



SHOSHONE COUNTY, IDAHO

Wallace, Idaho



Audited Financial Statements
For the Year Ended
September 30, 2022

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Shoshone County, Idaho, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Shoshone County, Idaho's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Shoshone County, Idaho as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Shoshone County, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Shoshone County, Idaho's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Shoshone County, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shoshone County, Idaho's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

The County has adopted GASB Statement No. 87, Leases, as further described in Notes 6 and 7.

The County has recorded a prior period adjustment for a correction of the accounts receivable, accounts payable, and County fund versus fiduciary funds as further described in Note 16.

Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12, the budgetary comparison schedules on pages 47 through 49, and the net pension (asset) liability related schedules on page 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2023 on our consideration of Shoshone County, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Shoshone County, Idaho's internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering Shoshone County, Idaho's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
June 8, 2023

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

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, 2022.

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 governmental 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, 2022, net position of the County decreased by \$407,403:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Assets			
Current assets	17,926,615	15,295,974	2,630,641
Capital assets	22,668,742	22,849,561	(180,819)
Noncurrent assets	-	109,592	(109,592)
Total Assets	<u>40,595,357</u>	<u>38,255,127</u>	<u>2,340,230</u>
Deferred Outflows of Resources	<u>3,042,962</u>	<u>1,688,198</u>	<u>1,354,764</u>
Liabilities			
Current liabilities	2,253,550	1,293,724	959,826
Noncurrent liabilities	7,311,310	1,843,457	5,467,853
Total Liabilities	<u>9,564,860</u>	<u>3,137,181</u>	<u>6,427,679</u>
Deferred Inflows of Resources	<u>7,511,152</u>	<u>9,836,434</u>	<u>(2,325,282)</u>
Net Position			
Net investment in capital assets	20,480,407	20,825,118	(344,711)
Restricted	5,085,900	4,320,662	765,238
Unrestricted	996,000	1,823,930	(827,930)
Total Net Position	<u>\$26,562,307</u>	<u>\$26,969,710</u>	<u>\$ (407,403)</u>

Statement of Activities

Receipts for the County's activities decreased by \$418,648 and expenses increased by \$3,011,519.

Government- Wide Financial Analysis Changes in Net Position

	<u>2021-2022</u>	<u>2020-2021</u>	<u>Change</u>
Revenues			
Charges for services	1,716,415	1,639,711	76,704
Operating grants and contributions	3,120,024	1,404,185	1,715,839
Capital grants and contributions	443,438	238,023	205,415
Taxes	5,668,040	5,430,947	237,093
Intergovernmental revenues	4,598,077	5,490,082	(892,005)
Licenses and permits	382,534	355,275	27,259
Fines	118,401	121,686	(3,285)
Contributions to self-funded insurance	112,061	112,439	(378)
Miscellaneous	423,300	342,668	80,632
Donated assets	-	1,827,221	(1,827,221)
Gain (loss) on disposal of capital asset	172,582	265,132	(92,550)
Interest earnings	81,844	27,995	53,849
Total Revenues	<u>16,836,716</u>	<u>17,255,364</u>	<u>(418,648)</u>
Expenses			
Program Expenses:			
Governmental activities:			
General government	5,063,596	4,348,120	715,476
Public safety	5,134,622	4,243,513	891,109
Public works	4,496,221	3,626,173	870,048
Culture and recreation	132,265	94,226	38,039
Health and welfare	755,194	737,325	17,869
Education	20,000	40,501	(20,501)
Capital outlay	218,699	7,205	211,494
Debt service	61,366	52,727	8,639
Amortization expense	25,501	-	25,501
Interest on long-term debt	46,593	-	46,593
Business-type activities:			
Solid waste	<u>1,460,267</u>	<u>1,253,015</u>	<u>207,252</u>
Total Expenses	<u>17,414,324</u>	<u>14,402,805</u>	<u>3,011,519</u>
Change in Net Position	(577,608)	2,852,559	(3,430,167)
Net Position – Beginning	26,969,710	24,117,151	2,852,559
Prior Period Adjustment	170,205	-	170,205
Net Position – Ending	<u>\$26,562,307</u>	<u>\$26,969,710</u>	<u>\$ (407,403)</u>

Governmental Activities

Property taxes and Intergovernmental revenues were the largest sources of revenue, making up 31.0% and 30.6% of total governmental revenues, respectively.

The County's grant revenues from federal, state and local sources made up \$3,398,627 or 22.6% of total governmental revenues.

The general government function accounted for \$5,063,596 of the \$15,954,057, or 31.7% 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 \$5,134,622 and representing 32.2% of total governmental expenses.

Overall, the net position for governmental activities decreased by \$926,152.

Business-Type Activities

The net position for business-type activities increased by \$348,544 during the year, with the major revenue source being taxes at \$1,008,740.

The major category of expenses are related to solid waste operations of \$1,460,267, 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, Attorney Fees, Ground Rent, Interest Income, Sales Tax, Revenue Sharing, and Planning and Zoning fees. The County received \$531,054 for Payment In Lieu of Taxes (PILT) and Idaho Fish & Game in 2022, \$26,305 over what was budgeted. These increases significantly helped our financial position.
 - a. Staffing shortages in the Sheriff’s office resulted in budget savings primarily in wages and benefits, training, and uniform costs. Other expenditures include RMS Maintenance, Fuel, Grant expenses that were refunded.
 - b. Coroner Supplies increased 54% over budget due to increased services.
 - c. Prosecutor increased staff which required additional training and supplies.
 - d. Elections Supplies were over budget due to increased number of Absentee Voters. Election reimbursements increased, so the fund came in under budget.
 - e. County General was impacted by increased Building Code Inspection Costs and Repayment of Silver Mountain Judgement.
 - f. Jail expenditures were significantly increased in Inmate Medical and Medical Pre-Employment Exams.
 - g. Planning & Zoning Increased cost for Professional Services due to staff changes.
 - h. Data Processing expenditures were over budget due to upgrades to computers and network components through refundable CARES and SHSP grants.
 - i. Office Supplies and Fuel increased in all funds due to inflation.
4. Road Department – SRS funded \$1,620,813 in May, which was \$198,320 more than we had received in 2021. The Highway User Fees were positively impacted by \$424,445 due to COVID-19 travel restrictions being lifted. Fuel prices increased 10% and Sanding Materials were restocked at all yards resulting in significant increase over budget but will ultimately reduce expenditures in future years.
5. Indigent & Public Defense – Due to legislative changes the Indigent Medical Fund will be eliminated in 2023. Medical Reimbursements were no longer available through the County and Idaho Catastrophic Health Care Program as of March 1, 2022. Fund 16-0 came in under budget by \$284,580. Fund 16-1 came in slightly under budget also. Public Defense will be moved to the Justice Fund for 2023.
6. Airport – Increased income in Ground Rent and Sales of Airport Fuel. Expenditures increased for Airport Fuel but were offset by Sales of that fuel.
7. Solid-Waste – Fees collected were over budget by \$92,948. Fuel increased by 40% and Disposal Fees increased by 20%. Solid Waste capital expenditures were also reduced.

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 – Both revenue and expenditures came in higher than expected. Revenue was \$829,849 over expenditures.
3. Indigent Fund – We will no longer Levy under the Indigent fund in FY23 due to Legislative Rule Changes. The County and State Medical assistance stopped on March 1, 2022. The remaining income and expenditures will be transferred to another funding source.
4. Weed Control – Expenditures were down due to a reduction in staff costs and no capital outlay.
5. Snowmobile & Waterways – Increased revenue offset increased expenditures.
6. Airport – Fuel expenditures came in over budget, but revenue collected covered the increase.
7. E-911 Emergency Fund – 911 Emergency was under budget due to reduction in RMS Maintenance, telephone and training.

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 nation. The EPA cleanup continues to improve the landscape and cleanup in Shoshone County. It is still one of the major industries in providing jobs for the residents of Shoshone County. Repairs for roads damaged by remediation work continues this year. Cities are still working on major upgrades to sewer and water systems.

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

Capital Assets and Debt Administration

Capital Assets

Significant acquisitions made during the year consisted of the following purchases: a Dodge Ram, a Caterpillar 150-15AWD, two GMC pickups, a Honda TRX, a Titan Knap Heide body, a Caterpillar Loader, water heaters, a concrete slab, a Case Tractor Loader Backhoe, a Refuse IMCO, a Freightliner Tractor, and an Air Burners Model.

	<u>2021-2022</u>	<u>2020-2021</u>	<u>Change</u>
Land	623,919	623,919	-
Construction in progress	306,260	25,032	281,228
Buildings	921,738	956,108	(34,370)
Equipment	3,546,773	3,187,121	359,652
Infrastructure	5,295	-	5,295
Roads and bridges	16,272,505	16,996,481	(723,976)
Airport runway	949,940	1,060,900	(110,960)
Right-of-use equipment	42,312	-	42,312
Total Net Capital Assets	<u>\$22,668,742</u>	<u>\$22,849,561</u>	<u>\$ (180,819)</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 8.

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, 2022

	PRIMARY GOVERNMENT			Component Unit
	Governmental Activities	Business-Type Activities	Total	Shoshone County Ambulance Service District
ASSETS				
Current assets:				
Cash and investments	9,652,111	1,106,472	10,758,583	460,002
Receivables:				
Taxes	246,303	22,363	268,666	15,986
Unbilled taxes	4,663,134	520,557	5,183,691	489,746
Accounts	36,876	59,077	95,953	207,287
Leases	4,495	-	4,495	-
Fee receivable	-	49,618	49,618	-
Due from other governments	1,400,774	164,835	1,565,609	1,057
Total current assets	<u>16,003,693</u>	<u>1,922,922</u>	<u>17,926,615</u>	<u>1,174,078</u>
Noncurrent assets:				
Non-depreciable assets	880,179	50,000	930,179	-
Depreciable assets	384,541,608	2,756,047	387,297,655	346,368
Less: accumulated depreciation	(364,084,789)	(1,516,615)	(365,601,404)	(214,440)
Right-of-use equipment	67,813	-	67,813	-
Less: accumulated amortization	(25,501)	-	(25,501)	-
Total noncurrent assets	<u>21,379,310</u>	<u>1,289,432</u>	<u>22,668,742</u>	<u>131,928</u>
Total assets	<u>37,383,003</u>	<u>3,212,354</u>	<u>40,595,357</u>	<u>1,306,006</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	<u>2,861,297</u>	<u>181,665</u>	<u>3,042,962</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Warrants payable	1,394,069	93,429	1,487,498	-
Non-warrants payable	5,905	-	5,905	-
Accrued wages payable	96,990	8,766	105,756	-
Accrued interest	46,593	1,230	47,823	-
IBNR claims liability	7,416	-	7,416	-
Accounts payable	-	-	-	51,555
Other liabilities	-	-	-	823
Right-of-use liability, due within one year	24,008	-	24,008	-
Long-term financing payable, due within one year	436,553	138,591	575,144	-
Total current liabilities	<u>2,011,534</u>	<u>242,016</u>	<u>2,253,550</u>	<u>52,378</u>
Noncurrent liabilities:				
Accrued compensated absences	172,269	14,919	187,188	-
Net pension liability	5,204,503	330,436	5,534,939	-
Right-of-use liability, due after one year	18,434	-	18,434	-
Long-term financing payable, due after one year	1,514,560	56,189	1,570,749	-
Total noncurrent liabilities	<u>6,909,766</u>	<u>401,544</u>	<u>7,311,310</u>	<u>-</u>
Total liabilities	<u>8,921,300</u>	<u>643,560</u>	<u>9,564,860</u>	<u>52,378</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable tax revenue	4,663,134	520,557	5,183,691	489,746
Leases	4,490	-	4,490	-
Deferred grant revenue	2,298,267	-	2,298,267	-
Pension related items	23,229	1,475	24,704	-
Total deferred inflows of resources	<u>6,989,120</u>	<u>522,032</u>	<u>7,511,152</u>	<u>489,746</u>
NET POSITION				
Net investment in capital assets	19,385,755	1,094,652	20,480,407	131,928
Restricted for:				
General government	1,224,069	-	1,224,069	-
Public safety	210,763	-	210,763	-
Public works	3,102,463	-	3,102,463	-
Culture and recreation	175,392	-	175,392	-
Health and welfare	162,646	-	162,646	-
Education	91,436	-	91,436	-
Self funded insurance	119,131	-	119,131	-
Unrestricted	(137,775)	1,133,775	996,000	631,954
Total net position	<u>\$ 24,333,880</u>	<u>\$ 2,228,427</u>	<u>\$ 26,562,307</u>	<u>\$ 763,882</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Shoshone County Ambulance Service District
FUNCTIONS/PROGRAMS								
Governmental activities:								
General government	5,063,596	754,179	1,245,208	-	(3,064,209)	-	(3,064,209)	-
Public safety	5,134,622	345,144	88,397	-	(4,701,081)	-	(4,701,081)	-
Public works	4,496,221	-	1,702,408	278,603	(2,515,210)	-	(2,515,210)	-
Culture and recreation	132,265	5,425	15,130	-	(111,710)	-	(111,710)	-
Health and welfare	755,194	-	68,881	-	(686,313)	-	(686,313)	-
Education	20,000	-	-	-	(20,000)	-	(20,000)	-
Capital outlay	218,699	-	-	-	(218,699)	-	(218,699)	-
Debt service	61,366	-	-	-	(61,366)	-	(61,366)	-
Amortization expense	25,501	-	-	-	(25,501)	-	(25,501)	-
Interest on long-term debt	46,593	-	-	-	(46,593)	-	(46,593)	-
Total governmental activities	15,954,057	1,104,748	3,120,024	278,603	(11,450,682)	-	(11,450,682)	-
Business-type activities:								
Solid waste	1,460,267	611,667	-	164,835	-	(683,765)	(683,765)	-
Total business-type activities	1,460,267	611,667	-	164,835	-	(683,765)	(683,765)	-
Total primary government	\$ 17,414,324	\$ 1,716,415	\$ 3,120,024	\$ 443,438	(11,450,682)	(683,765)	(12,134,447)	-
Component Unit - Shoshone County Ambulance Service District								
	\$ 1,029,055	\$ 952,534	\$ -	\$ -				(76,521)
General revenues								
Taxes					4,659,300	1,008,740	5,668,040	475,128
Intergovernmental					4,598,077	-	4,598,077	-
Licenses and permits					382,534	-	382,534	-
Fines					118,401	-	118,401	-
Contributions to self-funded insurance					112,061	-	112,061	-
Miscellaneous					412,883	10,417	423,300	-
Donations					-	-	-	155,000
Donated assets					-	-	-	210,275
Interest earnings					72,192	9,652	81,844	-
Gain (loss) on disposal of capital asset					169,082	3,500	172,582	-
Total general revenues					10,524,530	1,032,309	11,556,839	840,403
Change in net position					(926,152)	348,544	(577,608)	763,882
Total net position - beginning of year					25,089,827	1,879,883	26,969,710	-
Prior period adjustment (Note 16)					170,205	-	170,205	-
Total net position - end of year					\$ 24,333,880	\$ 2,228,427	\$ 26,562,307	\$ 763,882

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2022

	General	Road	Indigent	Justice	Grant & Match	ARPA	Nonmajor Governmental	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
Assets:								
Cash and investments	2,077,946	3,248,205	152,007	-	-	2,298,770	1,741,987	9,518,915
Receivables:								
Taxes	169,929	1,961	8,831	-	-	-	65,582	246,303
Unbilled taxes	438,821	-	-	2,965,899	-	-	1,258,414	4,663,134
Accounts	16,610	8,830	-	-	-	4,332	7,104	36,876
Leases	4,495	-	-	-	-	-	-	4,495
Due from other governments	506,916	592,569	-	-	251,888	-	49,401	1,400,774
Due from other funds	182,173	-	-	-	-	-	-	182,173
Total assets	3,396,890	3,851,565	160,838	2,965,899	251,888	2,303,102	3,122,488	16,052,670
Deferred outflows of resources	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,396,890	\$ 3,851,565	\$ 160,838	\$ 2,965,899	\$ 251,888	\$ 2,303,102	\$ 3,122,488	\$ 16,052,670
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE								
Liabilities:								
Warrants payable	438,947	679,061	12,232	-	69,902	104,695	82,583	1,387,420
Non-warrants payable	2,915	7	-	-	-	-	2,983	5,905
Accrued wages payable	64,195	21,719	1,377	-	125	-	9,574	96,990
Due to other funds	-	-	-	-	181,861	-	312	182,173
Total liabilities	506,057	700,787	13,609	-	251,888	104,695	95,452	1,672,488
Deferred inflows of resources:								
Deferred revenue	147,966	1,776	7,407	-	-	-	57,184	214,333
Deferred grant revenue	-	100,000	-	-	-	2,198,267	-	2,298,267
Leases	4,490	-	-	-	-	-	-	4,490
Unavailable tax revenue	438,821	-	-	2,965,899	-	-	1,258,414	4,663,134
Total deferred inflows of resources	591,277	101,776	7,407	2,965,899	-	2,198,267	1,315,598	7,180,224
Fund balances:								
Assigned	115,265	-	157,208	77,371	-	-	296,913	646,757
Restricted for:								
General government	-	-	-	-	-	140	957,403	957,543
Public safety	-	-	-	(77,371)	-	-	207,247	129,876
Public works	-	3,049,002	-	-	-	-	27,200	3,076,202
Culture and recreation	-	-	-	-	-	-	158,838	158,838
Health and welfare	-	-	(17,386)	-	-	-	8,172	(9,214)
Education	-	-	-	-	-	-	55,665	55,665
Unassigned	2,184,291	-	-	-	-	-	-	2,184,291
Total fund balance	2,299,556	3,049,002	139,822	-	-	140	1,711,438	7,199,958
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 3,396,890	\$ 3,851,565	\$ 160,838	\$ 2,965,899	\$ 251,888	\$ 2,303,102	\$ 3,122,488	\$ 16,052,670

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2022**

Total fund balances - governmental funds		7,199,958
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:</p>		
Cost of capital assets	385,421,787	
Accumulated depreciation	<u>(364,084,789)</u>	
		21,336,998
<p>Right-of-use lease assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds.</p>		
Cost of right-of-use lease assets	67,813	
Accumulated amortization	<u>(25,501)</u>	
		42,312
<p>Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures, and therefore are deferred in the funds.</p>		
		214,333
<p>Net position of internal service funds are included in government-wide Statement of Net Position</p>		
		119,131
<p>Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in future periods for governmental activities:</p>		
Deferred outflow of resources		2,861,297
Deferred inflow of resources		(23,229)
<p>Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.</p>		
		(46,593)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:</p>		
Long-term financing payable	(1,951,113)	
Right-of-use lease liability	(42,442)	
Compensated absences	(172,269)	
Net pension liability	<u>(5,204,503)</u>	
		<u>(7,370,327)</u>
Total net position - governmental activities		<u>\$ 24,333,880</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2022

	General	Road	Indigent	Justice	Grant & Match	ARPA	Nonmajor Governmental	Total Governmental Funds
REVENUES								
Taxes	3,297,143	2,320	142,960	-	-	-	1,211,594	4,654,017
Intergovernmental	2,449,285	4,352,411	144,933	-	350,701	303,910	395,464	7,996,704
Licenses and permits	367,720	4,900	-	-	-	-	9,914	382,534
Charges for services	922,273	-	-	-	-	-	182,475	1,104,748
Fines	-	-	-	-	-	-	118,401	118,401
Miscellaneous	175,473	24,242	83,329	-	22,764	-	107,075	412,883
Interest earnings	46,673	23,392	-	-	-	-	2,127	72,192
Total revenues	<u>7,258,567</u>	<u>4,407,265</u>	<u>371,222</u>	<u>-</u>	<u>373,465</u>	<u>303,910</u>	<u>2,027,050</u>	<u>14,741,479</u>
EXPENDITURES								
General government	2,636,903	-	-	-	175,130	303,910	1,464,271	4,580,214
Public safety	4,276,726	-	-	-	88,997	-	226,331	4,592,054
Public works	-	3,093,831	-	-	109,938	-	35,866	3,239,635
Culture and recreation	-	-	-	-	-	-	119,476	119,476
Health and welfare	-	-	670,200	-	-	-	76,733	746,933
Education	-	-	-	-	-	-	20,000	20,000
Capital outlay	244,773	834,496	212	-	-	-	78,972	1,158,453
Debt service								
Principal	81,125	289,860	1,447	-	-	-	8,795	381,227
Interest	11,144	49,629	12	-	-	-	581	61,366
Total expenditures	<u>7,250,671</u>	<u>4,267,816</u>	<u>671,871</u>	<u>-</u>	<u>374,065</u>	<u>303,910</u>	<u>2,031,025</u>	<u>14,899,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,896</u>	<u>139,449</u>	<u>(300,649)</u>	<u>-</u>	<u>(600)</u>	<u>-</u>	<u>(3,975)</u>	<u>(157,879)</u>
Other financing sources (uses)								
Operating transfers in (out)	(36,413)	-	-	-	-	-	36,413	-
Proceeds from long-term financing	55,656	321,318	-	-	-	-	-	376,974
Proceeds from sale of capital asset	-	169,082	-	-	-	-	-	169,082
Total other financing sources (uses)	<u>19,243</u>	<u>490,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,413</u>	<u>546,056</u>
Net change in fund balance	27,139	629,849	(300,649)	-	(600)	-	32,438	388,177
Fund balances - beginning of year	2,192,794	2,419,153	440,471	-	600	140	1,588,418	6,641,576
Prior period adjustment (Note 16)	79,623	-	-	-	-	-	90,582	170,205
Fund balances - end of year	<u>\$ 2,299,556</u>	<u>\$ 3,049,002</u>	<u>\$ 139,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140</u>	<u>\$ 1,711,438</u>	<u>\$ 7,199,958</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, 2022**

Net change in fund balances - governmental funds		388,177
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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.</p>		
Capital additions	939,754	
Depreciation expense	<u>(1,495,329)</u>	(555,575)
<p>Capital outlays used to lease right-of-use lease assets are related in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net position and allocated over their estimated useful lives as annual amortization expense.</p>		
Right-of-use lease asset additions	-	
Amortization expense	<u>(25,501)</u>	(25,501)
<p>The transfer of assets to the Component Unit resulted in an expense for the County equal to the net book value of the assets transferred. This is shown as an expense on the Statement of Activities.</p>		
		(45,364)
<p>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.</p>		
		5,283
<p>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:</p>		
Long-term financing proceeds	(376,974)	
Long-term financing principal payments	355,856	
Right-of-use principal payments	<u>25,371</u>	4,253
<p>Net pension liability adjustments:</p>		
Fiscal year 2021 employer PERSI contributions recognized as pension expense in the current year	(149,160)	
Fiscal year 2022 employer PERSI contributions deferred to subsequent year	167,680	
Pension related amortization expense	<u>(724,504)</u>	(705,984)
<p>Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when due.</p>		
		(46,593)
<p>Net change of internal service funds not reflected in governmental funds are included in the Statement of Activities</p>		
		47,633
<p>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.</p>		
		<u>7,519</u>
Total change in net position - governmental activities		<u>\$ (926,152)</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SOLID WASTE FUND
STATEMENT OF NET POSITION
September 30, 2022

ASSETS

Current assets:

Cash and cash equivalents	1,106,472	
Receivables:		
Taxes	22,363	
Unbilled taxes	520,557	
Accounts receivable	59,077	
Fee receivable	49,618	
Due from other governments	164,835	
Total current assets	<u>1,922,922</u>	

Noncurrent assets:

Land	50,000	
Buildings	915,407	
Equipment	1,840,640	
Less: accumulated depreciation	<u>(1,516,615)</u>	
Total noncurrent assets		<u>1,289,432</u>

Total assets 3,212,354

DEFERRED OUTFLOWS OF RESOURCES

Pension related items		<u>181,665</u>
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LIABILITIES

Current liabilities:

Warrants payable	93,429	
Accrued wages payable	8,766	
Accrued interest	1,230	
Long-term financing payable, due with in one year	138,591	
Total current liabilities		<u>242,016</u>

Noncurrent liabilities:

Accrued compensated absences	14,919	
Long-term financing payable, due after one year	56,189	
Net pension liability	330,436	
Total noncurrent liabilities		<u>401,544</u>

Total liabilities 643,560

DEFERRED INFLOWS OF RESOURCES

Unavailable tax revenue	520,557	
Pension related items	1,475	
Total deferred inflows of resources		<u>522,032</u>

NET POSITION

Net investment in capital assets	1,094,652	
Unrestricted	1,133,775	
Total net position		<u>\$ 2,228,427</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SOLID WASTE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2022

OPERATING REVENUES

Charges for services	611,667	
Miscellaneous income	10,417	
Total operating revenues	<u> </u>	622,084

OPERATING EXPENSES

Salaries and benefits	580,048	
Collection expense	788,083	
Depreciation expense	92,136	
Total operating expenses	<u> </u>	<u>1,460,267</u>

Operating loss (838,183)

NON-OPERATING REVENUES

Taxes	1,008,740	
Grant income	164,835	
Gain (loss) on disposal of capital asset	3,500	
Interest earnings	9,652	
Total non-operating revenues	<u> </u>	<u>1,186,727</u>

Change in net position 348,544

Net position - beginning of year 1,879,883

Net position - end of year \$ 2,228,427

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SOLID WASTE FUND
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	616,082	
Cash paid to suppliers	(769,171)	
Cash paid for salaries and benefits	(532,469)	
Net cash provided by (used in) operating activities		(685,558)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	9,652	
Net cash provided by (used in) investment activities		9,652
CASH FLOWS FROM CAPITAL FINANCING AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(469,944)	
Proceeds from long-term financing	122,990	
Proceeds from sale of capital asset	3,500	
Principal payments on long-term financing	(22,658)	
Net cash provided by (used in) capital financing activities		(366,112)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes received	1,002,620	
Net cash provided by (used in) noncapital financing activities		1,002,620
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(39,398)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		1,145,870
CASH AND CASH EQUIVALENTS - END OF YEAR		\$ 1,106,472
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)		(838,183)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation		92,136
Change in pension related items:		
Deferred outflow of resources	(81,218)	
Deferred inflow of resources	(210,541)	
Decrease (increase) in assets:		
Receivables	(6,002)	
Net pension asset	6,521	
Increase (decrease) in liabilities:		
Warrants/non-warrants payable	15,008	
Accrued wages payable	2,674	
Accrued compensated absences	2,381	
Accrued interest payable	1,230	
Net pension liability	330,436	
Total adjustments		60,489
Net cash provided by (used in) operating activities		\$ (685,558)

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SELF INSURANCE FUND
STATEMENT OF NET POSITION
September 30, 2022

ASSETS

Cash and cash equivalents 133,196

Total assets 133,196

DEFERRED OUTFLOWS OF RESOURCES -

LIABILITIES

Warrants payable 6,649

IBNR claims liability 7,416

Total liabilities 14,065

DEFERRED INFLOWS OF RESOURCES -

NET POSITION

Restricted:

Self funded insurance 119,131

Total net position \$ 119,131

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SELF INSURANCE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2022

REVENUE

Contributions - employer	97,232	
Contributions - employee	14,829	
Total revenues	<u>112,061</u>	112,061

EXPENSES

Claims	64,428	
Total expenses	<u>64,428</u>	<u>64,428</u>

Change in net position 47,633

Net position - beginning of year 71,498

Net position - end of year \$ 119,131

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SELF INSURANCE FUND
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions	112,061	
Cash paid for benefits	<u>(69,902)</u>	
Net cash provided by (used in) operating activities		42,159
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		42,159
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		<u>91,037</u>
CASH AND CASH EQUIVALENTS - END OF YEAR		<u><u>\$ 133,196</u></u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Change in net position		47,633
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:		
Increase (decrease) in liabilities:		
Warrants payable	707	
IBNR claims liability	<u>(6,181)</u>	
Total adjustments		<u>(5,474)</u>
Net cash provided by (used in) operating activities		<u><u>\$ 42,159</u></u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2022

		Total Custodial Funds
		<hr/>
ASSETS		
Current assets:		
Cash and cash equivalents	1,189,184	
Taxes receivable	969,378	
Due from other governments	<u>16,300</u>	
Total assets		<hr/> <u>2,174,862</u>
DEFERRED OUTFLOW OF RESOURCES		<hr/> <u>-</u>
LIABILITIES		
Current liabilities:		
Warrants payable	24,339	
Due to other governments	<u>1,164,845</u>	
Total liabilities		<hr/> <u>1,189,184</u>
DEFERRED INFLOW OF RESOURCES		<hr/> <u>-</u>
NET POSITION		
Restricted		<hr/> <u>\$ 985,678</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended September 30, 2022

		Total Custodial Funds
		<hr/>
ADDITIONS		
Property tax	13,331,240	
Non-property taxes collected for other governments	1,077,883	
Fees collected for other governments	2,835,922	
Tax parcel sale proceeds	279,578	
Court fees	715,674	
Miscellaneous	525,807	
Catastrophic collections	<u>16,727</u>	
 Total additions		 <hr/> 18,782,831
 DEDUCTIONS		
Payments to other governments	14,684,073	
Payments of excess parcel sales	279,574	
Payments to miscellaneous	2,709,006	
Payments for catastrophic health	16,727	
Payments to vendors	<u>1,088,264</u>	
 Total deductions		 <hr/> 18,777,644
 Change in net position		 5,187
 Net position - beginning of year		 <hr/> 980,491
 Net position - end of year		 <hr/> \$ 985,678 <hr/>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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 governed by a three-member Board of County Commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body, and the chief administrators of public services for the County.

The elected officials and their departments comprise the primary government unit for the County. As required by GAAP, the financial statements of the reporting entity includes those of Shoshone County, Idaho (the primary government) and one component unit, Shoshone County Ambulance Service District. The District is included as a discretely presented component unit in the reporting entity because of the significance of their financial relationship with the County, as discussed below in the component unit section.

Discretely presented component unit:

In conformity with GAAP, the basic financial statements of Shoshone County Ambulance Service District (SCASD) has been included in the financial reporting entity as a discretely presented component unit, emphasizing their nature as legally separate entities from the County. The component unit is presented in a separate column within the “basic” financial statements on the government-wide financial statements.

The Board of County Commissioners approved the annual Shoshone County Ambulance Service District operating budget and is responsible for levying the balance necessary to fund the approved budget. Additionally, the County Commissioners appoint the members of the

NOTE 1 Summary of Significant Accounting Policies (Continued)

advisory board of the District. Complete financial statements of Shoshone County Ambulance Service District are available directly from the administrative office at 58738 Silver Valley Rd, Osburn, Idaho.

Shoshone County Ambulance Service District fiscal year runs from October 1 through September 30 and reported an increase in net position of \$763,882 for their fiscal year ending September 30, 2022.

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.

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.

NOTE 1 Summary of Significant Accounting Policies (Continued)

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.

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.
- **Justice Fund:** This fund accounts for the services and equipment used to provide for the public safety of the County.
- **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 to 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 fiduciary 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

NOTE 1 Summary of Significant Accounting Policies (Continued)

property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. State support and grant revenues are susceptible to accrual.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenue available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Claims, judgments, and compensated absences are recognized as expenditures only to the extent they are normally expected to be paid from existing unrestricted fund balance.

General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under long-term financing 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.

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

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

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

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

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 carry forward 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 fund 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.

NOTE 1 Summary of Significant Accounting Policies (Continued)

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.

Unavailable Tax Revenue – Unavailable tax revenue represents the property taxes levied for 2022 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, *nonspendable* 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. The County applies committed resources, then assigned resources, then unassigned resources when an expense is incurred for purposes for which all fund balances classifications are available.

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.

Assigned balances are as follows:

- The County has assigned funds consisting of the use of fund balance to balance the 2022-23 budget in the amount of \$646,757.

NOTE 1 Summary of Significant Accounting Policies (Continued)

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.

NOTE 2 Cash and Investments

Deposits

Cash On Hand

Cash on hand totaled \$3,350 at September 30, 2022.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking and Savings Accounts	<u>\$2,036,286</u>	<u>\$1,986,594</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. The remaining balance of \$23,227 at Columbia Bank and \$873,784 at Mountain West Bank are in excess of the FDIC insured limit and uncollateralized.

Shoshone County Ambulance Service District had a balance of \$238,495 at US bank that was in excess of the FDIC insured limit and uncollateralized.

Investments

Detail of investments at September 30, 2022 are as follows:

	<u>Rate</u>	<u>County Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
State Investment Pool	Variable	9,448,341	-	9,448,341
Multibank Securities	Variable	294,302	-	294,302
Retirement Solutions	Variable	-	165,488	165,488
Total		<u>\$ 9,742,643</u>	<u>\$ 165,488</u>	<u>\$ 9,908,131</u>

NOTE 2 Cash and Investments (Continued)

Investment Maturities

	<u>Cost Basis</u>	<u>Market Value</u>	<u>Less Than One Year</u>	<u>Greater Than One Year</u>
State Investment Pool	9,448,341	9,448,341	9,448,341	-
Multibank Securities	297,406	294,302	297,406	-
Retirement Solutions	165,488	165,488	165,488	-
Total	<u>\$ 9,911,235</u>	<u>\$ 9,908,131</u>	<u>\$ 9,911,235</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 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. The County does not have a policy related to credit 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.

NOTE 2 Cash and Investments (Continued)

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 does not have a policy limiting the amount it may invest in any one issuer.

NOTE 3 Property Tax

The County's property tax is recognized as an asset at the time the County has an enforceable legal claim to the resources (January 1st of each year) and the revenue is recognized in the period for which the taxes are levied. For FY2022, the County has recognized the 2021 levy as revenue and the tax year 2022 levy as an asset.

Tax Year 2021 Levy (FY2022 Revenue)

The market value upon which the 2021 levy was based was \$1,290,311,861. The property tax was levied in October 2021 and was due in two equal installments on December 20th and June 20th.

The total tax levy (per \$100 of value) for the year was as follows:

	Percentage	Amount
Levy	38.85410%	\$5,028,208

Tax Year 2022 Levy (FY2022 Asset)

The property tax levy for 2022 has been recorded as an asset in the amount of \$5,183,691. This levy is for the FY2023 operations and has been presented as unavailable property tax revenue.

Deferred Revenue

To the extent property taxes are not collected within 60 days of the end of the accounting period, a deferred revenue amount has been recorded in the governmental funds.

Total taxes receivable as of September 30, 2022	246,303
Less: Taxes collected by November 30, 2022	(31,970)
Total deferred tax revenue	<u>\$ 214,333</u>

NOTE 4 Capital Assets

Capital asset activity for the year ended September 30, 2022 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Capital assets, depreciated					
Buildings	2,997,499	29,900	-	-	3,027,399
Equipment	13,303,876	598,186	(521,708)	25,032	13,405,386
Infrastructure	-	5,408	-	-	5,408
Roads and bridges	365,165,621	-	-	-	365,165,621
Airport runway	2,937,794	-	-	-	2,937,794
Total capital assets, depreciated	<u>384,404,790</u>	<u>633,494</u>	<u>(521,708)</u>	<u>25,032</u>	<u>384,541,608</u>
Less: accumulated depreciation					
Buildings	(2,369,964)	(41,385)	-	-	(2,411,349)
Equipment	(10,649,806)	(618,895)	476,344	-	(10,792,357)
Infrastructure	-	(113)	-	-	(113)
Roads and bridges	(348,169,140)	(723,976)	-	-	(348,893,116)
Airport runway	(1,876,894)	(110,960)	-	-	(1,987,854)
Total accumulated depreciation	<u>(363,065,804)</u>	<u>(1,495,329)</u>	<u>476,344</u>	<u>-</u>	<u>(364,084,789)</u>
Net capital assets, depreciated	<u>21,338,986</u>	<u>(861,835)</u>	<u>(45,364)</u>	<u>25,032</u>	<u>20,456,819</u>
Capital assets, not depreciated					
Land	573,919	-	-	-	573,919
Construction in progress	25,032	306,260	-	(25,032)	306,260
Total capital assets, not depreciated	<u>598,951</u>	<u>306,260</u>	<u>-</u>	<u>(25,032)</u>	<u>880,179</u>
Total capital assets, net	<u>\$ 21,937,937</u>	<u>\$ (555,575)</u>	<u>\$ (45,364)</u>	<u>\$ -</u>	<u>\$ 21,336,998</u>

During 2022, depreciation expense was charged to functions as follows:

General government	198,100
Public safety	178,130
Public works	1,111,191
Culture and recreation	<u>7,908</u>
Total	<u>\$1,495,329</u>

NOTE 4 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	1,370,696	469,944	-	-	1,840,640
Total capital assets, depreciated	2,286,103	469,944	-	-	2,756,047
Less: accumulated depreciation					
Buildings	(586,834)	(22,885)	-	-	(609,719)
Equipment	(837,645)	(69,251)	-	-	(906,896)
Total accumulated depreciation	(1,424,479)	(92,136)	-	-	(1,516,615)
Net capital assets, depreciated	861,624	377,808	-	-	1,239,432
Capital assets, not depreciated					
Land	50,000	-	-	-	50,000
Total capital assets, not depreciated	50,000	-	-	-	50,000
Total capital assets, net	<u>\$ 911,624</u>	<u>\$ 377,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,289,432</u>

During 2022, \$92,136 of depreciation expense was charged to the business-type activities.

Activity for the Shoshone County Ambulance Service District for the year ended September 30, 2022, was as follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, depreciated					
Equipment	-	164,910	-	-	164,910
Vehicles	-	-	-	181,458	181,458
Total capital assets, depreciated	-	164,910	-	181,458	346,368
Less: accumulated depreciation					
Equipment	-	(32,982)	-	-	(32,982)
Vehicles	-	(45,365)	-	(136,093)	(181,458)
Total accumulated depreciation	-	(78,347)	-	(136,093)	(214,440)
Total capital assets, net	<u>\$ -</u>	<u>\$ 86,563</u>	<u>\$ -</u>	<u>\$ 45,365</u>	<u>\$ 131,928</u>

NOTE 5 Defined Benefit Pension Plan

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended September 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2022. All amounts are as of June 30, 2022 unless otherwise noted.

NOTE 5 Defined Benefit Pension Plan (Continued)

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.

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, 2022 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 \$681,885 for the year ended September 30, 2022.

NOTE 5 Defined Benefit Pension Plan (Continued)

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

At September 30, 2022, the County reported a liability for its proportionate share of the net pension (asset) liability as of June 30, 2022. The net pension (asset) liability was measured as of June 30, 2022, 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, 2022, the County's proportion was 0.1450250%.

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, 2022 was calculated at \$1,434,803.

At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	608,641	24,704
Changes in assumptions or other inputs	902,361	-
Net difference between projected and actual earning on pension plan investments	1,273,524	-
Change in proportionate Share	80,110	-
Employer contributions subsequent to the measurement date	<u>178,326</u>	<u>-</u>
Total	<u>\$3,042,962</u>	<u>\$24,704</u>

\$178,326 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, 2023.

NOTE 5 Defined Benefit Pension Plan (Continued)

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

For the Year Ending <u>September 30:</u>	Amount to be <u>Recognized</u>
2023	659,974
2024	716,465
2025	331,364
2026	1,052,018
2027	258,437

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.

NOTE 5 Defined Benefit Pension Plan (Continued)

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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	-0.25%
TIPS	10%	-0.30%
Real Estate	8%	3.75%
Private Equity	8%	6.00%

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:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension (asset) liability	\$9,768,626	\$5,534,939	\$2,069,776

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.

NOTE 5 Defined Benefit Pension Plan (Continued)

Payables to the pension plan

At September 30, 2022, the County reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 6 Right-of-use Lease Asset/Liability

During the year ended September 30, 2022, the County adopted new accounting guidance by implementing the provision of GASB Statement No. 87, *Leases*, which establishes criteria for identifying and reporting right-of-use lease assets and lease liabilities. The implementation of this statement has resulted in a change in the presentation of the financial statements for the following activities:

- Copier leases previously reported as operating leases have been restated as a right-of-use lease asset and right-of-use liability.
- The mail machine lease previously reported as an operating lease has been restated as a right-of-use asset and right-of-use liability.

The restatement has no affect on beginning governmental activities net position.

During the year ended September 30, 2022, the following changes occurred in right-of-use lease assets:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year
Right-of-Use Lease Assets					
Copy Machine	61,624	-	-	-	61,624
Equipment	6,189	-	-	-	6,189
Total Right-of-Use Lease Assets	<u>67,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,813</u>
Less: Accumulated Amortization					
Copy Machine	-	(24,198)	-	-	(24,198)
Equipment	-	(1,303)	-	-	(1,303)
Total Accumulated Amortization	<u>-</u>	<u>(25,501)</u>	<u>-</u>	<u>-</u>	<u>(25,501)</u>
Total Right-of-Use Lease Assets, net	<u>\$ 67,813</u>	<u>\$ (25,501)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,312</u>

Total lease expense for the year ended September 30, 2022 is as follows:

Lease expense	
Amortization expense by class of underlying asset	
Copy Machine	24,198
Equipment	1,303
Total amortization expense	<u>\$ 25,501</u>

NOTE 6 Right-of-use Lease Asset/Liability (Continued)

During the year ended September 30, 2022, the following changes occurred in the right-of-use lease liability:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Right-of-Use Lease Liabilities	\$ 67,813	\$ -	\$ -	\$ (25,371)	\$ 42,442	\$ 24,008

Future minimum annual payments as of September 30, 2022 are as follows:

FY Ending September 30,	Principal	Interest	Total Payments
2023	24,008	241	24,249
2024	11,385	111	11,496
2025	6,055	34	6,089
2026	994	4	998
Total Future Payments	\$ 42,442	\$ 390	\$ 42,832

NOTE 7 Lease Receivable

During the year ended September 30, 2022, the County adopted new accounting guidance by implementing the provision of GASB Statement No. 87, *Leases*, which establishes criteria for identifying and reporting leases. The implementation of this statement has resulted in a change in the presentation of the financial statements for the following activities:

- The building lease previously reported as an operating lease has been restated as a right-of-use lease assets and right-to-use lease liabilities. The County is the lessor of the lease.

The restatement has no effect on beginning governmental activities net position or governmental funds fund balance.

The County entered into a lease agreement to lease a building to the USPS on June 1, 2021 for 60 months ending on May 31, 2026, with the option to renew for three additional five-year periods with a discount rate of 1.99% based on the estimated incremental borrowing rate determined by the County. The lease requires monthly payments to be received of \$1,200 for the first five-year period, \$1,320 for the second five year period, \$1,452 for the third five year period, and \$1,597 for the final five year period.

Total lease revenue for the year ended September 30, 2022 is as follows:

Lease Revenue	
Building	5987
Interest Revenue	20
Total	<u>\$ 6,007</u>

NOTE 7 Lease Receivable (Continued)

Future minimum annual receipts as of September 30, 2022 are as follows:

FY Ending September 30, 2023	<u>Principal</u>	<u>Interest</u>	<u>Total Receipts</u>
Total Future Receipts	4,495	5	4,500
	<u>\$ 4,495</u>	<u>\$ 5</u>	<u>\$ 4,500</u>

NOTE 8 Long-term Obligations

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

	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Maturity</u>	<u>Indebtedness September 30, 2022</u>
Governmental Activities				
Vehicles	3.75%-3.90%	Varies	Varies	226,582
Heavy Equipment	2.52%-5.48%	Varies	Varies	1,724,531

The following is a summary of changes in long-term debt obligations of the County for the year ended September 30, 2022:

	<u>Long-Term Obligations October 1, 2021</u>	<u>Long-Term Obligations Incurred</u>	<u>Long-Term Obligations Paid</u>	<u>Long-Term Obligations September 30, 2022</u>	<u>Due Within One Year</u>	<u>Remaining Balance</u>
Governmental Activities						
Vehicles	241,768	55,656	(70,842)	226,582	129,336	97,246
Heavy Equipment	1,688,227	321,318	(285,014)	1,724,531	307,217	1,417,314
Compensated absences	179,788	-	(7,519)	172,269	-	172,269
Total governmental activities	<u>2,109,783</u>	<u>376,974</u>	<u>(363,375)</u>	<u>2,123,382</u>	<u>436,553</u>	<u>1,686,829</u>
Business-Type Activities						
Heavy Equipment	94,448	122,990	(22,658)	194,780	138,591	56,189
Compensated absences	12,538	2,381	-	14,919	-	14,919
Total business-type activities	<u>106,986</u>	<u>125,371</u>	<u>(22,658)</u>	<u>209,699</u>	<u>138,591</u>	<u>71,108</u>
Total primary government	<u>\$ 2,216,769</u>	<u>\$ 502,345</u>	<u>\$ (386,033)</u>	<u>\$ 2,333,081</u>	<u>\$ 575,144</u>	<u>\$ 1,757,937</u>

NOTE 9 Transfers Between Funds

The composition of interfund receivables and payables as of September 30, 2022 was as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	182,173	-
Grant & Match Fund	-	181,861
Fish Hatchery Fund	-	312
Total	<u>\$182,173</u>	<u>\$182,173</u>

NOTE 9 Transfers Between Funds (Continued)

The primary purpose of interfund transfers is to redistribute money as deemed appropriate by management. Operating transfers between funds occurred as follows:

<u>Fund</u>	<u>Out</u>	<u>In</u>
General Fund	36,413	-
Title III (Old) Fund	12,872	-
Title III (New) Fund	-	12,872
Market Value Evaluation Fund	-	36,413
Total	<u>\$49,285</u>	<u>\$49,285</u>

NOTE 10 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, 2022:

<u>Fund</u>	<u>Excess</u>
Road Fund	586,944
Parks and Recreation Fund	2,043
Snowmobile Fund	7,056
Airport Fund	72,856

NOTE 11 Deficit Fund Balance

The following fund had a deficit balance at September 30, 2022:

<u>Fund</u>	<u>Balance</u>
Fish Hatchery	(627)

It is the County's intent to eliminate the deficit fund balance through the budgeting process.

NOTE 12 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 13 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.

NOTE 13 Self-Funded Insurance Plan (Continued)

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

IBNR claims liability, beginning of year	13,597
Current year claims and changes in estimates	64,428
Claims payments	<u>(70,609)</u>
IBNR claims liability, end of year	<u>\$7,416</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 \$354 for fiscal year 2022.

NOTE 16 Prior Period Adjustment

The County made prior period adjustments for the items as noted below:

- It was determined a receivable in the general fund was over reported as of September 30, 2021. To account for this difference, beginning fund balance was decreased and due from other governments was decreased in the general fund, and beginning net position for governmental activities was decreased by \$22,090, respectively.
- It was determined that a receivable in the general fund should have been recorded as of September 30, 2021 to cover expenses paid. To account for difference, beginning fund balance and accounts receivable in the general fund, and beginning net position of the governmental activities was increased by \$101,713, respectively.
- It was determined there were County funds that were considered fiduciary funds as of September 30, 2021. To account for this difference, nonmajor governmental funds cash was increased \$116,216, warrants payable was increased \$30, and beginning fund balance and beginning net position were increased \$116,186, respectively.
- It was determined a receivable as of September 30, 2021 would not materialize. To account for this different nonmajor governmental funds accounts receivable and beginning fund balance, as well as beginning net position were decreased \$25,604, respectively.

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, 2022

	Original Budget	Final Budget	Actual	Variances	
				Favorable (Unfavorable)	
				Original to Actual	Final to Actual
Revenues					
Taxes	3,172,447	3,172,447	3,297,143	124,696	124,696
Intergovernmental	1,858,604	1,858,604	2,449,285	590,681	590,681
Licenses and permits	262,875	262,875	367,720	104,845	104,845
Charges for services	916,833	916,833	922,273	5,440	5,440
Miscellaneous	68,360	68,360	175,473	107,113	107,113
Interest earnings	19,200	19,200	46,673	27,473	27,473
Total revenues	<u>6,298,319</u>	<u>6,298,319</u>	<u>7,258,567</u>	<u>960,248</u>	<u>960,248</u>
Expenditures					
General government	2,731,283	2,731,283	2,636,903	94,380	94,380
Public safety	4,317,470	4,317,470	4,276,726	40,744	40,744
Capital outlay	172,500	172,500	244,773	(72,273)	(72,273)
Debt service					
Principal	80,025	80,025	81,125	(1,100)	(1,100)
Interest	-	-	11,144	(11,144)	(11,144)
Total expenditures	<u>7,301,278</u>	<u>7,301,278</u>	<u>7,250,671</u>	<u>50,607</u>	<u>50,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,002,959)</u>	<u>(1,002,959)</u>	<u>7,896</u>	<u>1,010,855</u>	<u>1,010,855</u>
Other financing sources (uses)					
Operating transfers in (out)	-	-	(36,413)	(36,413)	(36,413)
Proceeds from long-term financing	-	-	55,656	55,656	55,656
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>19,243</u>	<u>19,243</u>	<u>19,243</u>
Net change in fund balance	<u>\$ (1,002,959)</u>	<u>\$ (1,002,959)</u>	<u>27,139</u>	<u>\$ 1,030,098</u>	<u>\$ 1,030,098</u>
Fund balance - beginning of year			2,192,794		
Prior period adjustment (Note 16)			<u>79,623</u>		
Fund balance - end of year			<u>\$ 2,299,556</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variances</u>	
				<u>Original to Actual</u>	<u>Favorable (Unfavorable) Final to Actual</u>
Revenues					
Taxes	-	-	2,320	2,320	2,320
Intergovernmental	2,990,000	2,990,000	4,352,411	1,362,411	1,362,411
Licenses and permits	1,100	1,100	4,900	3,800	3,800
Miscellaneous	4,480	4,480	24,242	19,762	19,762
Interest earnings	6,000	6,000	23,392	17,392	17,392
Total revenues	<u>3,001,580</u>	<u>3,001,580</u>	<u>4,407,265</u>	<u>1,405,685</u>	<u>1,405,685</u>
Expenditures					
Public works	3,178,194	3,178,194	3,093,831	84,363	84,363
Capital outlay	216,000	216,000	834,496	(618,496)	(618,496)
Debt service					
Principal	286,678	286,678	289,860	(3,182)	(3,182)
Interest	-	-	49,629	(49,629)	(49,629)
Total expenditures	<u>3,680,872</u>	<u>3,680,872</u>	<u>4,267,816</u>	<u>(586,944)</u>	<u>(586,944)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(679,292)</u>	<u>(679,292)</u>	<u>139,449</u>	<u>818,741</u>	<u>818,741</u>
Other financing sources (uses)					
Proceeds from long-term financing	-	-	321,318	321,318	321,318
Proceeds from sale of capital asset	-	-	169,082	169,082	169,082
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>490,400</u>	<u>490,400</u>	<u>490,400</u>
Net change in fund balance	<u>\$ (679,292)</u>	<u>\$ (679,292)</u>	<u>629,849</u>	<u>\$ 1,309,141</u>	<u>\$ 1,309,141</u>
Fund balance - beginning of year			<u>2,419,153</u>		
Fund balance - end of year			<u>\$ 3,049,002</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Final to Actual</u>
Revenues					
Taxes	138,747	138,747	142,960	4,213	4,213
Intergovernmental	-	-	144,933	144,933	144,933
Miscellaneous	100,000	100,000	83,329	(16,671)	(16,671)
Total revenues	<u>238,747</u>	<u>238,747</u>	<u>371,222</u>	<u>132,475</u>	<u>132,475</u>
Expenditures					
Health and welfare	988,247	988,247	670,200	318,047	318,047
Capital outlay	500	500	212	288	288
Debt service					
Principal	-	-	1,447	(1,447)	(1,447)
Interest	-	-	12	(12)	(12)
Total expenditures	<u>988,747</u>	<u>988,747</u>	<u>671,871</u>	<u>316,876</u>	<u>316,876</u>
Net change in fund balance	<u>\$ (750,000)</u>	<u>\$ (750,000)</u>	(300,649)	<u>\$ 449,351</u>	<u>\$ 449,351</u>
Fund balance - beginning of year			<u>440,471</u>		
Fund balance - end of year			<u>\$ 139,822</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,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's portion of the net pension (asset) liability	0.1450250%	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	5,534,939	(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	5,503,980	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	100.56%	-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	83.09%	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,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contribution - Class 1 Employees	499,752	467,007	443,114	385,602	338,794	380,223	337,664	338,961	348,143
Statutorily required contribution - Class 2 Employees	161,906	151,298	143,557	124,925	109,761	123,183	116,185	109,935	112,912
Total statutorily required contributions - All Employees	661,658	618,305	586,671	510,527	448,555	503,406	453,849	448,896	461,055
Contributions in relation to the statutorily required contribution Contribution (deficiency) excess	(661,658)	(618,305)	(586,671)	(510,527)	(448,555)	(503,406)	(453,849)	(448,896)	(461,055)
Employer's covered employee payroll - Class 1 Employees	4,185,528	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	1,318,453	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%	11.94%	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%	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, 2022.

NOTES TO THE NET PENSION (ASSET) LIABILITY SCHEDULES
As of June 30, 2022

Change of Assumptions. There were no change of assumptions as of June 30, 2022.

SUPPLEMENTARY INFORMATION



SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2022

	Ambulance	District Court	Liability Insurance	Health District	Historical Society	Junior College Tuition	Parks and Recreation
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and investments	15,394	624,877	10,762	9,014	3,835	89,335	12,427
Receivables:							
Taxes	3,855	21,929	11,361	3,207	325	2,101	1,978
Unbilled taxes	-	295,817	260,803	108,426	5,045	40,374	51,011
Accounts	6,495	-	-	-	-	-	-
Due from other governments	-	23,407	-	-	-	-	-
Total assets	<u>25,744</u>	<u>966,030</u>	<u>282,926</u>	<u>120,647</u>	<u>9,205</u>	<u>131,810</u>	<u>65,416</u>
Deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 25,744	\$ 966,030	\$ 282,926	\$ 120,647	\$ 9,205	\$ 131,810	\$ 65,416
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Warrants payable	-	27,390	-	-	41	-	937
Non-warrants payable	-	-	-	-	-	-	-
Accrued wages payable	-	5,571	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>32,961</u>	<u>-</u>	<u>-</u>	<u>41</u>	<u>-</u>	<u>937</u>
Deferred inflows of resources:							
Deferred revenue	3,516	19,125	9,950	2,763	282	1,809	1,722
Unavailable tax revenue	-	295,817	260,803	108,426	5,045	40,374	51,011
Total deferred inflows of resources	<u>3,516</u>	<u>314,942</u>	<u>270,753</u>	<u>111,189</u>	<u>5,327</u>	<u>42,183</u>	<u>52,733</u>
Fund balance (deficit):							
Assigned	-	183,172	-	4,482	1,863	33,962	12,508
Restricted for:							
General government	-	434,955	12,173	-	-	-	-
Public safety	22,228	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	1,974	-	(762)
Health and welfare	-	-	-	4,976	-	-	-
Education	-	-	-	-	-	55,665	-
Unassigned	-	-	-	-	-	-	-
Total fund balance (deficit)	<u>22,228</u>	<u>618,127</u>	<u>12,173</u>	<u>9,458</u>	<u>3,837</u>	<u>89,627</u>	<u>11,746</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 25,744	\$ 966,030	\$ 282,926	\$ 120,647	\$ 9,205	\$ 131,810	\$ 65,416

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
September 30, 2022

	Revaluation	Noxious Weed	Snowmobile	Waterways	Airport	Fish Hatchery	911 Emergency
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and investments	103,630	57,438	111,472	54,449	5,965	-	130,918
Receivables:							
Taxes	17,778	2,197	-	-	645	206	-
Unbilled taxes	430,373	49,318	-	-	8,732	8,515	-
Accounts	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	10,920	-	15,074
Total assets	<u>551,781</u>	<u>108,953</u>	<u>111,472</u>	<u>54,449</u>	<u>26,262</u>	<u>8,721</u>	<u>145,992</u>
Deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 551,781	\$ 108,953	\$ 111,472	\$ 54,449	\$ 26,262	\$ 8,721	\$ 145,992
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Warrants payable	12,485	6,469	6,839	829	7,714	342	8,813
Non-warrants payable	2,000	983	-	-	-	-	-
Accrued wages payable	2,317	498	-	-	-	-	-
Due to other funds	-	-	-	-	-	312	-
Total liabilities	<u>16,802</u>	<u>7,950</u>	<u>6,839</u>	<u>829</u>	<u>7,714</u>	<u>654</u>	<u>8,813</u>
Deferred inflows of resources:							
Deferred revenue	15,373	1,917	-	-	548	179	-
Unavailable tax revenue	430,373	49,318	-	-	8,732	8,515	-
Total deferred inflows of resources	<u>445,746</u>	<u>51,235</u>	<u>-</u>	<u>-</u>	<u>9,280</u>	<u>8,694</u>	<u>-</u>
Fund balance (deficit):							
Assigned	26,876	22,568	-	-	11,482	-	-
Restricted for:							
General government	62,357	-	-	-	(2,214)	-	-
Public safety	-	-	-	-	-	-	137,179
Public works	-	27,200	-	-	-	-	-
Culture and recreation	-	-	104,633	53,620	-	(627)	-
Health and welfare	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance (deficit)	<u>89,233</u>	<u>49,768</u>	<u>104,633</u>	<u>53,620</u>	<u>9,268</u>	<u>(627)</u>	<u>137,179</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 551,781	\$ 108,953	\$ 111,472	\$ 54,449	\$ 26,262	\$ 8,721	\$ 145,992

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
September 30, 2022

	Drug Task	Interlock & Monitor Device	Christian Aid	Drug Court Program	Title III (Old)	Title III (New)	Property and Infrastructure Improvement	Market Value Evaluation	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES									
Assets:									
Cash and investments	45,785	2,055	3,239	6,228	-	184,198	270,546	420	1,741,987
Receivables:									
Taxes	-	-	-	-	-	-	-	-	65,582
Unbilled taxes	-	-	-	-	-	-	-	-	1,258,414
Accounts	-	-	-	-	-	609	-	-	7,104
Due from other governments	-	-	-	-	-	-	-	-	49,401
Total assets	45,785	2,055	3,239	6,228	-	184,807	270,546	420	3,122,488
Deferred outflows of resources									
	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 45,785	\$ 2,055	\$ 3,239	\$ 6,228	\$ -	\$ 184,807	\$ 270,546	\$ 420	\$ 3,122,488
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Warrants payable	-	-	43	2,221	-	8,040	-	420	82,583
Non-warrants payable	-	-	-	-	-	-	-	-	2,983
Accrued wages payable	-	-	-	-	-	1,188	-	-	9,574
Due to other funds	-	-	-	-	-	-	-	-	312
Total liabilities	-	-	43	2,221	-	9,228	-	420	95,452
Deferred inflows of resources:									
Deferred revenue	-	-	-	-	-	-	-	-	57,184
Unavailable tax revenue	-	-	-	-	-	-	-	-	1,258,414
Total deferred inflows of resources	-	-	-	-	-	-	-	-	1,315,598
Fund balance (deficit):									
Assigned	-	-	-	-	-	-	-	-	296,913
Restricted for:									
General government	-	-	-	4,007	-	175,579	270,546	-	957,403
Public safety	45,785	2,055	-	-	-	-	-	-	207,247
Public works	-	-	-	-	-	-	-	-	27,200
Culture and recreation	-	-	-	-	-	-	-	-	158,838
Health and welfare	-	-	3,196	-	-	-	-	-	8,172
Education	-	-	-	-	-	-	-	-	55,665
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balance (deficit)	45,785	2,055	3,196	4,007	-	175,579	270,546	-	1,711,438
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 45,785	\$ 2,055	\$ 3,239	\$ 6,228	\$ -	\$ 184,807	\$ 270,546	\$ 420	\$ 3,122,488

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2022

	<u>Ambulance</u>	<u>District Court</u>	<u>Liability Insurance</u>	<u>Health District</u>	<u>Historical Society</u>	<u>Junior College Tuition</u>	<u>Parks and Recreation</u>
Revenues							
Taxes	6,118	410,293	213,025	70,136	6,794	45,406	39,283
Intergovernmental	-	105,436	-	-	-	-	-
Licenses and permits	3,399	-	-	-	-	-	-
Charges for services	-	22,084	-	-	-	-	5,425
Fines	-	108,644	-	-	-	-	-
Miscellaneous	-	1,682	-	-	-	-	-
Interest earnings	-	578	-	-	-	-	-
Total revenues	<u>9,517</u>	<u>648,717</u>	<u>213,025</u>	<u>70,136</u>	<u>6,794</u>	<u>45,406</u>	<u>44,708</u>
Expenditures							
General government	-	512,926	200,174	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	5,120	-	51,061
Health and welfare	-	-	-	72,410	-	-	-
Education	-	-	-	-	-	20,000	-
Capital outlay	-	6,428	-	-	-	-	5,594
Debt service:							
Principal	-	4,360	-	-	-	-	-
Interest	-	34	-	-	-	-	-
Total expenditures	<u>-</u>	<u>523,748</u>	<u>200,174</u>	<u>72,410</u>	<u>5,120</u>	<u>20,000</u>	<u>56,655</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,517</u>	<u>124,969</u>	<u>12,851</u>	<u>(2,274)</u>	<u>1,674</u>	<u>25,406</u>	<u>(11,947)</u>
Other financing sources (uses) Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	9,517	124,969	12,851	(2,274)	1,674	25,406	(11,947)
Fund balance (deficit) - beginning of year	12,711	493,158	(678)	11,732	2,163	64,221	23,693
Prior period adjustment (Note 16)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - end of year	<u>\$ 22,228</u>	<u>\$ 618,127</u>	<u>\$ 12,173</u>	<u>\$ 9,458</u>	<u>\$ 3,837</u>	<u>\$ 89,627</u>	<u>\$ 11,746</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended September 30, 2022

	<u>Revaluation</u>	<u>Noxious Weed</u>	<u>Snowmobile</u>	<u>Waterways</u>	<u>Airport</u>	<u>Fish Hatchery</u>	<u>911 Emergency</u>
Revenues							
Taxes	373,657	39,653	-	-	2,968	4,261	-
Intergovernmental	-	-	46,348	32,682	10,920	-	-
Licenses and permits	-	-	6,515	-	-	-	-
Charges for services	2,693	-	-	-	-	-	152,273
Fines	-	-	-	-	-	-	-
Miscellaneous	-	-	2,500	-	78,971	-	5,000
Interest earnings	-	-	-	-	-	-	-
Total revenues	<u>376,350</u>	<u>39,653</u>	<u>55,363</u>	<u>32,682</u>	<u>92,859</u>	<u>4,261</u>	<u>157,273</u>
Expenditures							
General government	336,869	-	-	-	109,548	-	-
Public safety	-	-	-	-	-	-	155,541
Public works	-	35,866	-	-	-	-	-
Culture and recreation	-	-	34,199	23,799	-	5,297	-
Health and welfare	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Capital outlay	387	3,448	757	-	2,200	-	60,158
Debt service:							
Principal	4,435	-	-	-	-	-	-
Interest	547	-	-	-	-	-	-
Total expenditures	<u>342,238</u>	<u>39,314</u>	<u>34,956</u>	<u>23,799</u>	<u>111,748</u>	<u>5,297</u>	<u>215,699</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,112</u>	<u>339</u>	<u>20,407</u>	<u>8,883</u>	<u>(18,889)</u>	<u>(1,036)</u>	<u>(58,426)</u>
Other financing sources (uses)							
Transfers in (out)	-	-	-	-	-	-	-
Net change in fund balance	34,112	339	20,407	8,883	(18,889)	(1,036)	(58,426)
Fund balance (deficit) - beginning of year	55,121	49,429	84,226	44,737	28,157	409	195,605
Prior period adjustment (Note 16)	-	-	-	-	-	-	-
Fund balance (deficit) - end of year	<u>\$ 89,233</u>	<u>\$ 49,768</u>	<u>\$ 104,633</u>	<u>\$ 53,620</u>	<u>\$ 9,268</u>	<u>\$ (627)</u>	<u>\$ 137,179</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended September 30, 2022

	Drug Task	Interlock & Monitor Device	Christian Aid	Drug Court Program	Title III (Old)	Title III (New)	Property and Infrastructure Improvement	Market Value Evaluation	Total
Revenues									
Taxes	-	-	-	-	-	-	-	-	1,211,594
Intergovernmental	-	-	1,200	-	-	198,878	-	-	395,464
Licenses and permits	-	-	-	-	-	-	-	-	9,914
Charges for services	-	-	-	-	-	-	-	-	182,475
Fines	-	-	-	9,757	-	-	-	-	118,401
Miscellaneous	16,236	525	-	-	-	-	2,161	-	107,075
Interest earnings	-	-	-	-	-	1,549	-	-	2,127
Total revenues	16,236	525	1,200	9,757	-	200,427	2,161	-	2,027,050
Expenditures									
General government	-	-	-	13,748	-	275,418	4,779	10,809	1,464,271
Public safety	70,790	-	-	-	-	-	-	-	226,331
Public works	-	-	-	-	-	-	-	-	35,866
Culture and recreation	-	-	-	-	-	-	-	-	119,476
Health and welfare	-	-	4,323	-	-	-	-	-	76,733
Education	-	-	-	-	-	-	-	-	20,000
Capital outlay	-	-	-	-	-	-	-	-	78,972
Debt service:									
Principal	-	-	-	-	-	-	-	-	8,795
Interest	-	-	-	-	-	-	-	-	581
Total expenditures	70,790	-	4,323	13,748	-	275,418	4,779	10,809	2,031,025
Excess (deficiency) of revenues over (under) expenditures	(54,554)	525	(3,123)	(3,991)	-	(74,991)	(2,618)	(10,809)	(3,975)
Other financing sources (uses)									
Transfers in (out)	-	-	-	-	(12,872)	12,872	-	36,413	36,413
Net change in fund balance	(54,554)	525	(3,123)	(3,991)	(12,872)	(62,119)	(2,618)	25,604	32,438
Fund balance (deficit) - beginning of year	-	-	-	-	12,872	237,698	273,164	-	1,588,418
Prior period adjustment (Note 16)	100,339	1,530	6,319	7,998	-	-	-	(25,604)	90,582
Fund balance (deficit) - end of year	\$ 45,785	\$ 2,055	\$ 3,196	\$ 4,007	\$ -	\$ 175,579	\$ 270,546	\$ -	\$ 1,711,438

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR GOVERNMENTAL FUNDS
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended September 30, 2022

	Budgeted Revenue	Actual Revenue	Budgeted Expenditures	Actual Expenditures	Operating Transfers	Beginning Fund Balance (Deficit)	Prior Period Adjustment (Note 16)	Ending Fund Balance (Deficit)
Ambulance	-	9,517	-	-	-	12,711	-	22,228
District Court	586,495	648,717	643,438	523,748	-	493,158	-	618,127
Liability Insurance	211,572	213,025	202,169	200,174	-	(678)	-	12,173
Health District	70,238	70,136	76,410	72,410	-	11,732	-	9,458
Historical Society	6,798	6,794	7,000	5,120	-	2,163	-	3,837
Junior College Tuition	45,633	45,406	75,000	20,000	-	64,221	-	89,627
Parks and Recreation	43,030	44,708	54,612	56,655	-	23,693	-	11,746
Revaluation	375,083	376,350	399,005	342,238	-	55,121	-	89,233
Noxious Weed	39,288	39,653	65,862	39,314	-	49,429	-	49,768
Snowmobile	34,800	55,363	27,900	34,956	-	84,226	-	104,633
Waterways	22,000	32,682	28,000	23,799	-	44,737	-	53,620
Airport	5,386	92,859	38,892	111,748	-	28,157	-	9,268
Fish Hatchery	4,242	4,261	5,430	5,297	-	409	-	(627)
911 Emergency	110,000	157,273	292,261	215,699	-	195,605	-	137,179
Drug Task	-	16,236	-	70,790	-	-	100,339	45,785
Interlock & Monitor Device	-	525	-	-	-	-	1,530	2,055
Christian Aid	-	1,200	-	4,323	-	-	6,319	3,196
Drug Court Program	-	9,757	-	13,748	-	-	7,998	4,007
Title III (Old)	-	-	-	-	(12,872)	12,872	-	-
Title III (New)	-	200,427	-	275,418	12,872	237,698	-	175,579
Property and Infrastructure Improvement	-	2,161	-	4,779	-	273,164	-	270,546
Market Value Evaluation	-	-	-	10,809	36,413	-	(25,604)	-
	<u>\$ 1,554,565</u>	<u>\$ 2,027,050</u>	<u>\$ 1,915,979</u>	<u>\$ 2,031,025</u>	<u>\$ 36,413</u>	<u>\$ 1,588,418</u>	<u>\$ 90,582</u>	<u>\$ 1,711,438</u>

SINGLE AUDIT SECTION



SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2022

	Federal Assistance Listing Number	Pass-Through Grantor Number/Grant ID Number	Expenditures
Department of Agriculture			
Passed through State Department of Lands: Cooperative Forestry Assistance	10.664	17-DG-11010000-019	<u>34,580</u>
State & Private Forestry Hazardous Fuel Reduction Programs	10.697	19-DG-11010000-011	<u>7,800</u>
Direct through Department of Agriculture:			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	Not Applicable	1,620,813
Schools and Roads - Grants to Counties	10.666	Not Applicable	<u>275,418</u>
Total Forest Service Schools and Roads Cluster			<u>1,896,231</u>
Total Department of Agriculture			<u>\$ 1,938,611</u>
U.S. Department of the Interior			
Direct through U.S. Department of Interior: Payment in Lieu of Taxes	15.226	Not Applicable	<u>531,055</u>
Total U.S. Department of Interior			<u>\$ 531,055</u>
Department of Justice			
Passed through Idaho State Police: Violence Against Women Formula Grants	16.588	2019-WF-AX-0042	54,417
NICS Act Record Improvement Program	16.813	2020-NS-BX-K017	<u>12,992</u>
Total Department of Justice			<u>\$ 67,409</u>
Department of Transportation			
Passed through Idaho Transportation Department: COVID-19 - Airport Improvement Programs and COVID-19 Airports Programs	20.106	Not Available	<u>10,920</u>
Formula Grants for Rural Areas and Tribal Transit Program			
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	Not Available	4,758
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Not Available	<u>114,608</u>
Total Formula Grants for Rural Areas and Tribal Transit Program			<u>119,366</u>
Total Department of Transportation			<u>\$ 130,286</u>
U.S. Department of the Treasury			
Direct through U.S. Department of the Treasury: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	<u>303,910</u>
Total U.S. Department of Treasury			<u>\$ 303,910</u>
U.S. Environmental Protection Agency			
Passed through Idaho Department of Environmental Quality Congressionally Mandated Projects	66.202	EM01J11801	<u>164,835</u>
Total U.S. Environmental Protection Agency			<u>\$ 164,835</u>
Various Agencies - 2			
Passed through Idaho Secretary of State: 2018 HAVA Election Security Grants	90.404	ID2010101-01	<u>14,792</u>
Total Various Agencies - 2			<u>\$ 14,792</u>
Department of Homeland Security			
Passed through State Military Division: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4589-DR-ID	<u>3,075</u>
Emergency Management Performance Grants			
2020 Emergency Management Performance Grants	97.042	EMS2020EP00003	18,327
2021 Emergency Management Performance Grants	97.042	EMS2021EP00005	<u>2,097</u>
Total Emergency Management Performance Grants			<u>20,424</u>
Homeland Security Grant Program	97.067	EMW2021SS00070	<u>6,860</u>
Total Department of Homeland Security			<u>\$ 30,359</u>
Total Expenditures of Federal Awards			<u>\$ 3,181,257</u>

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2022

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, 2022. 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Shoshone County, Idaho as of and for the year ended September 30, 2022 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 8, 2023.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 8, 2023



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

Opinion on Each Major Federal Program

We have audited Shoshone County, Idaho's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Shoshone County, Idaho's major federal programs for the year ended September 30, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Shoshone County, Idaho and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Shoshone County, Idaho's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Shoshone County, Idaho's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Shoshone County, Idaho's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Shoshone County, Idaho's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Shoshone County, Idaho's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Shoshone County, Idaho's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Shoshone County, Idaho's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, Idaho
June 8, 2023

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

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 x no

- significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

- material weakness(es) identified? yes x no

- significant deficiency(ies) identified? yes x 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 x 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? x yes no