments that do not meet the definition of an investment per GASB 72. State statute and commission investment policy authorizes the County to invest in obligations of the U.S. Treasury, the State of Idaho or county, city or other taxing districts of the State of Idaho. Commercial paper, corporate bonds, repurchase agreements, and investments are stated at cost. Interest income is defined as non-operating revenue.

Statement of Cash Flows – For the purposes of the statement of cash flows, proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Allowance for Uncollectible Amounts – The County believes that no allowance for uncollectible accounts is needed based on past collection experience.

Encumbrances – The County does not follow the practice of encumbering funds at year-end.

Inventory – Inventory is valued at zero. All costs of expendable supplies are expensed when supplies are purchased.

NOTE 1 **Summary of Significant Accounting Policies (Continued)**

Short Term Interfund Receivables/Payables – During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These short-term receivables and payables are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet. To the extent possible, these balances have been eliminated on the statement of net position.

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

The Board of Commissioners has set a capitalization threshold of \$5,000. All purchases and improvement to facilities that are not considered repairs are capitalized and depreciated using the straight-line method in the governmental and proprietary funds. Useful lives are as follows:

Buildings	20 - 40 years
Improvements other than buildings	10 - 50 years
Equipment	5 - 25 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized.

Compensated Absences – It is the County's policy to permit hourly employees to accumulate comp time. It is the County's policy to permit employees to earn and carryforward unused vacation and sick pay benefits. In the event of separation, an employee is reimbursed for accumulated vacation days up to a maximum of fifteen days. In the event of separation, an employee is reimbursed for accumulated comp time. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. The balance of accumulated vacation and comp time payable is reported on the statement of net position as accrued compensated absences.

Long Term Obligations – In the government-wide financial statements, and proprietary funds types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type of Statement of Net Position.

Restricted Resources – The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Deferred Revenue – Deferred revenue in the governmental funds represents property taxes receivable recorded but not collected within 60 days of the end of the accounting period.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Unavailable Tax Revenue – Unavailable tax revenue represents the property taxes levied for 2019 that are measurable but unavailable to the County, therefore recorded as a deferred inflow of resources in both governmental fund and government-wide financial statements.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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.

Fund Balance – In the fund financial statements, *non-spendable* fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants or lenders) or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Commissioners are the body authorized to assign amounts to a specific purpose, and typically do so when a specific revenue source is received and a special revenue fund is thereby established. *Unassigned* fund balance is the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Management has concluded that no material subsequent events have occurred.

NOTE 2 Cash and Investments

Deposits

Cash On Hand

Cash on hand totaled \$2,850 at September 30, 2019.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking and Savings Accounts	<u>\$2,884,955</u>	<u>\$2,844,242</u>

Checking and savings accounts were held at various banking institutions. At each bank, FDIC insures up to \$250,000 for the combined amount of all time and savings accounts, plus an additional \$250,000 for the combined amount of all interest-bearing and noninterest-bearing demand deposit accounts. At US Bank, there was \$226,328 in excess of the FDIC insurance that has collateralized by the bank. The remaining balance of \$1,088,480 at Columbia Bank and \$764 at Horizon Credit Union are in excess of the FDIC insured limit and uncollateralized.

Investments

Detail of investments at September 30, 2019 are as follows:

	<u>Rate</u>	<u>County Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
State Investment Pool	Variable	4,937,638	-	4,937,638
Multibank Securities	Variable	450,509	-	450,509
Retirement Solutions	Variable	-	176,923	176,923
Total		<u>\$ 5,388,147</u>	<u>\$ 176,923</u>	<u>\$ 5,565,070</u>

Investment Maturities

	<u>Book Value</u>	<u>Market Value</u>	<u>Less Than One Year</u>	<u>Greater Than One Year</u>
State Investment Pool	4,937,638	4,937,638	4,937,638	-
Multibank Securities	452,021	450,509	200,371	251,650
Retirement Solutions	176,923	176,923	176,923	-
Total	<u>\$ 5,566,582</u>	<u>\$ 5,565,070</u>	<u>\$ 5,314,932</u>	<u>\$ 251,650</u>

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho Treasurer's office. All funds are invested in accordance with Section 67-1210 and 67-1210A of Idaho Code. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of Idaho or other local governments within the state of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the state of Idaho, repurchase agreements covered by any legal investment for the state of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the state of Idaho, revenue bonds of institutions of higher education of the state of Idaho, and

NOTE 2 Cash and Investments (Continued)

time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the County will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County's policy is that deposit accounts will be covered by FDIC or NCUA insurance, except for highly-liquid accounts.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. At year-end, the County did not hold any investments and is not subject to this risk.

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. The County's policy is to hold investments covered by the FDIC or to invest in US Government-backed securities. In addition, it is the intent of management to hold the securities to maturity thereby reducing the interest rate risk.

Concentration of credit risk is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The County has no policy limiting the amount it may invest in any one issuer.

NOTE 3 Property Tax

The County's property tax is levied each October on the value listed as of the prior September 1 for all real and personal property located in the County. A revaluation of all property is required to be completed no less than every five years. The market value as of September 2018, upon which the 2018 levy was based, was \$945,465,281 for the County and was \$903,690,236 for the Road fund.

Various sections of the Idaho Code limit the amount that may be levied for general and other fund purposes. The 2018 levy was 0.4720737% of market value for the County and 0% of market value for the Road fund.

NOTE 3 Property Tax (Continued)

Taxes are due in two equal installments on December 20th and June 20th of the next year following the levy date. Interest and penalty charges begin to accrue following the installment due date. The total 2018 tax levy was \$4,532,092, of which 96.55% was collected and \$156,458 remains unpaid as of September 30, 2019.

Property taxes levied for 2018 and prior years and uncollected as of September 30, 2019 are shown as taxes receivable. To the extent that they are not collected by the County by November 30, 2019, a deferred revenue account in that amount is established in the governmental funds.

Total taxes receivable as of September 30, 2019	277,415
Less: Taxes collected by November 30, 2019	<u>(36,387)</u>
Total deferred tax revenue	<u>\$ 241,028</u>

In accordance with GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the County has recognized the 2019 property tax levy as a receivable. This levy is an enforceable legal claim created during the fiscal year. The total property tax levy for 2019 of \$4,378,458 is considered unavailable at September 30, 2019 and is recorded as a deferred inflow of resources.

NOTE 4 Capital Assets

Capital asset activity for the year ended September 30, 2019 was as follows:

Governmental Activities:

	<u>Balance</u> <u>9/30/2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Adjustments</u>	<u>Balance</u> <u>9/30/2019</u>
Capital assets, depreciated					
Buildings	2,740,312	82,110	-	59,500	2,881,922
Equipment	10,593,560	511,075	(173,399)	1,394,899	12,326,135
Roads and bridges	355,694,815	208,177	-	213,270	356,116,262
Airport runway	2,937,794	-	-	-	2,937,794
Total capital assets, depreciated	<u>371,966,481</u>	<u>801,362</u>	<u>(173,399)</u>	<u>1,667,669</u>	<u>374,262,113</u>
Less: accumulated depreciation					
Buildings	(2,248,398)	(37,357)	-	(2,480)	(2,288,235)
Equipment	(9,544,320)	(439,270)	173,399	(420,497)	(10,230,688)
Roads and bridges	(346,419,672)	(539,155)	-	-	(346,958,827)
Airport runway	(1,544,010)	(110,960)	-	-	(1,654,970)
Total accumulated depreciation	<u>(359,756,400)</u>	<u>(1,126,742)</u>	<u>173,399</u>	<u>(422,977)</u>	<u>(361,132,720)</u>
Net capital assets, depreciated	<u>12,210,081</u>	<u>(325,380)</u>	<u>-</u>	<u>1,244,692</u>	<u>13,129,393</u>
Capital assets, not depreciated					
Land	573,919	-	-	-	573,919
Construction in progress	1,617,997	2,124,790	-	(213,270)	3,529,517
Total capital assets, not depreciated	<u>2,191,916</u>	<u>2,124,790</u>	<u>-</u>	<u>(213,270)</u>	<u>4,103,436</u>
Total capital assets, net	<u>\$ 14,401,997</u>	<u>\$ 1,799,410</u>	<u>\$ -</u>	<u>\$ 1,031,422</u>	<u>\$ 17,232,829</u>

NOTE 4 Capital Assets (Continued)

During 2019, depreciation expense was charged to functions as follows:

General government	181,072
Public safety	162,152
Public works	776,639
Welfare	167
Culture and recreation	<u>6,712</u>
Total	<u><u>\$1,126,742</u></u>

Business-Type Activities:

	<u>Balance</u> <u>9/30/2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Adjustments</u>	<u>Balance</u> <u>9/30/2019</u>
Capital assets, depreciated					
Buildings	915,407	-	-	-	915,407
Equipment	1,118,391	165,468	(157,612)	-	1,126,247
Total capital assets, depreciated	<u>2,033,798</u>	<u>165,468</u>	<u>(157,612)</u>	<u>-</u>	<u>2,041,654</u>
Less: accumulated depreciation					
Buildings	(518,179)	(22,885)	-	-	(541,064)
Equipment	(884,202)	(39,183)	154,194	-	(769,191)
Total accumulated depreciation	<u>(1,402,381)</u>	<u>(62,068)</u>	<u>154,194</u>	<u>-</u>	<u>(1,310,255)</u>
Net capital assets, depreciated	<u>631,417</u>	<u>103,400</u>	<u>(3,418)</u>	<u>-</u>	<u>731,399</u>
Capital assets, not depreciated					
Land	50,000	-	-	-	50,000
Total capital assets, not depreciated	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total capital assets, net	<u>\$ 681,417</u>	<u>\$ 103,400</u>	<u>\$ (3,418)</u>	<u>\$ -</u>	<u>\$ 781,399</u>

During 2019, \$62,068 of depreciation expense was charged to the business-type activities.

NOTE 5 Defined Benefit Pension Plan

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended September 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2019. All amounts are as of June 30, 2019 unless otherwise noted.

Plan Description

The County contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various

NOTE 5 Defined Benefit Pension Plan (Continued)

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. Amounts in parenthesis represent police/firefighters. 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 and earnings from investments. 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) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of September 30, 2019 it was 7.16% (8.81%). The employer contribution rate is set by the Retirement Board and was 11.94% (12.28%) of covered compensation. Shoshone County's employer contributions required and paid were \$525,089, \$519,128 and \$448,492, for the years ended September 30, 2019, 2018 and 2017, respectively.

NOTE 5 Defined Benefit Pension Plan (Continued)

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

At September 30, 2019, the County reported a liability for its proportionate share of the net pension liability as of June 30, 2019. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2019, the County's proportion was 0.1327861 percent.

The County's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. The pension expense (revenue) for the year ending June 30, 2019 was calculated at \$514,356.

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	140,863	178,635
Changes in assumptions or other inputs	84,313	-
Net difference between projected and actual earning on pension plan investments	-	516,361
Change in proportionate Share	152,935	184,928
Employer contributions subsequent to the measurement date	<u>140,768</u>	<u>-</u>
Total	<u>\$518,879</u>	<u>\$879,924</u>

\$140,768 reported as deferred outflow 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 ended September 30, 2020.

NOTE 5 Defined Benefit Pension Plan (Continued)

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:

<u>For the Year</u> <u>Ending June 30:</u>	<u>Amount to be</u> <u>Recognized</u>
2020	(54,579)
2021	(233,834)
2022	(113,904)
2023	(67,503)

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases*	3.75%
Salary inflation	3.75%
Investment rate of return	7.05% net of investment expenses
Cost-of-living adjustments	1.00%

*There is an additional component of assumed salary grown (on top of the 3.75%) that varies for each individual member based on years of service.

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

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. 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 PERSI's assets.

NOTE 5 Defined Benefit Pension Plan (Continued)

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.

Asset Class		Target Allocation	Long - Term Expected Nominal Rate of (Arithmetic)	Long - Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	Barclays Aggregate	30.00%	3.05%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	8.30%	6.05%
Developed Foreign Equities	MSCI EAFE/World ex US	15.00%	8.45%	6.20%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.75%	4.50%
Portfolio Standard Deviation			12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.13%	3.77%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.19%
Portfolio Standard Deviation				14.16%
Valuation Assumptions Chosen by PERSI Board				
Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.05%
Assumed Inflation				3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses				7.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the Employer's proportionate

NOTE 5 Defined Benefit Pension Plan (Continued)

share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	\$4,578,047	\$1,515,716	\$(1,016,734)

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.

Payables to the pension plan

At June 30, 2019, the County reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 6 Capital Lease

The County leases various vehicles through capital leasing arrangements all of which contain purchase options throughout the lease term and are payable for from governmental funds. The capital equipment leases are arranged through lease financing agreements with various banks and leasing institutions.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Capital leases beginning of year	176,435	91,452	267,887
Prior period adjustment (See Note 15)	1,203,364	-	1,203,364
Additions	850,709	-	850,709
Reductions	<u>(169,021)</u>	<u>(21,485)</u>	<u>(190,506)</u>
Capital leases end of year	2,061,487	69,967	2,131,454
Less: current portion	<u>(224,733)</u>	<u>(22,349)</u>	<u>(247,082)</u>
Total long term portion	<u>\$ 1,836,754</u>	<u>\$ 47,618</u>	<u>\$ 1,884,372</u>

NOTE 6 Capital Lease (Continued)

Future minimum annual lease payments under these capital leases at September 30, 2019 are as follows:

<u>Fiscal Year Ended September 30,</u>	<u>Amount</u>
2020	315,120
2021	977,158
2022	330,111
2023	296,557
2024	198,516
2025	<u>242,500</u>
Minimum lease payments	2,359,962
Less: Interest	<u>(228,508)</u>
Present value of minimum lease payments	<u><u>\$ 2,131,454</u></u>

NOTE 7 Transfers Between Funds

The primary purpose of interfund transfers is to redistribute money as deemed appropriate by management. There were no operating transfers between funds as of September 30, 2019.

NOTE 8 Excess of Actual Expenditures over Budget in Individual Funds

The following funds had an excess of actual expenditures over budget for the year ended September 30, 2019:

<u>Fund</u>	<u>Excess</u>
Road Fund	2,607,722
Ambulance	2,000
Liability Insurance	1,474
Snowmobile	19,559
Airport	41,784

NOTE 9 Deficit Fund Balance

The following fund had a deficit balance at September 30, 2019:

<u>Fund</u>	<u>Balance</u>
Market Value Evaluation	(28,525)

NOTE 10 Risk Management and Contingencies

ICRMP provides insurance to pay total claims to an aggregate maximum of \$5 Million for all liability claims filed against Shoshone County per policy year. Each claim bears a maximum liability to Shoshone County of the amount of their deductible and any amount incurred over the maximum policy limits of \$500,000 for claims brought under the Idaho Tort Claims Act and a total of \$3,000,000 for claims brought outside of the Idaho Tort Claims Act.

NOTE 11 Self-Funded Insurance Plan

Dental Insurance - The County self-insures the cost of employee dental benefits. No accrual for claims that have been incurred but not reported (IBNR claims liability) as the amount has been determined to be immaterial. The claim liability is re-evaluated periodically to take into consideration recently settled claims, frequency of claims, and other economic and social factors.

Changes in the County's claim liability amounts are as follows:

IBNR claims liability, beginning of year	-
Current year claims and changes in estimates	87,442
Claims payments	<u>(87,442)</u>
IBNR claims liability, end of year	<u>\$-</u>

NOTE 12 Interfund Balances

The County has the following interfund balances as of September 30, 2019:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General	-	44,736
Grant and Match	44,736	-
Total	<u>\$ 44,736</u>	<u>\$ 44,736</u>

NOTE 13 Contingent Liabilities

The County participates in several federal financial assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. There is then the possibility of potential County liability as determined by a sponsoring organization audit, if such an audit would occur.

NOTE 14 Related Parties

Sunrise Dairy is owned by a Commissioner of the County. Sunrise Dairy provides milk and food products to the jail. The County paid Sunrise Dairy \$16,705 for fiscal year 2019.

NOTE 15 Prior Period Adjustment

The County made a prior period adjustment for two items as noted below:

1. It was determined a prepaid debt service payment was made at the end of fiscal year 2018 but was expensed as of September 30, 2018. To account for the prepaid expenditure, the Road Fund beginning fund balance and prepaid expenditure was increased in the amount of \$68,000.
2. The nature of heavy equipment leases were re-evaluated and determined to be capital leases rather than operating leases as previously presented as of September 30, 2018. To account for the change in the nature of the leases, the governmental fund beginning net position was decreased \$171,942, capital lease payable was increased by \$1,203,364, capital assets were increased by \$1,454,399 and accumulated depreciation increased by \$422,977.

REQUIRED SUPPLEMENTARY INFORMATION



SHOSHONE COUNTY, IDAHO

Wallace, Idaho

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variances	
				Favorable (Unfavorable)	
				Original to Actual	Final to Actual
Revenues					
Taxes	2,497,353	2,497,353	2,576,212	78,859	78,859
Intergovernmental	2,106,230	2,106,230	2,157,298	51,068	51,068
Licenses and permits	211,050	211,050	290,859	79,809	79,809
Charges for services	623,962	623,962	711,165	87,203	87,203
Miscellaneous	63,950	63,950	98,688	34,738	34,738
Interest earnings	15,636	15,636	120,014	104,378	104,378
Total revenues	<u>5,518,181</u>	<u>5,518,181</u>	<u>5,954,236</u>	<u>436,055</u>	<u>436,055</u>
Expenditures					
General government	2,326,250	2,326,250	2,310,317	15,933	15,933
Public safety	3,509,604	3,509,604	3,326,456	183,148	183,148
Capital outlay	265,401	265,401	387,402	(122,001)	(122,001)
Debt service					
Principal	59,498	59,498	49,233	10,265	10,265
Interest	-	-	8,892	(8,892)	(8,892)
Total expenditures	<u>6,160,753</u>	<u>6,160,753</u>	<u>6,082,300</u>	<u>78,453</u>	<u>78,453</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(642,572)</u>	<u>(642,572)</u>	<u>(128,064)</u>	<u>514,508</u>	<u>514,508</u>
Other financing sources (uses)					
Proceeds from capital lease financing	<u>-</u>	<u>-</u>	<u>92,617</u>	<u>92,617</u>	<u>92,617</u>
Net change in fund balance	<u>\$ (642,572)</u>	<u>\$ (642,572)</u>	<u>(35,447)</u>	<u>\$ 607,125</u>	<u>\$ 607,125</u>
Fund balance - beginning of year			<u>1,983,424</u>		
Fund balance - end of year			<u>\$ 1,947,977</u>		

SHOSHONE COUNTY, IDAHO

Wallace, Idaho

ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variances</u>	
				<u>Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Final to Actual</u>
Revenues					
Taxes	-	-	4,598	4,598	4,598
Intergovernmental	3,382,612	3,382,612	5,283,291	1,900,679	1,900,679
Licenses and permits	-	-	150	150	150
Charges for services	-	-	18,860	18,860	18,860
Miscellaneous	4,600	4,600	40,476	35,876	35,876
Interest earnings	6,500	6,500	35,245	28,745	28,745
Total revenues	<u>3,393,712</u>	<u>3,393,712</u>	<u>5,382,620</u>	<u>1,988,908</u>	<u>1,988,908</u>
Expenditures					
Public works	2,905,129	2,905,129	2,541,741	363,388	363,388
Capital outlay	208,500	208,500	3,144,272	(2,935,772)	(2,935,772)
Debt service					
Principal	125,000	125,000	119,788	5,212	5,212
Interest	-	-	40,550	(40,550)	(40,550)
Total expenditures	<u>3,238,629</u>	<u>3,238,629</u>	<u>5,846,351</u>	<u>(2,607,722)</u>	<u>(2,607,722)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>155,083</u>	<u>155,083</u>	<u>(463,731)</u>	<u>(618,814)</u>	<u>(618,814)</u>
Other financing sources (uses)					
Proceeds from capital lease financing	-	-	758,092	758,092	758,092
Net change in fund balance	<u>\$ 155,083</u>	<u>\$ 155,083</u>	294,361	<u>\$ 139,278</u>	<u>\$ 139,278</u>
Fund balance - beginning of year			1,449,476		
Prior period adjustment			<u>68,000</u>		
Fund balance - end of year			<u>\$ 1,811,837</u>		

SHOSHONE COUNTY, IDAHO

Wallace, Idaho

**INDIGENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Final to Actual</u>
Revenues					
Taxes	506,541	506,541	531,667	25,126	25,126
Intergovernmental	-	-	5,125	5,125	5,125
Miscellaneous	<u>71,500</u>	<u>71,500</u>	<u>178,548</u>	<u>107,048</u>	<u>107,048</u>
Total revenues	<u>578,041</u>	<u>578,041</u>	<u>715,340</u>	<u>137,299</u>	<u>137,299</u>
Expenditures					
Health and welfare	872,607	872,607	655,346	217,261	217,261
Capital outlay	<u>300</u>	<u>300</u>	<u>411</u>	<u>(111)</u>	<u>(111)</u>
Total expenditures	<u>872,907</u>	<u>872,907</u>	<u>655,757</u>	<u>217,150</u>	<u>217,150</u>
Net change in fund balance	<u>\$ (294,866)</u>	<u>\$ (294,866)</u>	59,583	<u>\$ 354,449</u>	<u>\$ 354,449</u>
Fund balance - beginning of year			<u>852,635</u>		
Fund balance - end of year			<u>\$ 912,218</u>		

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NET PENSION LIABILITY RELATED SCHEDULES

Schedule of the County's Share of Net Pension Liability*
PERSI - Base Plan
As of June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's portion of the net pension liability	0.1327861%	0.1231598%	0.1431793%	0.1370831%	0.1415763%	0.1503407%
Employer's proportionate share of the net pension liability	1,515,716	1,816,629	2,250,533	2,778,885	1,864,330	1,106,743
Employer's covered employee payroll	4,477,776	3,934,226	4,415,318	3,979,514	3,955,849	4,043,838
Employer's proportional share of the net pension liability as a percentage of its covered employee payroll	33.85%	46.18%	50.97%	69.83%	47.13%	27.37%
Plan fiduciary net position as a percentage of the total	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

Schedule of the County's Contributions*
PERSI - Base Plan
As of June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contribution - Class 1 Employees	385,602	338,794	380,223	337,664	338,961	348,143
Statutorily required contribution - Class 2 Employees	124,925	109,761	123,183	116,185	109,935	112,912
Total statutorily required contributions - All Employees	510,527	448,555	503,406	453,849	448,896	461,055
Contributions in relation to the statutorily required contributor	(510,527)	(448,555)	(503,406)	(453,849)	(448,896)	(461,055)
Contribution (deficiency) excess	-	-	-	-	-	-
Employer's covered employee payroll - Class 1 Employees	3,406,378	2,992,880	3,358,860	2,983,023	2,994,355	3,075,468
Employer's covered employee payroll - Class 2 Employees	1,071,398	941,346	1,056,458	996,514	942,839	968,370
Contributions as a percentage of covered employee payroll - Class 1	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%
Contributions as a percentage of covered employee payroll - Class 2	11.66%	11.66%	11.66%	11.66%	11.66%	11.66%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Data is reported is measured as of June 30, 2019.

NOTES TO THE NET PENSION LIABILITY SCHEDULES
As of June 30, 2019

Change of Assumptions: There were no change of assumptions as of June 30, 2019

SUPPLEMENTARY INFORMATION



SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2019

	Ambulance	District Court	Liability Insurance	Self Insurance	Health District	Historical Society	Junior College Tuition
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and investments	27,607	243,666	58,189	14,665	32,527	5,420	98,657
Receivables:							
Taxes	6,455	20,441	9,312	-	3,729	391	1,275
Unbilled taxes	80,290	434,310	26,829	-	44,760	3,297	71,771
Accounts	-	184	-	-	-	-	-
Due from other governments	332	17,848	11	-	4	1	11
Total assets	<u>114,684</u>	<u>716,449</u>	<u>94,341</u>	<u>14,665</u>	<u>81,020</u>	<u>9,109</u>	<u>171,714</u>
Deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 114,684	\$ 716,449	\$ 94,341	\$ 14,665	\$ 81,020	\$ 9,109	\$ 171,714
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Warrants payable	-	25,231	-	5,423	-	54	28,550
Non-warrants payable	-	-	-	-	-	-	-
Accrued wages payable	-	4,604	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>29,835</u>	<u>-</u>	<u>5,423</u>	<u>-</u>	<u>54</u>	<u>28,550</u>
Deferred inflows of resources:							
Deferred revenue	5,897	18,660	8,560	-	3,421	358	1,181
Unavailable tax revenue	80,290	434,310	26,829	-	44,760	3,297	71,771
Total deferred inflows of resources	<u>86,187</u>	<u>452,970</u>	<u>35,389</u>	<u>-</u>	<u>48,181</u>	<u>3,655</u>	<u>72,952</u>
Fund balances:							
Restricted for:							
General government	-	233,644	58,952	9,242	-	-	-
Public safety	28,497	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	5,400	-
Health and welfare	-	-	-	-	32,839	-	-
Education	-	-	-	-	-	-	70,212
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>28,497</u>	<u>233,644</u>	<u>58,952</u>	<u>9,242</u>	<u>32,839</u>	<u>5,400</u>	<u>70,212</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 114,684	\$ 716,449	\$ 94,341	\$ 14,665	\$ 81,020	\$ 9,109	\$ 171,714

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
September 30, 2019

	Parks and Recreation	Revaluation	Noxious Weed	Snowmobile	Waterways	Airport
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Cash and investments	19,665	192,721	36,856	47,732	40,371	49,209
Receivables:						
Taxes	1,777	21,231	1,647	-	-	4,016
Unbilled taxes	36,215	216,787	68,622	-	-	19,262
Accounts	-	-	-	-	-	968
Due from other governments	4	12	2	-	752	3
Total assets	<u>57,661</u>	<u>430,751</u>	<u>107,127</u>	<u>47,732</u>	<u>41,123</u>	<u>73,458</u>
Deferred outflows of resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 57,661	\$ 430,751	\$ 107,127	\$ 47,732	\$ 41,123	\$ 73,458
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Warrants payable	2,219	11,633	4,392	3,450	2,601	4,326
Non-warrants payable	-	-	-	-	-	5,763
Accrued wages payable	-	2,853	368	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>2,219</u>	<u>14,486</u>	<u>4,760</u>	<u>3,450</u>	<u>2,601</u>	<u>10,089</u>
Deferred inflows of resources:						
Deferred revenue	1,628	19,459	1,501	-	-	3,662
Unavailable tax revenue	36,215	216,787	68,622	-	-	19,262
Total deferred inflows of resources	<u>37,843</u>	<u>236,246</u>	<u>70,123</u>	<u>-</u>	<u>-</u>	<u>22,924</u>
Fund balances:						
Restricted for:						
General government	-	180,019	-	-	-	40,445
Public safety	-	-	-	-	-	-
Public works	-	-	32,244	-	-	-
Culture and recreation	17,599	-	-	44,282	38,522	-
Health and welfare	-	-	-	-	-	-
Education	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	<u>17,599</u>	<u>180,019</u>	<u>32,244</u>	<u>44,282</u>	<u>38,522</u>	<u>40,445</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 57,661	\$ 430,751	\$ 107,127	\$ 47,732	\$ 41,123	\$ 73,458

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
September 30, 2019

	Fish Hatchery	911 Emergency	Title III (Old)	Title III (New)	Potlatch Forest Sale	Market Value Evaluation	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and investments	2,243	251,115	191,348	61,492	150,100	-	1,523,583
Receivables:							
Taxes	203	-	-	-	-	-	70,477
Unbilled taxes	5,279	-	-	-	-	-	1,007,422
Accounts	-	10,674	654	-	-	-	12,480
Due from other governments	-	3,243	-	-	-	-	22,223
Total assets	<u>7,725</u>	<u>265,032</u>	<u>192,002</u>	<u>61,492</u>	<u>150,100</u>	<u>-</u>	<u>2,636,185</u>
Deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 7,725	\$ 265,032	\$ 192,002	\$ 61,492	\$ 150,100	\$ -	\$ 2,636,185
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Warrants payable	317	10,277	-	2,386	-	26,025	126,884
Non-warrants payable	-	-	-	-	-	-	5,763
Accrued wages payable	-	-	-	1,047	-	-	8,872
Other liabilities	-	-	-	-	-	2,500	2,500
Total liabilities	<u>317</u>	<u>10,277</u>	<u>-</u>	<u>3,433</u>	<u>-</u>	<u>28,525</u>	<u>144,019</u>
Deferred inflows of resources:							
Deferred revenue	185	-	-	-	-	-	64,512
Unavailable tax revenue	5,279	-	-	-	-	-	1,007,422
Total deferred inflows of resources	<u>5,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,071,934</u>
Fund balances:							
Restricted for:							
General government	-	-	192,002	58,059	-	(28,525)	743,838
Public safety	-	254,755	-	-	-	-	283,252
Public works	-	-	-	-	-	-	32,244
Culture and recreation	1,944	-	-	-	-	-	107,747
Health and welfare	-	-	-	-	-	-	32,839
Education	-	-	-	-	-	-	70,212
Unassigned	-	-	-	-	150,100	-	150,100
Total fund balance	<u>1,944</u>	<u>254,755</u>	<u>192,002</u>	<u>58,059</u>	<u>150,100</u>	<u>(28,525)</u>	<u>1,420,232</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 7,725	\$ 265,032	\$ 192,002	\$ 61,492	\$ 150,100	\$ -	\$ 2,636,185

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2019

	<u>Ambulance</u>	<u>District Court</u>	<u>Liability Insurance</u>	<u>Self Insurance</u>	<u>Health District</u>	<u>Historical Society</u>	<u>Junior College Tuition</u>
Revenues							
Taxes	121,054	392,382	139,697	-	62,393	6,458	2,662
Licenses and permits	4,052	-	-	-	-	-	-
Intergovernmental	-	79,842	-	-	-	-	26,550
Charges for services	-	22,633	-	-	-	-	-
Fines	-	86,496	-	-	-	-	-
Miscellaneous	-	48	-	97,407	-	-	-
Interest earnings	-	2,287	-	-	-	-	-
Total revenues	<u>125,106</u>	<u>583,688</u>	<u>139,697</u>	<u>97,407</u>	<u>62,393</u>	<u>6,458</u>	<u>29,212</u>
Expenditures							
General government	-	531,913	178,121	87,442	-	-	-
Public safety	85,660	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	5,290	-
Health and welfare	-	-	-	-	55,598	-	-
Education	-	-	-	-	-	-	56,200
Capital outlay	25,000	11,328	-	-	-	-	-
Total expenditures	<u>110,660</u>	<u>543,241</u>	<u>178,121</u>	<u>87,442</u>	<u>55,598</u>	<u>5,290</u>	<u>56,200</u>
Net change in fund balance	14,446	40,447	(38,424)	9,965	6,795	1,168	(26,988)
Fund balances - beginning of year	<u>14,051</u>	<u>193,197</u>	<u>97,376</u>	<u>(723)</u>	<u>26,044</u>	<u>4,232</u>	<u>97,200</u>
Fund balances - end of year	<u>\$ 28,497</u>	<u>\$ 233,644</u>	<u>\$ 58,952</u>	<u>\$ 9,242</u>	<u>\$ 32,839</u>	<u>\$ 5,400</u>	<u>\$ 70,212</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended September 30, 2019

	<u>Parks and Recreation</u>	<u>Revaluation</u>	<u>Noxious Weeds</u>	<u>Snowmobile</u>	<u>Waterways</u>	<u>Airport</u>
Revenues						
Taxes	36,658	393,635	26,922	-	-	83,009
Licenses and permits	-	-	-	9,954	-	-
Intergovernmental	-	-	-	24,016	24,030	-
Charges for services	3,529	3,267	-	-	-	-
Fines	-	-	-	-	-	-
Miscellaneous	-	-	2,000	6,300	-	70,503
Interest earnings	-	-	-	-	-	-
Total revenues	<u>40,187</u>	<u>396,902</u>	<u>28,922</u>	<u>40,270</u>	<u>24,030</u>	<u>153,512</u>
Expenditures						
General government	-	375,476	-	-	-	155,709
Public safety	-	-	-	-	-	-
Public works	-	-	29,469	-	-	-
Culture and recreation	37,282	-	-	23,759	19,622	-
Health and welfare	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	148	1,405	505	28,000	-	8,800
Total expenditures	<u>37,430</u>	<u>376,881</u>	<u>29,974</u>	<u>51,759</u>	<u>19,622</u>	<u>164,509</u>
Net change in fund balance	2,757	20,021	(1,052)	(11,489)	4,408	(10,997)
Fund balances - beginning of year	<u>14,842</u>	<u>159,998</u>	<u>33,296</u>	<u>55,771</u>	<u>34,114</u>	<u>51,442</u>
Fund balances - end of year	<u>\$ 17,599</u>	<u>\$ 180,019</u>	<u>\$ 32,244</u>	<u>\$ 44,282</u>	<u>\$ 38,522</u>	<u>\$ 40,445</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended September 30, 2019

	Fish Hatchery	911 Emergency	Title III (Old)	Title III (New)	Potlatch Forest Sales	Market Value Evaluation	Total
Revenues							
Taxes	3,979	-	-	-	-	-	1,268,849
Licenses and permits	-	-	-	-	-	-	14,006
Intergovernmental	-	-	-	187,688	-	(3,744)	338,382
Charges for services	-	150,251	-	-	-	-	179,680
Fines	-	-	-	-	-	-	86,496
Miscellaneous	-	8,381	-	-	-	56,313	240,952
Interest earnings	-	-	4,564	1,431	-	-	8,282
Total revenues	3,979	158,632	4,564	189,119	-	52,569	2,136,647
Expenditures							
General government	-	-	293	232,760	-	81,094	1,642,808
Public safety	-	143,158	-	-	-	-	228,818
Public works	-	-	-	-	-	-	29,469
Culture and recreation	3,565	-	-	-	-	-	89,518
Health and welfare	-	-	-	-	-	-	55,598
Education	-	-	-	-	-	-	56,200
Capital outlay	-	1,658	-	-	-	-	76,844
Total expenditures	3,565	144,816	293	232,760	-	81,094	2,179,255
Net change in fund balance	414	13,816	4,271	(43,641)	-	(28,525)	(42,608)
Fund balances - beginning of year	1,530	240,939	187,731	101,700	150,100	-	1,462,840
Fund balances - end of year	<u>\$ 1,944</u>	<u>\$ 254,755</u>	<u>\$ 192,002</u>	<u>\$ 58,059</u>	<u>\$ 150,100</u>	<u>\$ (28,525)</u>	<u>\$ 1,420,232</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended September 30, 2019

	<u>Budgeted Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Operating Transfers</u>	<u>Beginning Fund Balance</u>	<u>Ending Fund Balance</u>
Ambulance	118,399	125,106	108,660	110,660	-	14,051	28,497
District Court	528,086	583,688	602,154	543,241	-	193,197	233,644
Liability Insurance	135,768	139,697	176,647	178,121	-	97,376	58,952
Self Insurance	95,105	97,407	95,000	87,442	-	(723)	9,242
Health District	63,661	62,393	59,305	55,598	-	26,044	32,839
Historical Society	7,262	6,458	7,000	5,290	-	4,232	5,400
Junior College Tuition	33,012	29,212	95,000	56,200	-	97,200	70,212
Parks and Recreation	39,237	40,187	42,157	37,430	-	14,842	17,599
Revaluation	379,200	396,902	383,020	376,881	-	159,998	180,019
Noxious Weed	29,608	28,922	62,537	29,974	-	33,296	32,244
Snowmobile	34,000	40,270	32,200	51,759	-	55,771	44,282
Waterways	16,000	24,030	28,000	19,622	-	34,114	38,522
Airport	113,019	153,512	122,725	164,509	-	51,442	40,445
Fish Hatchery	5,224	3,979	5,310	3,565	-	1,530	1,944
911 Emergency	200,000	158,632	236,279	144,816	-	240,939	254,755
Title III (Old)	-	4,564	-	293	-	187,731	192,002
Title III (New)	-	189,119	-	232,760	-	101,700	58,059
Potlatch Forest Sale	-	-	-	-	-	150,100	150,100
Market Value Evaluation	-	52,569	-	81,094	-	-	(28,525)
	<u>\$ 1,797,581</u>	<u>\$ 2,136,647</u>	<u>\$ 2,055,994</u>	<u>\$ 2,179,255</u>	<u>\$ -</u>	<u>\$ 1,462,840</u>	<u>\$ 1,420,232</u>

SINGLE AUDIT SECTION



SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2019

	Federal CFDA Number	Pass-Through Grantor Number/Grant ID Number	Expenditures
Department of Agriculture			
Passed through State Department of Lands:			
Cooperative Forestry Assistance Program:			
2015 Cooperative Forestry Assistance	10.664	15-DG-11010000-007	52,477
2017 Cooperative Forestry Assistance	10.664	17-DG-11010000-019	56,133
Total Cooperative Forestry Assistance Program			<u>108,610</u>
Direct through Department of Agriculture:			
Forest Service Schools and Roads Cluster:			
Schools and Road - Grants to States	10.665	Not Available	1,530,416
School and Roads - Grants to Counties	10.666	Not Available	233,053
Total Forest Service Schools and Roads Cluster			<u>1,763,469</u>
Cooperative Forest Road Agreements:			
Taft Tunnel and Brushy Creek Site	10.705	18-RO-11010400-025	34,316
Cliff Creek Road	10.705	18-RO-11010400-041	58,171
Total Cooperative Forest Road Agreements			<u>92,487</u>
Total Department of Agriculture			<u>\$ 1,964,566</u>
Department of Justice			
Passed through Idaho State Police:			
Violence Against Women Formula Grants:	16.588	2017-WF-AX-0005	46,635
Support for Adam Walsh Act Implementation Grant Program	16.750	2017-AW-BX-0040	18,092
Direct through Department of Justice:			
Juvenile Accountability Block Grants	16.523	Not Available	25,631
Total Department of Justice			<u>\$ 90,358</u>
Department of Transportation			
Passed through State Department of Parks and Recreation:			
Recreational Trails Program	20.219	2017(001)	70
Passed through Idaho Transportation Department:			
Formula Grants for Rural Areas	20.509	Not Available	116,067
Total Department of Transportation			<u>\$ 116,137</u>
U.S. Environmental Protection Agency			
Passed through Idaho Department of Environmental Quality			
Superfund State, Political Subdivision and Indian Tribe			
Site-Specific Cooperative Agreements	66.802	V-00J71701-8	155,863
Total U.S. Environmental Protection Agency			<u>\$ 155,863</u>
Department of Health and Human Services			
Passed through State Department of Health and Welfare:			
Substance Abuse and Mental Health Services - Projects of			
Regional and National Significance	93.243	1H79SP080981-01	1,549
Total Department of Health and Human Services			<u>\$ 1,549</u>
Department of Homeland Security			
Passed through State Military Division:			
Disaster Grants - Public Assistance (Presidentially			
Declared Disasters)	97.036	FEMA-4313-DR-ID	3,052
Emergency Management Performance Grants	97.042	EMS2018EP00003	10,555
Homeland Security Grant Program	97.067	EMW2017SS00054	21,150
Total Department of Homeland Security			<u>\$ 34,757</u>
Total Expenditures of Federal Awards			<u>\$ 2,363,230</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2019

NOTE 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Shoshone County, Idaho, under programs of the federal government for the year ended September 30, 2019. The information in this 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 Shoshone County, Idaho, it is not intended to and does not present the financial position, changes in net position, or cash flows of Shoshone County, Idaho.

NOTE 2 Summary of Significant Accounting Policies

1. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. Pass-through entity identifying numbers are presented were available.
3. Shoshone County, Idaho has elected not to use the 10 percent de minimis indirect costs rate as allowed under Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of County Commissioners
Shoshone County, Idaho
Wallace, Idaho 83873

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 Shoshone County, Idaho as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Shoshone County, Idaho's basic financial statements and have issued our report thereon dated May 29, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Shoshone 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 Shoshone County, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of Shoshone 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, therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (Finding 2019-001).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Shoshone 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*.

Shoshone County, Idaho's Response to Findings

Shoshone County, Idaho's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Shoshone County, Idaho's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Hayden Ross, PLLC

Moscow, Idaho
May 29, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of County Commissioners
Shoshone County, Idaho
Wallace, Idaho 83873

Report on Compliance for Each Major Federal Program

We have audited Shoshone 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 Shoshone County, Idaho's, major federal programs for the year ended September 30, 2019. Shoshone 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Shoshone County, Idaho's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Shoshone County, Idaho, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Shoshone County, Idaho's compliance.

Opinion on Each Major Federal Program

In our opinion, Shoshone County, 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, 2019.

Report on Internal Control over Compliance

Management of Shoshone County, Idaho is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Shoshone County, Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Shoshone County, Idaho's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Hayden Ross, PLLC

Moscow, Idaho
May 29, 2020

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
- material weakness(es) identified?	<u> </u> yes	<u> x </u> no
- significant deficiency(ies) identified?	<u> x </u> yes	<u> </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> x </u> no

Federal Awards

Internal control over major programs:		
- material weakness(es) identified?	<u> </u> yes	<u> x </u> no
- significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR section 200.516(a)	<u> </u> yes	<u> x </u> no

***Identification of major programs:
Reporting Requirements and Communication Considerations***

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.665, 10.666	Forest Service Schools and Roads Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	<u> x </u> yes <u> </u> no

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2019

Finding 2019-001 Subsidiary ledgers not reconciled

Criteria: Subsidiary ledgers should be reconciled to the general ledger on a routine basis by appropriate personnel.

Condition: Some subsidiary ledgers have not been reconciled to the general ledger.

Cause: The County has not formalized and implemented a reconciliation process.

Effect: Subsidiary ledgers that do not balance to the general ledgers cause a potential for material misstatement in the general ledger balances.

Recommendation: We recommend the subsidiary ledgers be reconciled to the general ledger on a routine basis.

Management's

Response: Subsidiary ledgers are important to keep reconciled to the general ledger. In FY2019, we made progress on this by auditing grants quarterly and reviewing the ledgers regularly. Both the Auditor and Deputy Auditor work together to identify possible errors and correct them as needed in a timely manner. The Auditor and Deputy Auditor will continue to work with all departments and elected officials to address questions as they arise.

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2019

Finding 2018-001 **Subsidiary ledgers not reconciled**

Condition: Subsidiary ledgers have not been reconciled to the general ledger.

Status: The finding still exists and is reported as Finding 2019-001.