



SHOSHONE COUNTY, IDAHO

Wallace, Idaho



Audited Financial Statements
For the Year Ended
September 30, 2021

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

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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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements listed in the table of contents.

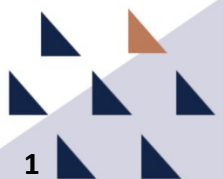
Management's Responsibility for the Financial Statements

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, 2021, 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

The County has adopted GASB Statement No. 84, Fiduciary Activities, as further described in Note 17. 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 12, the budgetary comparisons on pages 46 through 48 and the net pension (asset) liability related schedules on page 49 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, Idaho's basic financial statements. The supplementary information is presented for purposes of additional analysis and is 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.

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2022 on our consideration of Shoshone County, 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
June 22, 2022

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

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, 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the 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 (asset) 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, 2021, net position of the County increased by \$2,852,559:

Government -Wide Financial Analysis Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Assets			
Current assets	15,295,974	14,854,256	441,718
Capital assets	22,849,561	20,857,294	1,992,267
Noncurrent assets	109,592	-	109,592
Total Assets	<u>38,255,127</u>	<u>35,711,550</u>	<u>2,543,577</u>
Deferred Outflows of Resources	<u>1,688,198</u>	<u>985,675</u>	<u>702,523</u>
Liabilities			
Current liabilities	1,293,724	3,027,222	(1,733,498)
Noncurrent liabilities	1,843,457	4,530,468	(2,687,011)
Total Liabilities	<u>3,137,181</u>	<u>7,557,690</u>	<u>(4,420,509)</u>
Deferred Inflows of Resources	<u>9,836,434</u>	<u>5,022,384</u>	<u>4,814,050</u>
Net Position			
Net investment in capital assets	20,825,118	18,779,156	2,045,962
Restricted	4,320,662	4,328,340	(7,678)
Unrestricted	1,823,930	1,009,655	814,275
Total Net Position	<u>\$26,969,710</u>	<u>\$24,117,151</u>	<u>\$ 2,852,559</u>

Statement of Activities

Receipts for the County's activities decreased by \$4,025,824 and expenses decreased by \$3,892,768.

Government- Wide Financial Analysis Changes in Net Position

	<u>2020-2021</u>	<u>2019-2020</u>	<u>Change</u>
Revenues			
Charges for services	1,639,711	1,312,105	327,606
Operating grants and contributions	1,404,185	3,010,047	(1,605,862)
Capital grants and contributions	238,023	326,058	(88,035)
Taxes	5,430,947	5,280,402	150,545
Intergovernmental revenues	5,490,082	7,140,586	(1,650,504)
Licenses and permits	355,275	289,497	65,778
Fines	121,686	91,296	30,390
Contributions to self-funded insurance	112,439	112,716	(277)
Miscellaneous	342,668	3,612,919	(3,270,251)
Donated assets	1,827,221	-	1,827,221
Gain (loss) on disposal of capital asset	265,132	-	265,132
Interest earnings	27,995	105,562	(77,567)
Total Revenues	<u>17,255,364</u>	<u>21,281,188</u>	<u>(4,025,824)</u>
Expenses			
Program Expenses:			
Governmental activities			
General government	4,348,120	4,370,064	(21,944)
Public safety	4,243,513	4,759,091	(515,578)
Public works	3,626,173	7,033,169	(3,406,996)
Culture and recreation	94,226	99,498	(5,272)
Health and welfare	737,325	742,053	(4,728)
Education	40,501	47,790	(7,289)
Capital outlay	7,205	11,870	(4,665)
Debt service	52,727	62,721	(9,994)
Business-type activities			
Solid waste	1,253,015	1,169,317	83,698
Total Expenses	<u>14,402,805</u>	<u>18,295,573</u>	<u>(3,892,768)</u>
Change in Net Position	2,852,559	2,985,615	(133,056)
Net Position – Beginning	<u>24,117,151</u>	<u>21,131,536</u>	<u>2,985,615</u>
Net Position – Ending	<u>\$26,969,710</u>	<u>\$24,117,151</u>	<u>\$ 2,852,559</u>

Governmental Activities

Property taxes and Intergovernmental revenues were the largest sources of general revenue, making up 30.8% and 37.2% of total governmental revenues, respectively.

The County's grant revenues from federal, state and local sources made up \$1,642,208 or 11.1% of total governmental revenues.

The general government function accounted for \$4,348,120 of the \$13,149,790, or 33.1% of total expenses for governmental activities. The main components of the expenses under this function are related to salaries and benefits. The public safety function accounted for \$4,243,513 and representing 32.3% of total governmental expenses.

Overall, the net position for governmental activities increased by \$2,626,193.

Business-Type Activities

The net position for business-type activities increased by \$226,366 during the year, with the major revenue source being taxes at \$875,302.

The major category of expenses are related to solid waste operations of \$1,253,015, 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 – The Grant Management 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 expenditures 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. The County applied for COVID grant funding for expenditures directly related to the COVID-19 pandemic. Expenditures included items used for sanitation purposes, masks, office plexiglass shields, social distancing enhancements, remote office equipment, training equipment, ZOOM capabilities, elections equipment and some overtime. Virtually all departments were impacted.
2. Journal Vouchers (JVs) – 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. This process has saved time searching for backup

documentation and storing that documentation in hard files. The historical record is now electronic and can be saved indefinitely.

3. Current Expense – Due to COVID-19 restrictions, we anticipated a reduction in revenues for the 2021 fiscal year. However, some funds continue to show a significant increase in revenue, such as, Clerk/Auditor Fees, Recording Fees, Ground Rent, Motor Vehicle Revenue, Sales Tax, Revenue Sharing, Liquor Apportionment, and Planning and Zoning fees. The County received \$519,262 for Payment In Lieu of Taxes (PILT) and Idaho Fish & Game in 2021, \$24,576 over what was budgeted. These increases significantly helped our financial position.
 - a. Travel & Training related expenditures remained under budget because of COVID-19 travel implications.
 - b. Staffing shortages in the Sheriff's office resulted in budget savings primarily in wages and benefits, training and uniform costs.
 - c. Jury Trials and In-Person hearings were postponed due to COVID-19 which reduced several of the expenditure items budgeted for the Prosecutor and District Court Budgets. They resumed completely in March of 2022.
 - d. Elections Supplies were over budget due to increased number of Absentee Voting. Fund came in under budget as a whole.
 - e. County General was used to purchase COVID-19 Supplies and Services. All were reimbursed through various CARES Act Grants.
 - f. Jail expenditures were significantly reduced due to the number of inmates allowed in the jail due to COVID-19 restrictions. We also saw a decrease in the housing of State and Federal inmates as a result.
 - g. Motor Vehicles employee wages and benefit expenditures were increased for additional staff to catch up back licensing due the COVID-19 restrictions being lifted.
 - h. Data Processing expenses were over budget due to upgrades to computers and network components through refundable CARES grants.
4. Road Department – SRS funded \$1,422,492 in May, which was \$141,701 less than we had received in 2020. The Highway User Fees were positively impacted by \$469,710 due to COVID-19 travel restrictions being lifted. Fuel prices increased across the board.
5. Ambulance – Creation of an Ambulance Service District was complete in June 2020. County increased support to EMS Corp to continue services through September 2021 to allow the new district to get set up and take over the EMS Services. ASD took over all EMS Services October 1, 2021.
6. District Court – Expenditures dropped due to restrictions on in-person hearings and jury trials.

7. Self-Insurance – Staff were unable to see a Dentist due to COVID-19 restrictions resulting in less dental fees.
8. Indigent & Public Defense – Both funds were impacted by COVID-19 restrictions. There were reduced requests for assistance from citizens because they did not go to the doctor, dentist or other health care providers as they normally would. We also experienced less Social Services requests for help during the year. Public Defense expenditures also decreased with fewer mental exams, professional services, court hearings and trials.
9. Parks – Income and expenditures were significantly impacted by COVID-19. Parks were virtually shut down due to social distancing and number of people that could gather in any one place.
10. Airport – Manager position was vacant through 2021, resulting in a savings.

Fund Budgetary Highlights

1. General Fund – The General Fund expenditures came in over budget and revenues were higher than expected.
2. Road and Bridge Fund – Expenditures came in higher than expected and revenue was higher than expected.
3. Ambulance – Expenditures came in lower than expected. Ambulance Service District was approved and will become its own taxing district October 1, 2021. The County will be removing this fund in 2022.
4. District Court – Expenditures came in much lower than expected. Primarily due to COVID-19 restrictions.
5. Indigent Fund – We will no longer Levy under the Indigent Fund in FY23 due to Legislative Rule Changes. The County and State Medical assistance will stop on March 1, 2022. The remaining income and expenditures will be transferred to another funding source.
6. Junior College – College enrollment down due to COVID-19, therefore requests for assistance were down. Expecting this to increase in 2022.
7. Parks – Expenditures and revenue both down due to parks being closed or limited to less visitors. Usage expected to resume to normal in 2022.

8. Weed Control – Expenditures were down due to a reduction in staff costs and no capital outlay.
9. Snowmobile & Waterways – All expenditures lower than expected.
10. Airport – Expenditures came in more than budget.
11. E-911 Emergency Fund – 911 Emergency was under budget 14% due to reduction in office supplies, telephone, training and capital expenses.

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, U.S. Silver Mining Corp and Dave Smith Motors. Two ski areas along with extensive snowmobile trails system provide 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. The county saw an influx of visitors on the Coeur d'Alene River and the other outdoor recreation sites as people were encouraged to do outside activities allowing social distancing.

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. COVID-19 in Shoshone County was slower than a lot of other counties in Idaho. Mask mandates and social distancing were in place early on. The courthouse was closed to the public and drop boxes were installed so transactions could be made. Election supplies increased due to Absentee Ballots being mailed out which also increased our postage costs. These expenditures were refunded using the CARES Act Grant.

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: two Dodge Chargers, tasers, stunt cams, palm scanner, exhaust fan replacement, sneeze guards, de-icer, two Dodge Rams, four loaders, 911 system monitors, hangar, tractor, backhoe, cyber security project, broadband project, Trapper creek bridge, Bear Creek Road bridge, and Pinecreek bridge.

	<u>2020-2021</u>	<u>2019-2020</u>	<u>Change</u>
Land	623,919	623,919	-
Construction in progress	25,032	1,890,027	(1,864,995)
Buildings	956,108	964,743	(8,635)
Equipment	3,187,121	2,745,389	441,732
Roads and bridges	16,996,481	13,461,352	3,535,129
Airport runway	1,060,900	1,171,864	(110,964)
Total Net Capital Assets	<u>\$22,849,561</u>	<u>\$20,857,294</u>	<u>\$ 1,992,267</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 7.

The County has leased various vehicles and equipment for a total amount payable at September 30, 2021 of \$2,024,443.

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, 2021

	PRIMARY GOVERNMENT		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and investments	7,476,660	1,145,870	8,622,530
Receivables:			
Taxes	236,302	16,243	252,545
Unbilled taxes	4,539,709	473,681	5,013,390
Accounts	40,629	48,499	89,128
Fee receivable	-	54,194	54,194
Due from other governments	<u>1,264,187</u>	<u>-</u>	<u>1,264,187</u>
Total current assets	<u>13,557,487</u>	<u>1,738,487</u>	<u>15,295,974</u>
Noncurrent assets:			
Non-depreciable assets	598,951	50,000	648,951
Depreciable assets	384,404,790	2,286,103	386,690,893
Less: accumulated depreciation	(363,065,804)	(1,424,479)	(364,490,283)
Net pension asset	<u>103,071</u>	<u>6,521</u>	<u>109,592</u>
Total noncurrent assets	<u>22,041,008</u>	<u>918,145</u>	<u>22,959,153</u>
Total assets	<u>35,598,495</u>	<u>2,656,632</u>	<u>38,255,127</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	<u>1,587,751</u>	<u>100,447</u>	<u>1,688,198</u>
LIABILITIES			
Current liabilities:			
Warrants payable	695,499	73,499	768,998
Non-warrants payable	46,057	4,922	50,979
Accrued wages payable	80,746	6,092	86,838
IBNR claims liability	13,597	-	13,597
Capital lease payable, due within one year	<u>355,857</u>	<u>17,455</u>	<u>373,312</u>
Total current liabilities	<u>1,191,756</u>	<u>101,968</u>	<u>1,293,724</u>
Noncurrent liabilities:			
Accrued compensated absences	179,788	12,538	192,326
Capital lease payable, due after one year	<u>1,574,138</u>	<u>76,993</u>	<u>1,651,131</u>
Total noncurrent liabilities	<u>1,753,926</u>	<u>89,531</u>	<u>1,843,457</u>
Total liabilities	<u>2,945,682</u>	<u>191,499</u>	<u>3,137,181</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable tax revenue	4,539,709	473,681	5,013,390
Deferred grant revenue	1,259,755	-	1,259,755
Pension related items	<u>3,351,273</u>	<u>212,016</u>	<u>3,563,289</u>
Total deferred inflows of resources	<u>9,150,737</u>	<u>685,697</u>	<u>9,836,434</u>
NET POSITION			
Net investment in capital assets	20,007,942	817,176	20,825,118
Restricted for:			
General government	869,417	-	869,417
Public safety	668,287	-	668,287
Public works	2,474,477	-	2,474,477
Culture and recreation	157,190	-	157,190
Health and welfare	14,389	-	14,389
Education	65,404	-	65,404
Self funded insurance	71,498	-	71,498
Unrestricted	<u>761,223</u>	<u>1,062,707</u>	<u>1,823,930</u>
Total net position	<u>\$ 25,089,827</u>	<u>\$ 1,879,883</u>	<u>\$ 26,969,710</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

	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	4,348,120	757,155	1,037,270	-	(2,553,695)	-	(2,553,695)
Public safety	4,243,513	241,485	89,031	116,435	(3,796,562)	-	(3,796,562)
Public works	3,626,173	2,544	78,875	121,588	(3,423,166)	-	(3,423,166)
Culture and recreation	94,226	3,190	199,009	-	107,973	-	107,973
Health and welfare	737,325	-	-	-	(737,325)	-	(737,325)
Education	40,501	-	-	-	(40,501)	-	(40,501)
Capital outlay	7,205	-	-	-	(7,205)	-	(7,205)
Debt service	52,727	-	-	-	(52,727)	-	(52,727)
Total governmental activities	<u>13,149,790</u>	<u>1,004,374</u>	<u>1,404,185</u>	<u>238,023</u>	<u>(10,503,208)</u>	<u>-</u>	<u>(10,503,208)</u>
Business-type activities:							
Solid waste	<u>1,253,015</u>	<u>635,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(617,678)</u>	<u>(617,678)</u>
Total business-type activities	<u>1,253,015</u>	<u>635,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(617,678)</u>	<u>(617,678)</u>
Total primary government	<u>\$ 14,402,805</u>	<u>\$ 1,639,711</u>	<u>\$ 1,404,185</u>	<u>\$ 238,023</u>	<u>(10,503,208)</u>	<u>(617,678)</u>	<u>(11,120,886)</u>
General revenues							
Taxes				4,555,645	875,302		5,430,947
Intergovernmental				5,490,082	-		5,490,082
Licenses and permits				355,275	-		355,275
Fines				121,686	-		121,686
Contributions to self-funded insurance				112,439	-		112,439
Miscellaneous				336,468	6,200		342,668
Donated assets				1,827,221	-		1,827,221
Interest earnings				24,987	3,008		27,995
Gain (loss) on disposal of capital asset				305,598	(40,466)		265,132
Total general revenues				<u>13,129,401</u>	<u>844,044</u>		<u>13,973,445</u>
Change in net position				2,626,193	226,366		2,852,559
Total net position - beginning of year				<u>22,463,634</u>	<u>1,653,517</u>		<u>24,117,151</u>
Total net position - end of year				<u>\$ 25,089,827</u>	<u>\$ 1,879,883</u>		<u>\$ 26,969,710</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2021

	General	Road	Indigent	Grant & Match	ARPA	Nonmajor Governmental	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and investments	1,852,227	2,175,971	455,044	-	1,251,228	1,651,153	7,385,623
Receivables:							
Taxes	152,991	4,389	12,765	-	-	66,157	236,302
Unbilled taxes	3,231,488	-	132,710	-	-	1,175,511	4,539,709
Accounts	40,629	-	-	-	-	-	40,629
Due from other governments	477,012	559,717	-	161,458	-	66,000	1,264,187
Due from other funds	212,360	-	-	-	-	-	212,360
Total assets	<u>5,966,707</u>	<u>2,740,077</u>	<u>600,519</u>	<u>161,458</u>	<u>1,251,228</u>	<u>2,958,821</u>	<u>13,678,810</u>
Deferred outflows of resources							
	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,966,707</u>	<u>\$ 2,740,077</u>	<u>\$ 600,519</u>	<u>\$ 161,458</u>	<u>\$ 1,251,228</u>	<u>\$ 2,958,821</u>	<u>\$ 13,678,810</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
Liabilities:							
Warrants payable	327,731	204,622	14,931	47,692	-	94,581	689,557
Non-warrants payable	16,431	12,330	29	-	-	17,267	46,057
Accrued wages payable	54,092	20,177	1,249	-	-	5,228	80,746
Due to other funds	-	79,796	-	113,166	-	19,398	212,360
Total liabilities	<u>398,254</u>	<u>316,925</u>	<u>16,209</u>	<u>160,858</u>	<u>-</u>	<u>136,474</u>	<u>1,028,720</u>
Deferred inflows of resources:							
Deferred revenue	135,504	3,999	11,129	-	-	58,418	209,050
Deferred grant revenue	8,667	-	-	-	1,251,088	-	1,259,755
Unavailable tax revenue	3,231,488	-	132,710	-	-	1,175,511	4,539,709
Total deferred inflows of resources	<u>3,375,659</u>	<u>3,999</u>	<u>143,839</u>	<u>-</u>	<u>1,251,088</u>	<u>1,233,929</u>	<u>6,008,514</u>
Fund balances:							
Restricted for:							
General government	-	-	-	-	140	826,328	826,468
Public safety	-	-	440,471	-	-	208,316	648,787
Public works	-	2,419,153	-	-	-	49,429	2,468,582
Culture and recreation	-	-	-	-	-	155,228	155,228
Health and welfare	-	-	-	600	-	11,732	12,332
Education	-	-	-	-	-	64,221	64,221
Unassigned	2,192,794	-	-	-	-	273,164	2,465,958
Total fund balance	<u>2,192,794</u>	<u>2,419,153</u>	<u>440,471</u>	<u>600</u>	<u>140</u>	<u>1,588,418</u>	<u>6,641,576</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 5,966,707</u>	<u>\$ 2,740,077</u>	<u>\$ 600,519</u>	<u>\$ 161,458</u>	<u>\$ 1,251,228</u>	<u>\$ 2,958,821</u>	<u>\$ 13,678,810</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2021**

Total fund balances - governmental funds		6,641,576
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Cost of capital assets	385,003,741	
Accumulated depreciation	<u>(363,065,804)</u>	
		21,937,937
Assets that are not available to pay for current period expenditures are not considered available in the governmental funds:		
Property taxes		209,050
Net position of internal service funds are included in government-wide Statement of Net Position		
		71,498
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in future periods for governmental activities:		
Deferred outflow of resources		1,587,751
Deferred inflow of resources		<u>(3,351,273)</u>
Net pension asset is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in the governmental funds.		
		103,071
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Capital leases payable, due within one year	(355,857)	
Capital leases payable, due after one year	(1,574,138)	
Compensated absences	<u>(179,788)</u>	
		<u>(2,109,783)</u>
Total net position - governmental activities		<u>\$ 25,089,827</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2021

	General	Road	Indigent	Grant & Match	ARPA	Nonmajor Governmental	Total Governmental Funds
REVENUES							
Taxes	3,009,678	85,554	110,063	-	-	1,359,750	4,565,045
Intergovernmental	2,701,542	3,571,824	2,716	523,350	-	332,858	7,132,290
Licenses and permits	333,382	4,675	-	-	-	17,218	355,275
Charges for services	822,978	2,544	-	-	-	178,852	1,004,374
Fines	-	-	-	-	-	121,686	121,686
Miscellaneous	120,340	6,972	104,404	22,991	-	81,761	336,468
Interest earnings	17,397	6,649	-	-	140	801	24,987
Total revenues	<u>7,005,317</u>	<u>3,678,218</u>	<u>217,183</u>	<u>546,341</u>	<u>140</u>	<u>2,092,926</u>	<u>13,540,125</u>
EXPENDITURES							
General government	2,846,867	-	-	168,498	-	1,295,679	4,311,044
Public safety	3,817,539	-	-	89,031	-	362,942	4,269,512
Public works	-	2,557,711	-	121,423	-	55,276	2,734,410
Culture and recreation	-	-	-	-	-	88,788	88,788
Health and welfare	-	-	692,356	-	-	54,809	747,165
Education	-	-	-	-	-	40,501	40,501
Capital outlay	234,174	1,339,558	-	169,009	-	81,782	1,824,523
Debt service							
Principal	60,084	911,879	-	-	-	4,266	976,229
Interest	8,458	43,553	-	-	-	716	52,727
Total expenditures	<u>6,967,122</u>	<u>4,852,701</u>	<u>692,356</u>	<u>547,961</u>	<u>-</u>	<u>1,984,759</u>	<u>15,044,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,195</u>	<u>(1,174,483)</u>	<u>(475,173)</u>	<u>(1,620)</u>	<u>140</u>	<u>108,167</u>	<u>(1,504,774)</u>
Other financing sources (uses)							
Proceeds from capital lease financing	74,648	801,056	-	-	-	-	875,704
Proceeds from sale of capital asset	-	697,676	-	-	-	-	697,676
Total other financing sources (uses)	<u>74,648</u>	<u>1,498,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,573,380</u>
Net change in fund balance	112,843	324,249	(475,173)	(1,620)	140	108,167	68,606
Fund balances - beginning of year	<u>2,079,951</u>	<u>2,094,904</u>	<u>915,644</u>	<u>2,220</u>	<u>-</u>	<u>1,480,251</u>	<u>6,572,970</u>
Fund balances - end of year	<u>\$ 2,192,794</u>	<u>\$ 2,419,153</u>	<u>\$ 440,471</u>	<u>\$ 600</u>	<u>\$ 140</u>	<u>\$ 1,588,418</u>	<u>\$ 6,641,576</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, 2021

Net change in fund balances - governmental funds 68,606

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	1,817,318	
Donated assets	1,827,221	
Depreciation expense	<u>(1,453,355)</u>	
		2,191,184

Proceeds from the sale of capital assets are recorded as a gain for governmental funds, however, in the Statement of Activities, the gain is reduced by the remaining net depreciable basis associated with the disposed assets (392,078)

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. (9,400)

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	(875,704)	
Capital lease principal payments	<u>976,229</u>	
		100,525

Net pension liability adjustments:

Fiscal year 2020 employer PERSI contributions recognized as pension expense in the current year	(140,908)	
Fiscal year 2021 employer PERSI contributions deferred to subsequent year	149,160	
Pension related amortization expense	<u>622,838</u>	
		631,090

Net change of internal service funds not reflected in governmental funds are included in the Statement of Activities 30,869

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 was less than the amount paid during the year. 5,397

Total change in net position - governmental activities \$ 2,626,193

SHOSHONE COUNTY, IDAHO

Wallace, Idaho

**SOLID WASTE FUND
STATEMENT OF NET POSITION
September 30, 2021****ASSETS**

Current assets:

Cash and cash equivalents	1,145,870	
Receivables:		
Taxes	16,243	
Unbilled taxes	473,681	
Accounts receivable	48,499	
Fee receivable	54,194	
Total current assets		1,738,487

Noncurrent assets:

Land	50,000	
Buildings	915,407	
Equipment	1,370,696	
Less: accumulated depreciation	(1,424,479)	
Net pension asset	6,521	
Total noncurrent assets		918,145

Total assets 2,656,632

DEFERRED OUTFLOWS OF RESOURCES

Pension related items 100,447

LIABILITIES

Current liabilities:

Warrants payable	73,499	
Non-warrants payable	4,922	
Accrued wages payable	6,092	
Capital lease payable, due with in one year	17,455	
Total current liabilities		101,968

Noncurrent liabilities:

Accrued compensated absences	12,538	
Capital lease payable, due after one year	76,993	
Total noncurrent liabilities		89,531

Total liabilities 191,499

DEFERRED INFLOWS OF RESOURCES

Unavailable tax revenue	473,681	
Pension related items	212,016	
Total deferred inflows of resources		685,697

NET POSITION

Net investment in capital assets	817,176	
Unrestricted	1,062,707	
Total net position		<u>\$ 1,879,883</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SOLID WASTE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2021

OPERATING REVENUES		
Charges for services	635,337	
Miscellaneous income	6,200	
Total operating revenues	<u> </u>	641,537
OPERATING EXPENSES		
Salaries	439,971	
Collection expense	733,541	
Depreciation expense	77,135	
Capital outlay	2,368	
Total operating expenses	<u> </u>	<u>1,253,015</u>
Operating loss		(611,478)
NON-OPERATING REVENUES		
Taxes	875,302	
Gain (loss) on disposal of capital asset	(40,466)	
Interest earnings	3,008	
Total non-operating revenues	<u> </u>	<u>837,844</u>
Change in net position		226,366
Net position - beginning of year		<u>1,653,517</u>
Net position - end of year		<u><u>\$ 1,879,883</u></u>

SHOSHONE COUNTY, IDAHO

Wallace, Idaho

**SOLID WASTE FUND
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2021****CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	661,312	
Cash paid to suppliers	(732,503)	
Cash paid for salaries and benefits	(487,895)	
Net cash provided by (used in) operating activities		(559,086)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	3,008	
Net cash provided by (used in) investment activities		3,008

CASH FLOWS FROM CAPITAL FINANCING AND RELATED FINANCING ACTIVITIES

Purchase of capital assets	(360,762)	
Proceeds from capital lease financing	94,448	
Proceeds from sale of capital asset	50,000	
Principal payments on capital lease	(47,618)	
Net cash provided by (used in) capital financing activities		(263,932)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Property taxes received	872,013	
Net cash provided by (used in) noncapital financing activities		872,013

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

52,003

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR

1,093,867

CASH AND CASH EQUIVALENTS - END OF YEAR\$ 1,145,870**RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY
(USED IN) OPERATING ACTIVITIES:**

Operating income (loss)		(611,478)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation		77,135
Change in pension related items:		
Deferred outflow of resources	(38,842)	
Deferred inflow of resources	197,904	
Decrease (increase) in assets:		
Receivables	19,775	
Net pension asset	(6,521)	
Increase (decrease) in liabilities:		
Warrants/non-warrants payable	3,278	
Accrued wages payable	128	
Accrued compensated absences	(202)	
Net pension liability	(200,263)	
Total adjustments		(24,743)
Net cash provided by (used in) operating activities		<u>\$ (559,086)</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SELF INSURANCE FUND
STATEMENT OF NET POSITION
September 30, 2021

ASSETS		
Cash and cash equivalents	91,037	
	<u>91,037</u>	
Total assets		<u>91,037</u>
DEFERRED OUTFLOWS OF RESOURCES		
		<u>-</u>
LIABILITIES		
Warrants payable	5,942	
IBNR claims liability	13,597	
	<u>13,597</u>	
Total liabilities		<u>19,539</u>
DEFERRED INFLOWS OF RESOURCES		
		<u>-</u>
NET POSITION		
Restricted:		
Self funded insurance	71,498	
Total net position	<u>71,498</u>	<u>\$ 71,498</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SELF INSURANCE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2021

REVENUE	
Contributions - employer	96,859
Contributions - employee	15,580
Total revenues	<u>112,439</u>
EXPENSES	
Claims	81,570
Total expenses	<u>81,570</u>
Change in net position	30,869
Net position - beginning of year	<u>40,629</u>
Net position - end of year	<u><u>\$ 71,498</u></u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SELF INSURANCE FUND
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions	112,439	
Cash paid for benefits	<u>(72,790)</u>	
Net cash provided by (used in) operating activities		39,649
CASH FLOWS FROM INVESTING ACTIVITIES		-
CASH FLOWS FROM CAPITAL FINANCING AND RELATED FINANCING ACTIVITIES		-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		39,649
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		<u>51,388</u>
CASH AND CASH EQUIVALENTS - END OF YEAR		<u><u>\$ 91,037</u></u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED		
BY (USED IN) OPERATING ACTIVITIES:		
Change in net position		30,869
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:		
Increase (decrease) in liabilities:		
Warrants payable	2,640	
IBNR claims liability	<u>6,140</u>	
Total adjustments		<u>8,780</u>
Net cash provided by (used in) operating activities		<u><u>\$ 39,649</u></u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2021

		Total Custodial Funds
		<hr/>
ASSETS		
Current assets:		
Cash and cash equivalents	1,859,900	
Taxes receivable	964,803	
Due from other governments	<u>15,689</u>	
Total assets		<hr/> <u>2,840,392</u>
DEFERRED OUTFLOW OF RESOURCES		<hr/> <u>-</u>
LIABILITIES		
Current liabilities:		
Warrants payable	497,522	
Due to other governments	<u>1,362,378</u>	
Total liabilities		<hr/> <u>1,859,900</u>
DEFERRED INFLOW OF RESOURCES		<hr/> <u>-</u>
NET POSITION		
Restricted		<hr/> <u>\$ 980,492</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended September 30, 2021

		Total Custodial Funds
		<hr/>
ADDITIONS		
Property tax	13,325,859	
Non-property taxes collected for other governments	445,894	
Fees collected for other governments	3,653,676	
Tax parcel sale proceeds	264,421	
Court fees	597,794	
Miscellaneous	454,467	
Catastrophic collections	<u>62,179</u>	
Total additions		<hr/> <u>18,804,290</u>
DEDUCTIONS		
Payments to other governments	14,770,253	
Payments of excess parcel sales	257,612	
Payments to miscellaneous	9,155	
Payments for catastrophic health	62,179	
Payments for DMV fees	2,820,610	
Payments to vendors	<u>1,011,520</u>	
Total deductions		<hr/> <u>18,931,329</u>
Net change in net position		(127,039)
Beginning net position, as restated (Note 17)		<hr/> <u>1,107,531</u>
Ending net position		<hr/> <u>\$ 980,492</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

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 whom 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.
- ARPA: This fund accounts for the federal allocations received under the American Rescue Plan Act (ARPA).

The County reports the following proprietary funds:

- Solid Waste Fund: This fund accounts for the services and equipment used provide solid waste management to the County.
- Self Insurance Fund: This fund accounts for revenues and expenses that are related to providing self-funded insurance expenses.

Additionally, the County reports the following funds:

- Custodial 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 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

NOTE 1 Summary of Significant Accounting Policies (Continued)

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.

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.

NOTE 1 Summary of Significant Accounting Policies (Continued)

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.

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 2021 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 (asset) 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.

Restricted balances are as follows:

- The County levies for, and received, restricted funds for various governmental services. These services have been segregated into the following functions/programs: general government, public safety, public works, culture and recreation, health and welfare, and education.

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, other than the item described in Note 18, no material subsequent events have occurred.

NOTE 2 Cash and Investments

Deposits

Cash On Hand

Cash on hand totaled \$3,350 at September 30, 2021.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking and Savings Accounts	<u>\$2,439,062</u>	<u>\$2,654,660</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 \$1,036,368 in excess of the FDIC insurance (\$500,000 is collateralized by the bank). The remaining balance of \$353,205 at Columbia Bank and \$9,735 at Idaho Central Credit Union are in excess of the FDIC insured limit and uncollateralized.

Investments

Detail of investments at September 30, 2021 are as follows:

	<u>Rate</u>	<u>County Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
State Investment Pool	Variable	7,783,357	-	7,783,357
Multibank Securities	Variable	50,000	-	50,000
Retirement Solutions	Variable	-	206,661	206,661
Total		<u>\$ 7,833,357</u>	<u>\$ 206,661</u>	<u>\$ 8,040,018</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	7,783,357	7,783,357	7,783,357	-
Multibank Securities	50,000	50,435	50,000	-
Retirement Solutions	206,661	206,661	206,661	-
Total	<u>\$ 8,040,018</u>	<u>\$ 8,040,453</u>	<u>\$ 8,040,018</u>	<u>\$ -</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

NOTE 2 Cash and Investments (Continued)

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 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

NOTE 3 Property Tax (Continued)

2020, upon which the 2020 levy was based, was \$1,163,420,048 for the County and was \$1,116,611,175 for the Road fund.

Various sections of the Idaho Code limit the amount that may be levied for general and other fund purposes. The 2020 levy was 0.4019145% of market value for the County and 0.0075513% of market value for the Road fund.

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 2020 tax levy was \$4,827,166, of which 96.81% was collected and \$153,885 remains unpaid as of September 30, 2021.

NOTE 4 Deferred Revenue

Property taxes levied for 2020 and prior years and uncollected as of September 30, 2021 are shown as taxes receivable. To the extent that they are not collected by the County by November 30, 2021, a deferred revenue account in that amount is established in the governmental funds.

Total taxes receivable as of September 30, 2021	236,302
Less: Taxes collected by November 30, 2021	<u>(27,252)</u>
Total deferred tax revenue	<u>\$ 209,050</u>

In accordance with GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the County has recognized the 2021 property tax levy as a receivable. This levy is an enforceable legal claim created during the fiscal year. The total property tax levy for 2021 of \$5,013,390 is considered unavailable at September 30, 2021 and is recorded as a deferred inflow of resources.

Deferred revenue – Certain grant revenues have been received but were unearned at year-end. To the extent that they were unearned, a deferred revenue account in that amount is established in the governmental funds.

Deferred grant revenue	<u>\$1,259,755</u>
Total deferred grant revenue	<u>\$1,259,755</u>

NOTE 5 Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Capital assets, depreciated					
Buildings	2,941,899	55,600	-	-	2,997,499
Equipment	12,976,831	1,271,507	(944,462)	-	13,303,876
Roads and bridges	360,983,194	465,179	-	3,717,248	365,165,621
Airport runway	2,937,794	-	-	-	2,937,794
Total capital assets, depreciated	<u>379,839,718</u>	<u>1,792,286</u>	<u>(944,462)</u>	<u>3,717,248</u>	<u>384,404,790</u>
Less: accumulated depreciation					
Buildings	(2,328,614)	(41,350)	-	-	(2,369,964)
Equipment	(10,548,447)	(653,743)	552,384	-	(10,649,806)
Roads and bridges	(347,521,842)	(647,298)	-	-	(348,169,140)
Airport runway	(1,765,930)	(110,964)	-	-	(1,876,894)
Total accumulated depreciation	<u>(362,164,833)</u>	<u>(1,453,355)</u>	<u>552,384</u>	<u>-</u>	<u>(363,065,804)</u>
Net capital assets, depreciated	<u>17,674,885</u>	<u>338,931</u>	<u>(392,078)</u>	<u>3,717,248</u>	<u>21,338,986</u>
Capital assets, not depreciated					
Land	573,919	-	-	-	573,919
Construction in progress	1,890,027	1,852,253	-	(3,717,248)	25,032
Total capital assets, not depreciated	<u>2,463,946</u>	<u>1,852,253</u>	<u>-</u>	<u>(3,717,248)</u>	<u>598,951</u>
Total capital assets, net	<u>\$ 20,138,831</u>	<u>\$ 2,191,184</u>	<u>\$ (392,078)</u>	<u>\$ -</u>	<u>\$ 21,937,937</u>

During 2021, depreciation expense was charged to functions as follows:

General government	183,223
Public safety	242,365
Public works	1,019,242
Culture and recreation	<u>8,525</u>
Total	<u>\$1,453,355</u>

NOTE 5 Capital Assets (Continued)

Business-Type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Capital assets, depreciated					
Buildings	915,407	-	-	-	915,407
Equipment	1,126,247	360,762	(116,313)	-	1,370,696
Total capital assets, depreciated	<u>2,041,654</u>	<u>360,762</u>	<u>(116,313)</u>	<u>-</u>	<u>2,286,103</u>
Less: accumulated depreciation					
Buildings	(563,949)	(22,885)	-	-	(586,834)
Equipment	(809,242)	(54,250)	25,847	-	(837,645)
Total accumulated depreciation	<u>(1,373,191)</u>	<u>(77,135)</u>	<u>25,847</u>	<u>-</u>	<u>(1,424,479)</u>
Net capital assets, depreciated	<u>668,463</u>	<u>283,627</u>	<u>(90,466)</u>	<u>-</u>	<u>861,624</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>\$ 718,463</u>	<u>\$ 283,627</u>	<u>\$ (90,466)</u>	<u>\$ -</u>	<u>\$ 911,624</u>

During 2021, \$77,135 of depreciation expense was charged to the business-type activities.

NOTE 6 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, 2021. All amounts are as of June 30, 2021 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 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.

NOTE 6 Defined Benefit Pension Plan (Continued)

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, 2021 it was 7.16% (9.13%). 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 was \$623,658 for the year ended September 30, 2021.

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

At September 30, 2021, the County reported a liability for its proportionate share of the net pension (asset) liability as of June 30, 2021. The net pension (asset) liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension (asset) 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, 2021, the County's proportion was 0.13876264 percent.

NOTE 6 Defined Benefit Pension Plan (Continued)

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, 2021 was calculated at \$(56,642).

At September 30, 2021, 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	161,468	63,702
Changes in assumptions or other inputs	1,257,973	-
Net difference between projected and actual earning on pension plan investments	-	3,442,196
Change in proportionate Share	110,161	57,391
Employer contributions subsequent to the measurement date	<u>158,596</u>	<u>-</u>
Total	<u>\$1,688,198</u>	<u>\$3,563,289</u>

\$158,596 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 (asset) liability in the year ended September 30, 2022.

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 Ending June 30:</u>	<u>Amount to be Recognized</u>
2022	(490,805)
2023	(442,315)
2024	(386,533)
2025	(766,804)

NOTE 6 Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return-net of investment fees	6.35%
Cost of living (COLA) adjustments	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

Contributing Members, Service Retirement Members, and Beneficiaries

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

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. 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.

NOTE 6 Defined Benefit Pension Plan (Continued)

Capital Market Assumptions from Callan 2021

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	(0.20%)
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

Economic/Demographic Assumptions from Milliman 2021

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	6.35%

Discount Rate

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

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

The following presents the net pension (asset) liability of PERSI employer's calculated using the discount rate of 6.35% as well as what the employer's (asset) liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

NOTE 6 Defined Benefit Pension Plan (Continued)

	1% Decrease <u>(5.35%)</u>	Current Discount Rate <u>(6.35%)</u>	1% Increase <u>(7.35%)</u>
Employer's proportionate share of the net pension (asset) liability	\$3,809,647	\$(109,592)	\$(3,322,270)

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, 2021, 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 7 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.

	Governmental Activities	Business-type Activities	Total
Capital leases beginning of year	2,030,520	47,618	2,078,138
Additions	875,704	94,448	970,152
Reductions	(976,229)	(47,618)	(1,023,847)
Capital leases end of year	1,929,995	94,448	2,024,443
Less: current portion	(355,857)	(17,455)	(373,312)
Total long term portion	<u>\$ 1,574,138</u>	<u>\$ 76,993</u>	<u>\$ 1,651,131</u>

NOTE 7 Capital Lease (Continued)

Future minimum annual lease payments under these capital leases at September 30, 2021 are as follows:

	2022	441,985
	2023	433,779
	2024	335,489
	2025	346,437
	2026	677,935
Minimum lease payments		<u>2,235,625</u>
Less: Interest		<u>(211,182)</u>
Present value of minimum lease payments		<u>\$ 2,024,443</u>

NOTE 8 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, 2021.

NOTE 9 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, 2021:

<u>Fund</u>	<u>Excess</u>
General Fund	120,172
Road Fund	1,331,469
Airport Fund	37,840
Fish Hatchery Fund	839

NOTE 10 Deficit Fund Balance

The following fund had a deficit balance at September 30, 2021:

<u>Fund</u>	<u>Balance</u>
Liability Insurance	(678)

NOTE 11 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 12 Self-Funded Insurance Plan

Dental Insurance - The County self-insures the cost of employee dental benefits. The County self-insures the first \$1,000 in claims per eligible participant. 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	7,457
Current year claims and changes in estimates	81,570
Claims payments	<u>(75,430)</u>
IBNR claims liability, end of year	<u>\$13,597</u>

NOTE 13 Interfund Balances

The County has the following interfund balances as of September 30, 2021:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General	-	212,360
Road	79,796	
Liability Insurance	1,953	-
Market Value Evaluation	17,445	-
Grant and Match	113,166	-
Total	<u>\$ 212,360</u>	<u>\$ 212,360</u>

NOTE 14 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 15 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 \$3,928 for fiscal year 2021.

NOTE 16 COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. There have been mandates from governing authorities requiring forced closures of schools, businesses, and

NOTE 16 COVID-19 (Continued)

other facilities and organizations. While the disruption is expected to be temporary, the current circumstances are evolving and dynamic. The full extent and duration of the impact of COVID-19 on the County's operations and financial performance is currently unknown and depends on future developments that are uncertain and unpredictable. Because of this, it may have a materially adverse impact on the County's business, results of operations, financial position, and cash flows.

NOTE 17 Change in Accounting Principles

During the year ended September 30, 2021, the County adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in a change in the presentation of the financial statements for the following activities:

	Net Position September 30, 2020 as previously reported	Change in Accounting Principles	Net Position September 30, 2020 as restated
Custodial Funds	-	1,107,531	1,107,531

NOTE 18 Subsequent Events

On June 29, 2020, under Idaho Code 31-3908, Shoshone County, Idaho established the Shoshone County Ambulance Service District (a new taxing district) to provide emergency medical services within Shoshone County. The new District will provide emergency medical service starting October 1, 2021 and the Shoshone County Emergency Medical Services Corporation will discontinue providing the services September 30, 2021.

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, 2021

	<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	2,964,610	2,964,610	3,009,678	45,068	45,068
Intergovernmental	2,006,491	2,006,491	2,701,542	695,051	695,051
Licenses and permits	232,125	232,125	333,382	101,257	101,257
Charges for services	740,748	740,748	822,978	82,230	82,230
Miscellaneous	65,600	65,600	120,340	54,740	54,740
Interest earnings	41,200	41,200	17,397	(23,803)	(23,803)
Total revenues	<u>6,050,774</u>	<u>6,050,774</u>	<u>7,005,317</u>	<u>954,543</u>	<u>954,543</u>
Expenditures					
General government	2,541,372	2,541,372	2,846,867	(305,495)	(305,495)
Public safety	4,097,148	4,097,148	3,817,539	279,609	279,609
Capital outlay	135,636	135,636	234,174	(98,538)	(98,538)
Debt service					
Principal	72,794	72,794	60,084	12,710	12,710
Interest	-	-	8,458	(8,458)	(8,458)
Total expenditures	<u>6,846,950</u>	<u>6,846,950</u>	<u>6,967,122</u>	<u>(120,172)</u>	<u>(120,172)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(796,176)</u>	<u>(796,176)</u>	<u>38,195</u>	<u>834,371</u>	<u>834,371</u>
Other financing sources (uses)					
Proceeds from capital lease financing	<u>-</u>	<u>-</u>	<u>74,648</u>	<u>74,648</u>	<u>74,648</u>
Net change in fund balance	<u>\$ (796,176)</u>	<u>\$ (796,176)</u>	<u>112,843</u>	<u>\$ 909,019</u>	<u>\$ 909,019</u>
Fund balance - beginning of year			<u>2,079,951</u>		
Fund balance - end of year			<u>\$ 2,192,794</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, 2021

	<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	84,319	84,319	85,554	1,235	1,235
Intergovernmental	3,112,000	3,112,000	3,571,824	459,824	459,824
Licenses and permits	-	-	4,675	4,675	4,675
Charges for services	-	-	2,544	2,544	2,544
Miscellaneous	4,980	4,980	6,972	1,992	1,992
Interest earnings	30,000	30,000	6,649	(23,351)	(23,351)
Total revenues	<u>3,231,299</u>	<u>3,231,299</u>	<u>3,678,218</u>	<u>446,919</u>	<u>446,919</u>
Expenditures					
Public works	3,018,554	3,018,554	2,557,711	460,843	460,843
Capital outlay	216,000	216,000	1,339,558	(1,123,558)	(1,123,558)
Debt service					
Principal	286,678	286,678	911,879	(625,201)	(625,201)
Interest	-	-	43,553	(43,553)	(43,553)
Total expenditures	<u>3,521,232</u>	<u>3,521,232</u>	<u>4,852,701</u>	<u>(1,331,469)</u>	<u>(1,331,469)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(289,933)</u>	<u>(289,933)</u>	<u>(1,174,483)</u>	<u>(884,550)</u>	<u>(884,550)</u>
Other financing sources (uses)					
Proceeds from capital lease financing	-	-	801,056	801,056	801,056
Proceeds from sale of capital asset	-	-	697,676	697,676	697,676
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,498,732</u>	<u>1,498,732</u>	<u>1,498,732</u>
Net change in fund balance	<u>\$ (289,933)</u>	<u>\$ (289,933)</u>	324,249	<u>\$ 614,182</u>	<u>\$ 614,182</u>
Fund balance - beginning of year			<u>2,094,904</u>		
Fund balance - end of year			<u>\$ 2,419,153</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variances</u>	
				<u>Favorable (Unfavorable)</u>	
				<u>Original to</u>	<u>Final to Actual</u>
				<u>Actual</u>	<u>Final to Actual</u>
Revenues					
Taxes	92,885	92,885	110,063	17,178	17,178
Intergovernmental	-	-	2,716	2,716	2,716
Miscellaneous	<u>100,000</u>	<u>100,000</u>	<u>104,404</u>	<u>4,404</u>	<u>4,404</u>
Total revenues	<u>192,885</u>	<u>192,885</u>	<u>217,183</u>	<u>24,298</u>	<u>24,298</u>
Expenditures					
Health and welfare	1,024,042	1,024,042	692,356	331,686	331,686
Capital outlay	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>500</u>
Total expenditures	<u>1,024,542</u>	<u>1,024,542</u>	<u>692,356</u>	<u>332,186</u>	<u>332,186</u>
Net change in fund balance	<u>\$ (831,657)</u>	<u>\$ (831,657)</u>	(475,173)	<u>\$ 356,484</u>	<u>\$ 356,484</u>
Fund balance - beginning of year			<u>915,644</u>		
Fund balance - end of year			<u>\$ 440,471</u>		

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NET PENSION (ASSET) LIABILITY RELATED SCHEDULES

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

	2021	2020	2019	2018	2017	2016	2015	2014
Employer's portion of the net pension (asset) liability	0.1387626%	0.1379853%	0.1327861%	0.1231598%	0.1431793%	0.1370831%	0.1415763%	0.1503407%
Employer's proportionate share of the net pension (asset) liability (109,592)	(109,592)	3,204,201	1,515,716	1,816,629	2,250,533	2,778,885	1,864,330	1,106,743
Employer's covered employee payroll	5,143,350	4,880,204	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 (asset) liability as a percentage of its covered employee payroll	-2.13%	65.66%	33.85%	46.18%	50.97%	69.83%	47.13%	27.37%
Plan fiduciary net position as a percentage of the total	100.36%	88.22%	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,

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution - Class 1 Employees	467,007	443,114	385,602	338,794	380,223	337,664	338,961	348,143
Statutorily required contribution - Class 2 Employees	151,298	143,557	124,925	109,761	123,183	116,185	109,935	112,912
Total statutorily required contributions - All Employees	618,305	586,671	510,527	448,555	503,406	453,849	448,896	461,055
Contributions in relation to the statutorily required contribution	(618,305)	(586,671)	(510,527)	(448,555)	(503,406)	(453,849)	(448,896)	(461,055)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-
Employer's covered employee payroll - Class 1 Employees	3,911,281	3,711,173	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	1,232,068	1,169,031	1,071,398	941,346	1,056,458	996,514	942,839	968,370
Contributions as a percentage of covered employee payroll - Class 1	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%
Contributions as a percentage of covered employee payroll - Class 2	12.28%	12.28%	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, 2021.

NOTES TO THE NET PENSION (ASSET) LIABILITY SCHEDULES
As of June 30, 2021

Change of Assumptions. Actuarial assumptions were adjusted for the year ended June 30, 2021 follows:

*The discount rate changed from 7.05% to 6.35%

SUPPLEMENTARY INFORMATION



SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2021

	Ambulance	District Court	Liability Insurance	Health District	Historical Society	Junior College Tuition
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Cash and investments	11,606	496,415	-	11,453	2,331	82,503
Receivables:						
Taxes	9,476	21,426	10,717	2,336	260	1,301
Unbilled taxes	-	399,495	207,416	69,228	6,710	44,954
Due from other governments	-	23,024	-	-	-	-
Total assets	<u>21,082</u>	<u>940,360</u>	<u>218,133</u>	<u>83,017</u>	<u>9,301</u>	<u>128,758</u>
Deferred outflows of resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 21,082</u>	<u>\$ 940,360</u>	<u>\$ 218,133</u>	<u>\$ 83,017</u>	<u>\$ 9,301</u>	<u>\$ 128,758</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Warrants payable	-	24,073	-	-	200	4,975
Non-warrants payable	-	779	-	-	-	13,425
Accrued wages payable	-	3,875	-	-	-	-
Due to other funds	-	-	1,953	-	-	-
Total liabilities	<u>-</u>	<u>28,727</u>	<u>1,953</u>	<u>-</u>	<u>200</u>	<u>18,400</u>
Deferred inflows of resources:						
Deferred revenue	8,371	18,980	9,442	2,057	228	1,183
Unavailable tax revenue	-	399,495	207,416	69,228	6,710	44,954
Total deferred inflows of resources	<u>8,371</u>	<u>418,475</u>	<u>216,858</u>	<u>71,285</u>	<u>6,938</u>	<u>46,137</u>
Fund balance (deficit):						
Nonspendable	-	-	-	-	-	-
Restricted for:						
General government	-	493,158	(678)	-	-	-
Public safety	12,711	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	2,163	-
Health and welfare	-	-	-	11,732	-	-
Education	-	-	-	-	-	64,221
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	<u>12,711</u>	<u>493,158</u>	<u>(678)</u>	<u>11,732</u>	<u>2,163</u>	<u>64,221</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 21,082</u>	<u>\$ 940,360</u>	<u>\$ 218,133</u>	<u>\$ 83,017</u>	<u>\$ 9,301</u>	<u>\$ 128,758</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
September 30, 2021

	<u>Parks and Recreation</u>	<u>Revaluation</u>	<u>Noxious Weed</u>	<u>Snowmobile</u>	<u>Waterways</u>	<u>Airport</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Cash and investments	29,091	62,721	52,302	84,226	42,158	39,186
Receivables:						
Taxes	1,788	14,627	2,119	-	-	1,935
Unbilled taxes	38,043	366,255	39,269	-	-	-
Due from other governments	-	-	-	-	3,379	-
Total assets	<u>68,922</u>	<u>443,603</u>	<u>93,690</u>	<u>84,226</u>	<u>45,537</u>	<u>41,121</u>
Deferred outflows of resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 68,922</u>	<u>\$ 443,603</u>	<u>\$ 93,690</u>	<u>\$ 84,226</u>	<u>\$ 45,537</u>	<u>\$ 41,121</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Warrants payable	5,062	8,713	2,493	-	800	11,285
Non-warrants payable	543	666	250	-	-	-
Accrued wages payable	-	-	353	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>5,605</u>	<u>9,379</u>	<u>3,096</u>	<u>-</u>	<u>800</u>	<u>11,285</u>
Deferred inflows of resources:						
Deferred revenue	1,581	12,848	1,896	-	-	1,679
Unavailable tax revenue	38,043	366,255	39,269	-	-	-
Total deferred inflows of resources	<u>39,624</u>	<u>379,103</u>	<u>41,165</u>	<u>-</u>	<u>-</u>	<u>1,679</u>
Fund balance (deficit):						
Restricted for:						
General government	-	55,121	-	-	-	28,157
Public safety	-	-	-	-	-	-
Public works	-	-	49,429	-	-	-
Culture and recreation	23,693	-	-	84,226	44,737	-
Health and welfare	-	-	-	-	-	-
Education	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	<u>23,693</u>	<u>55,121</u>	<u>49,429</u>	<u>84,226</u>	<u>44,737</u>	<u>28,157</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 68,922</u>	<u>\$ 443,603</u>	<u>\$ 93,690</u>	<u>\$ 84,226</u>	<u>\$ 45,537</u>	<u>\$ 41,121</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
September 30, 2021

	Fish Hatchery	911 Emergency	Title III (Old)	Title III (New)	Property and Infrastructure Improvement	Market Value Evaluation	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and investments	2,454	189,704	34,130	237,709	273,164	-	1,651,153
Receivables:							
Taxes	172	-	-	-	-	-	66,157
Unbilled taxes	4,141	-	-	-	-	-	1,175,511
Due from other governments	-	13,993	-	-	-	25,604	66,000
Total assets	<u>6,767</u>	<u>203,697</u>	<u>34,130</u>	<u>237,709</u>	<u>273,164</u>	<u>25,604</u>	<u>2,958,821</u>
Deferred outflows of resources							
	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,767	\$ 203,697	\$ 34,130	\$ 237,709	\$ 273,164	\$ 25,604	\$ 2,958,821
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Warrants payable	1,064	7,698	20,059	-	-	8,159	94,581
Non-warrants payable	1,000	394	199	11	-	-	17,267
Accrued wages payable	-	-	1,000	-	-	-	5,228
Due to other funds	-	-	-	-	-	17,445	19,398
Total liabilities	<u>2,064</u>	<u>8,092</u>	<u>21,258</u>	<u>11</u>	<u>-</u>	<u>25,604</u>	<u>136,474</u>
Deferred inflows of resources:							
Deferred revenue	153	-	-	-	-	-	58,418
Unavailable tax revenue	4,141	-	-	-	-	-	1,175,511
Total deferred inflows of resources	<u>4,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,233,929</u>
Fund balance (deficit):							
Restricted for:							
General government	-	-	12,872	237,698	-	-	826,328
Public safety	-	195,605	-	-	-	-	208,316
Public works	-	-	-	-	-	-	49,429
Culture and recreation	409	-	-	-	-	-	155,228
Health and welfare	-	-	-	-	-	-	11,732
Education	-	-	-	-	-	-	64,221
Unassigned	-	-	-	-	273,164	-	273,164
Total fund balance (deficit)	<u>409</u>	<u>195,605</u>	<u>12,872</u>	<u>237,698</u>	<u>273,164</u>	<u>-</u>	<u>1,588,418</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 6,767	\$ 203,697	\$ 34,130	\$ 237,709	\$ 273,164	\$ 25,604	\$ 2,958,821

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, 2021

	<u>Ambulance</u>	<u>District Court</u>	<u>Liability Insurance</u>	<u>Health District</u>	<u>Historical Society</u>	<u>Junior College Tuition</u>
Revenues						
Taxes	230,140	400,048	289,029	40,901	5,203	10,235
Licenses and permits	4,468	-	-	-	-	-
Intergovernmental	-	98,810	-	-	-	-
Charges for services	-	20,953	-	-	-	-
Fines	-	121,686	-	-	-	-
Miscellaneous	-	524	-	-	-	-
Interest earnings	-	268	-	-	-	-
Total revenues	<u>234,608</u>	<u>642,289</u>	<u>289,029</u>	<u>40,901</u>	<u>5,203</u>	<u>10,235</u>
Expenditures						
General government	-	527,176	194,468	-	-	-
Public safety	211,722	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	5,152	-
Health and welfare	-	-	-	54,809	-	-
Education	-	-	-	-	-	40,501
Capital outlay	-	1,235	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>211,722</u>	<u>528,411</u>	<u>194,468</u>	<u>54,809</u>	<u>5,152</u>	<u>40,501</u>
Net change in fund balance	22,886	113,878	94,561	(13,908)	51	(30,266)
Fund balance (deficit) - beginning of year	<u>(10,175)</u>	<u>379,280</u>	<u>(95,239)</u>	<u>25,640</u>	<u>2,112</u>	<u>94,487</u>
Fund balance (deficit) - end of year	<u>\$ 12,711</u>	<u>\$ 493,158</u>	<u>\$ (678)</u>	<u>\$ 11,732</u>	<u>\$ 2,163</u>	<u>\$ 64,221</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, 2021

	<u>Parks and Recreation</u>	<u>Revaluation</u>	<u>Noxious Weed</u>	<u>Snowmobile</u>	<u>Waterways</u>	<u>Airport</u>
Revenues						
Taxes	32,848	282,367	31,009	-	-	35,665
Licenses and permits	-	-	-	12,750	-	-
Intergovernmental	-	-	-	31,575	18,808	9,080
Charges for services	3,190	2,476	-	-	-	-
Fines	-	-	-	-	-	-
Miscellaneous	-	-	-	500	-	48,435
Interest earnings	-	-	-	-	-	-
Total revenues	<u>36,038</u>	<u>284,843</u>	<u>31,009</u>	<u>44,825</u>	<u>18,808</u>	<u>93,180</u>
Expenditures						
General government	-	334,561	-	-	-	74,307
Public safety	-	-	-	-	-	-
Public works	-	-	40,272	-	-	-
Culture and recreation	35,017	-	-	24,989	18,061	-
Health and welfare	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	326	-	1,308	-	-	33,000
Debt service:						
Principal	-	4,266	-	-	-	-
Interest	-	716	-	-	-	-
Total expenditures	<u>35,343</u>	<u>339,543</u>	<u>41,580</u>	<u>24,989</u>	<u>18,061</u>	<u>107,307</u>
Net change in fund balance	695	(54,700)	(10,571)	19,836	747	(14,127)
Fund balance (deficit) - beginning of year	<u>22,998</u>	<u>109,821</u>	<u>60,000</u>	<u>64,390</u>	<u>43,990</u>	<u>42,284</u>
Fund balance (deficit) - end of year	<u>\$ 23,693</u>	<u>\$ 55,121</u>	<u>\$ 49,429</u>	<u>\$ 84,226</u>	<u>\$ 44,737</u>	<u>\$ 28,157</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, 2021

	<u>Fish Hatchery</u>	<u>911 Emergency</u>	<u>Title III (Old)</u>	<u>Title III (New)</u>	<u>Property and Infrastructure Improvement</u>	<u>Market Value Evaluation</u>	<u>Total</u>
Revenues							
Taxes	2,305	-	-	-	-	-	1,359,750
Licenses and permits	-	-	-	-	-	-	17,218
Intergovernmental	-	-	-	174,585	-	-	332,858
Charges for services	-	152,233	-	-	-	-	178,852
Fines	-	-	-	-	-	-	121,686
Miscellaneous	-	5,500	-	-	-	26,802	81,761
Interest earnings	-	-	246	287	-	-	801
Total revenues	<u>2,305</u>	<u>157,733</u>	<u>246</u>	<u>174,872</u>	<u>-</u>	<u>26,802</u>	<u>2,092,926</u>
Expenditures							
General government	-	-	124,434	13,931	-	26,802	1,295,679
Public safety	-	151,220	-	-	-	-	362,942
Public works	-	-	-	-	15,004	-	55,276
Culture and recreation	5,569	-	-	-	-	-	88,788
Health and welfare	-	-	-	-	-	-	54,809
Education	-	-	-	-	-	-	40,501
Capital outlay	-	45,913	-	-	-	-	81,782
Debt service:							
Principal	-	-	-	-	-	-	4,266
Interest	-	-	-	-	-	-	716
Total expenditures	<u>5,569</u>	<u>197,133</u>	<u>124,434</u>	<u>13,931</u>	<u>15,004</u>	<u>26,802</u>	<u>1,984,759</u>
Net change in fund balance	(3,264)	(39,400)	(124,188)	160,941	(15,004)	-	108,167
Fund balance (deficit) - beginning of year	<u>3,673</u>	<u>235,005</u>	<u>137,060</u>	<u>76,757</u>	<u>288,168</u>	<u>-</u>	<u>1,480,251</u>
Fund balance (deficit) - end of year	<u>\$ 409</u>	<u>\$ 195,605</u>	<u>\$ 12,872</u>	<u>\$ 237,698</u>	<u>\$ 273,164</u>	<u>\$ -</u>	<u>\$ 1,588,418</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, 2021**

	Budgeted Revenue	Actual Revenue	Budgeted Expenditures	Actual Expenditures	Operating Transfers	Beginning Fund Balance (Deficit)	Ending Fund Balance (Deficit)
Ambulance	231,850	234,608	212,600	211,722	-	(10,175)	12,711
District Court	539,198	642,289	637,987	528,411	-	379,280	493,158
Liability Insurance	293,576	289,029	197,847	194,468	-	(95,239)	(678)
Health District	39,548	40,901	59,400	54,809	-	25,640	11,732
Historical Society	5,120	5,203	7,000	5,152	-	2,112	2,163
Junior College Tuition	8,664	10,235	75,000	40,501	-	94,487	64,221
Parks and Recreation	33,526	36,038	46,373	35,343	-	22,998	23,693
Revaluation	278,774	284,843	364,054	339,543	-	109,821	55,121
Noxious Weed	29,810	31,009	63,672	41,580	-	60,000	49,429
Snowmobile	34,300	44,825	27,900	24,989	-	64,390	84,226
Waterways	20,000	18,808	28,000	18,061	-	43,990	44,737
Airport	38,158	93,180	69,467	107,307	-	42,284	28,157
Fish Hatchery	2,228	2,305	4,730	5,569	-	3,673	409
911 Emergency	130,000	157,733	229,200	197,133	-	235,005	195,605
Title III (Old)	-	246	-	124,434	-	137,060	12,872
Title III (New)	-	174,872	-	13,931	-	76,757	237,698
Property and Infrastructure Improvement	-	-	-	15,004	-	288,168	273,164
Market Value Evaluation	-	26,802	-	26,802	-	-	-
	<u>\$ 1,684,752</u>	<u>\$ 2,092,926</u>	<u>\$ 2,023,230</u>	<u>\$ 1,984,759</u>	<u>\$ -</u>	<u>\$ 1,480,251</u>	<u>\$ 1,588,418</u>

SINGLE AUDIT SECTION



SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021

	Federal Assistance Listing Number	Pass-Through Grantor Number/Grant ID Number	Expenditures
Department of Agriculture			
Passed through State Department of Lands: Cooperative Forestry Assistance Program: 2017 Cooperative Forestry Assistance	10.664	17-DG-11010000-019	<u>31,795</u>
Direct through Department of Agriculture: Forest Service Schools and Roads Cluster: Schools and Road - Grants to States	10.665	Not Available	1,422,492
School and Roads - Grants to Counties	10.666	Not Available	<u>138,365</u>
Total Forest Service Schools and Roads Cluster			<u>1,560,857</u>
State & Private Forestry Hazardous Fuel Reduction Programs	10.697	19-DG-11010000-011	<u>78,000</u>
Total Department of Agriculture			<u>\$ 1,670,652</u>
U.S. Department of the Interior			
Direct through U.S. Department of Interior: Payment in Lieu of Taxes	15.226	Not Applicable	<u>519,263</u>
Total U.S. Department of Interior			<u>\$ 519,263</u>
Department of Justice			
Passed through Idaho State Police: Violence Against Women Formula Grants: 2018 Violence Against Women Formula Grants	16.588	2018-WF-AX-0095	27,162
2019 Violence Against Women Formula Grants	16.588	2019-WF-AX-0042	<u>30,073</u>
Total Violence Against Women Formula Grants			<u>57,235</u>
Total Department of Justice			<u>\$ 57,235</u>
Department of Transportation			
Passed through State Department of Parks and Recreation: Airport Improvement Program 2020 Environmental Study	20.106	3-16-0021-012-2016	<u>1,781</u>
Passed through Idaho Transportation Department: Formula Grants for Rural Areas	20.509	Not Available	113,726
National Priority Safety Programs	20.616	Not Available	<u>116,435</u>
Total Department of Transportation			<u>\$ 231,942</u>
U.S. Department of the Treasury			
Passed through the Office of the Governor: COVID-19: Coronavirus Relief Fund	21.019	20-1892-0-1-806	<u>164,684</u>
Total U.S. Department of the Treasury			<u>\$ 164,684</u>
Various Agencies - 2			
Passed through Idaho Secretary of State: HAVA Election Security Grants COVID-19 - HAVA Election Security Grants	90.404	ID20101CARES-01	<u>12,373</u>
Total Various Agencies - 2			<u>\$ 12,373</u>
Department of Homeland Security			
Passed through State Military Division: Emergency Management Performance Grants	97.042	EMS2019EP00002	5,571
Homeland Security Grant Program	97.067	EMW2020SS000070	<u>37,852</u>
Total Department of Homeland Security			<u>\$ 43,423</u>
Total Expenditures of Federal Awards			<u>\$ 2,699,572</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2021

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, 2021. 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, 2021, 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 June 22, 2022.

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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, Idaho
June 22, 2022



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, 2021. 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, 2021.

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
June 22, 2022

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

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?	___ yes	<u> x </u> no
- significant deficiency(ies) identified?	___ yes	<u> x </u> none reported
Noncompliance material to financial statements noted?	___ yes	<u> x </u> no

Federal Awards

Internal control over major programs:		
- material weakness(es) identified?	___ yes	<u> x </u> no
- significant deficiency(ies) identified?	___ 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)	___ 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 ___ no