CLEARWATER COUNTY, STATE OF IDAHO

FINANCIAL STATEMENTS

Year Ended September 30, 2021

CLEARWATER COUNTY, STATE OF IDAHO

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Clearwater County, State of Idaho
Orofino, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clearwater County, State of Idaho, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Clearwater County, State of Idaho, as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of pension funding on pages 7 through 15 and 43 through 49, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Reports on Summarized Comparative Information

We have previously audited Clearwater County, State of Idaho's 2020 and 2019 financial statements, and we expressed unmodified audit opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our reports dated July 12, 2021, and May 1, 2020. In our opinion, the summarized comparative information presented herein is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

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

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, 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 February 10, 2023, on our consideration of the Clearwater County, State of Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clearwater County, State of Idaho's internal control over financial reporting and compliance.

Presnell Gage PLLC

February 10, 2023

The discussion and analysis of the Clearwater County's Government Services financial performance provides an overview of the County's financial activities for the fiscal year October 1, 2020 through September 30, 2021.

Role of County Government in Idaho

Idaho counties, like counties in other states, have a dual function. They serve as an arm of the state government in administering elections, enforcing state laws, and performing many other state-mandated functions. They also serve as a unit of local government, which has responsibilities in meeting the needs of its own citizens in health, welfare, agricultural services, public works, planning, parks, and recreation.

Clearwater County is a larger county as far as land mass with 1,572,681 acres and serves a population of approximately 8,895.

Elected Officials

The Board of County Commissioners, consisting of three elected commissioners, serves as the governing body for Clearwater County carrying out local legislative duties and fulfilling other obligations as chief executive of the County. The Board is responsible for setting general policy for Clearwater County and has primary authority to establish terms and conditions of employment with Clearwater County. The Board also appoints personnel to help carry out its administrative responsibilities.

Six other Clearwater County officials are elected by the County's voters to carry out specific public information. These elected officials include: Clerk/Auditor (maintains fiscal accounts, budget officer, recorder, clerk of the district court, and clerk of the Board of Commissioners); Assessor (determines property values, administers property taxation system, and issues vehicle registrations); Treasurer (tax collector, ex-officio public administrator); Prosecuting Attorney (prosecutes crimes and provides legal counsel to the County government); Sheriff (law enforcement); and Coroner (determines cause of death).

Clearwater County Elected Officials:

County Commissioners	Mike Ryan, Dist. #1 Vince Frazier, Dist. #2 Rick Winkel, Chair, Dist. #3
Sheriff	Chris Goetz
Assessor	Susan Spencer
Auditor, Recorder and Clerk of the Court	Carrie Bird
Treasurer and Tax Collector	Dawn Erlewine
Prosecuting Attorney	E. Clayne Tyler
Coroner	Rick Miller

Other County Supervisors and Officials:

Secretary, Public Health Unit	Erica Holland
Ambulance Supervisor	Melissa Hartig/Don Gardner
Contract Public Defender	William Fitzgerald, Rebecca Vaage and Alison Brandt
Veterans Service Officer	Steve Olin
Environmental Health Specialist	Jake Wimpenny
Zoning Officer and Building Official	Bobbi Kaufman and Kelly Coursey
Emergency Management Director	Don Gardner
Road Supervisor	Ruby Knapik
Weed Control Supervisor	Dennis Williams

Judicial Officers – District and Magistrate Court:

Second Judicial District Judge	Gregory Fitzmaurice
Magistrate Judge	David Judd

Goal: It is the goal of each elected official, each department head, and every employee to provide the best possible service to every member of the public in a courteous, equitable, efficient, effective way. It is the goal of the County to utilize revenues in the most efficient way to allow each elected official to fulfill their respective duties as prescribed in the *Idaho Code*. Further, it is the objective of every elected official to collect revenues as allowed by law, including taxes, fees, and fines. These revenues should be used in the most effective way to help pay for the cost of all services. The County is accountable to the taxpayers and citizens of Clearwater County and all members of the public.

The goal of Clearwater County to provide the best possible service within the revenues allowed continues to be a challenge because of the economy that has experienced fluctuations, a high rate of unemployment levels, federal funding holdbacks or the non-allocation of funds for local programs, increased personnel benefit costs, and unfunded mandates.

USING THIS ANNUAL REPORT

This annual report consists of four distinct series of financial statements: The County-wide financial statements; the fund financial statements; the fiduciary financial statements; and supplementary information.

- The statement of net position and the statement of activities (on pages 17 through 19) provide information about the activities of the County as a whole and present a longer-term view of the County's finances.

- The fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements (on pages 20 to 23) also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds.

- The fiduciary funds (on pages 24 and 25) provide information about activities for which the County acts solely as a trustee or agent for the benefit of other governmental districts, County employees, and as an agent of the District Court.

- The remaining statements and schedules provide information about individual funds within the County and the results of their operations compared to budget.

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

One of the most important questions asked about the County's finances is: "Is the County as a whole better off or worse off as a result of the year's activities"? The statement of net position and the statement of activities report information about the County as a whole and about its activities in a way that may help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)

These two statements report the County's net position and changes in them. You can think of the County's net position—the difference between assets and the liabilities—as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the County's property tax base and population to assess the overall health of the County.

Financial Highlights

- The County's net position amounts to $23,104,805. This is up from $19,627,628 in 2020 and down from $20,040,089 in 2019. Net position also includes $15,723,353 in net capital assets (less related debt) up from $14,355,721 in 2020 and up from $15,046,327 in 2019.

- The County's net position increased by $3,477,177.

- The total cost of County governmental activity operations amounted to $8,865,971 (down from $11,121,090 in 2020 and down from $11,232,884 in 2019) of which $2,511,449 ($2,502,539 in 2020) was generated from charges for services and $1,937,436 ($1,652,867 in 2020) was generated from program revenues. General revenues amounted to $7,894,263 ($6,549,971 in 2020).

The Clearwater County Commissioners for the 2020-2021 fiscal year budget authorized a $0.17 per hour increase for wages and finance 100 percent of any increases to medical benefits for all departments. The commissioners held the hiring wage at the same levels and also held the wage classifications at the same rates.

- Departmental functions and activities as well as some of the significant changes in revenues and expenses for those departments for 2021 are outlined below:

  The Clearwater County's current expense fund is the fund from which the majority of the services provided to the County are funded. The services provided through this fund are recording, financial auditor controller, treasurer and tax collector, vehicle licensing, coroner, elections, commissioners' expenses, building maintenance, emergency management, County agent, cooperative extension, data processing, IT department, planning and zoning, juvenile probation services, and veterans service officer. The revenues for this fund come from property taxes, payment in lieu of tax (PILT) payments, revenue sharing, sales tax, and fees collected for services.

  Planning and Zoning – The Planning and Zoning Commission and the Clearwater County Commissioners have updated the building code ordinances for Clearwater County to include the latest version of the *International Building Codes* that was adopted in January of 2018. The Land Use Ordinance draft is completed and is waiting legal review to move to public hearing. The department utilizes a web-based software for current permits and is converting the old permits into the system. The County expended approximately $103,365, which includes the cost of benefits for planning and zoning expenses and collected approximately $72,682 of revenue in fiscal year 2021 for building permits and zoning permit.

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)

Financial Highlights (Continued)

Road and Bridge – Clearwater County's Road and Bridge Department is responsible for the oversight of the construction and maintenance of County roads within its highway district boundaries. The Road and Bridge Department does general maintenance and upkeep on the roads and snow removal in the winter months. The Road and Bridge Department through FHWA Project A012(019), administrated a project for the Orofino Creek Bridge replacement. Engineering is substantially complete and the construction phase is scheduled to begin in 2021.

Dent Bridge – The County has ongoing maintenance of the Dent Bridge and has an established trust fund for those expenses. This fund is dedicated to maintenance for the Dent Bridge.

Ambulance – Clearwater County ambulance provides ambulance services to all the citizens in Clearwater County. There are ambulances in Elk River, Pierce, Weippe, and Orofino. The ambulance services are provided with property taxes and payments for services by the patrons. The ambulance department spent approximately $115,523 more in the fiscal year 2021 compared to the 2020 fiscal year.

Consolidated Election Fund – The County clerk received funding in the amount of $63,057 from the State of Idaho to run elections for schools, cities, and taxing districts and spent $50,270 for the cost of running three elections in 2021 for taxing districts, schools, and cities. The remaining funds are carried over in the fund for future elections.

Court Fund – The court fund is utilized for funding of the court system. This fund pays for daily operations of the court and for any trials that are held. This fund utilizes property taxes and a percentage of the fines and fees collected to provide these services. The court expenses decreased by $32,162 for the fiscal year 2020-21. There were no significant expenses to the court facility funds and the clerk is trying to save those funds for future updates to the courtrooms that are needed. The court also has Problem Solving Courts divert non-violent, substance abusing offenders from prison and jail into treatment. By increasing direct supervision of offenders, coordinating public resources, and expediting case processing, Problem Solving Courts can help break the cycle of criminal behavior, alcohol and drug use, and incarceration. There is a separate budget for these courts and most of the funding for them comes from the State of Idaho. The Problem Solving Court had expenses in the amount of $72,831 in the 2021 fiscal year.

Justice Fund – The justice fund provides for law enforcement for Clearwater County. The costs for adult and juvenile detention facilities are paid out of this fund. The prosecutor's office is also provided for in this fund. The revenues for this fund come from property taxes, PILT payments, revenue sharing, sales tax, and fees collected for services. There were significant increases in costs for vehicle maintenance and repairs. The justice fund expenses were $196,396 higher than fiscal year 2020.

E-911 Rural Addressing – The County continues to collect E-911 fees of $1.25 per telephone line per month. Twenty-five cents goes to the state E-911 fund. The money is being used for maintenance of the Central Square software for the E911 System. The County still issues new Rural Addresses throughout the year. This includes purchases of signs and materials to continue adding addresses to the E911 System. Clearwater County is using the fund balance that is being carried over to adequately fund the ongoing operation and maintenance costs for the E-911 system. In March of 2019, the County implemented the text to 911 for all County residents. The County received $107,546 for E911 Service in the 2021 fiscal year.

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)

Financial Highlights (Continued)

Noxious Weed Department – The noxious weed department works year-round to strategize and take measures that will control and eradicate weeds in Clearwater County. The director has a professional application license for chemicals necessary in this work. The weed department continues to promote noxious weed control and has pursued the options of weed coalitions to collaborate with local residents to control the noxious weeds in Clearwater County. The revenue for this fund comes from property taxes. Expenses for this fund were down $5,817 from prior fiscal year 2020.

Solid Waste – Over the past year, the amount of MSW (household trash) has increased by approximately 310 tons, resulting in higher costs to run the department. The Solid Waste Department expenses are up, and the revenue has increased due to a fee increase allowing the department to stay within its budget. The department has installed a temporary scale house, which has created better service for the County patrons. Having the scale house has also allowed us to verify that only Clearwater County residents are using the service without additional cost, and out of County patrons are charged a fee for our service. In October 2020, Clearwater County was able to complete an expansion for the non-municipal solid waste (NMSW-non household trash) landfill in Weippe, Idaho, for the collection of NMSW needs for the County. We are continuing to utilize this site and working on the next phase to keep it open and useable.

A table of the net expenses by each function compared to the prior year is attached as Table 1 on Page 16.

FUND FINANCIAL STATEMENTS

The fund financial statements begin on page 20 and provide detailed information about the most significant funds—not the County as a whole. Some funds are required to be established by state law. However, the County establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental Funds - All of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliation after the fund financial statements.

Fiduciary Funds - The County is the fiduciary for licenses and fines collected for the State of Idaho and for property taxes and intergovernmental revenue collected for other taxing districts. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position on page 24. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

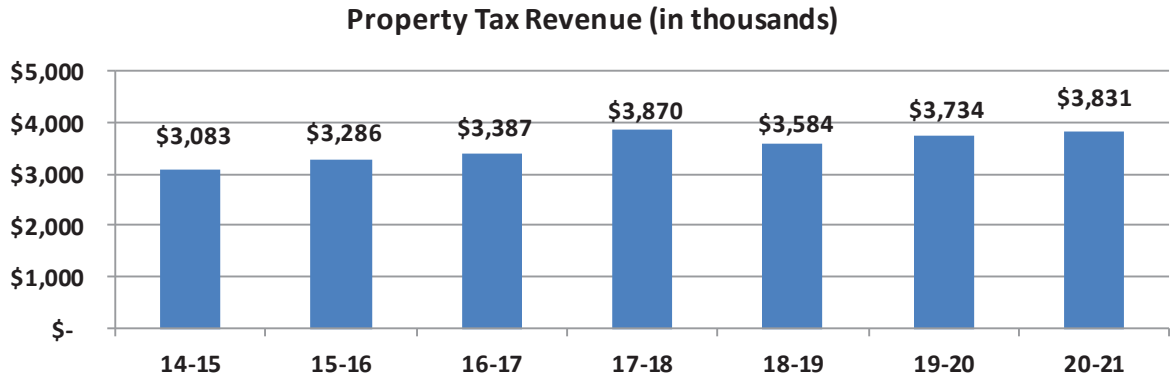
FUND FINANCIAL STATEMENTS (CONTINUED)

Financial Highlights

The County's governmental fund balances increased by $1,496,123 vs. a increase of $587,138 in 2020 ($8,471,880 compared to $6,975,757 at the beginning of the year).

Approximately 31 percent (34 percent in 2020) of total County revenue is provided by the property taxes, which are based upon property valuations and requested tax levies and are subject to budget hearings. In addition, there are statutory restrictions on the total levy that certain County funds may levy. The County has levied the maximum allowed for the 2021 fiscal year, which is 3 percent plus new construction.

Property tax revenue for recent years (on the modified accrual basis of accounting) was:



In 2021, actual expenditures were below budget for most of the County departments. Expenses overall decreased. Some budget costs increased due to the $0.17 per hour wage increases in salaries and benefits. Road and bridge costs were up because no salaries were paid out of the disaster fund for the road and bridge department, increasing the cost for maintenance by the County road department. Social services costs were down significantly and defense costs were down by $55,277.

The Insurance and Grants fund is a fund that contains special grants. The County received very few grants in fiscal year 2021 therefore, the expenses were significantly less.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of 2021, the County had $16,239,370, net of accumulated depreciation invested in capital assets, including buildings, bridges, roads, and major equipment ($14,933,121 in 2020 and $15,320,018 in 2019). This amount represents a net change of $1,306,249 from last year. Capital purchases of $2,484,747 exceed current year depreciation of $1,150,080. More detailed information about the County's capital assets is presented in Notes 1 and 6 to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

The largest portion of the County's capital assets represents its investment in County buildings and roads. These capital assets amount to $27,570,933 out of $42,134,776 in total capital assets ($25,769,465 out of $39,935,566 in 2020). The County uses these capital assets for the benefit of its citizens; consequently, these assets are not available for future spending.

Long-Term Debt - The County has three capital leases outstanding for the purchase of three road graders in the amount of $516,017. The County paid $61,383 in principal in 2021.

Net Pension Asset - The County recognized a net pension asset of $82,000 for its share of PERSI's net pension liability. PERSI is one of the strongest retirement systems in the nation, with funding at 100 percent of the pension obligation. The County recognized deferred outflows of $1,182,000 and deferred inflows of $2,633,000 for the County's share of earnings in excess of the minimum expectation by PERSI and for payments made towards the net pension liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected officials considered many factors when setting the fiscal year 2022 budget, tax rates, and fees that will be charged. For fiscal year 2022, the County anticipates a three percent increase in property tax revenue plus a factor for new construction growth (the value of the new construction times the previous year's levy rate). The County budget had a five percent increase for wages for its employees and had an increase in the costs of employee benefits. The economic situation remains about the same for Clearwater County, as funding for Secure Rural Schools (SRS) is never a guarantee, and without any assurances for future funding for SRS, the County is doing what it can to function within its means. The elected officials will continue to provide the best services possible to the County within its means and will proceed with a conservative fiscal stance. In Clearwater County, PILT has been traditionally used to fund the General Fund and the Justice Fund, however, in future years, PILT may be used to fund other government functions, depending upon the final allocation of PILT Funds.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office at 208-476-5615 in Orofino, Idaho.

TABLE 1 -- FUNCTIONAL EXPENDITURES

The following table compares expenses by function to the 2020 expenses:

	Functional Expenses 2021	Functional Expenses 2020	Increase (Decrease)
GOVERNMENTAL ACTIVITIES			
GENERAL SERVICES			
General government	$ 847,648	$ 1,713,384	$ (865,736)
Treasurer/tax collector	130,661	141,577	(10,916)
Assessor	253,805	317,886	(64,081)
Elections	95,736	151,153	(55,417)
Information services	363,864	290,985	72,879
LICENSING AND PUBLIC SERVICES			
Auditor/recorder	219,510	201,860	17,650
Motor vehicle licenses	235,511	220,059	15,452
Planning and building	103,365	88,835	14,530
LEGAL SYSTEM			
District and drug court	335,008	366,114	(31,106)
Prosecuting attorney	292,332	273,178	19,154
PUBLIC SAFETY			
Ambulance	625,439	546,841	78,598
Coroner	29,185	34,083	(4,898)
Civil defense-emergency services	44,758	50,822	(6,064)
Sheriff	1,861,646	1,834,298	27,348
Public defender	232,217	236,852	(4,635)
Predators	3,000	3,000	
Detention and probation programs	129,447	122,826	6,621
Special grants	189,466	206,732	(17,266)
PUBLIC WORKS			
Transportation-roads and bridges	804,639	1,205,398	(400,759)
Noxious weeds	130,985	136,803	(5,818)
HEALTH AND WELFARE			
Solid waste	903,947	976,910	(72,963)
Charity/indigent assistance	95,857	111,425	(15,568)
North Idaho Health District/ Clearwater Valley Hospital	67,028	67,163	(135)
Junior college tuition/Historical Society	20,850	21,000	(150)
CULTURE AND RECREATION			
Recreation-boat, snowmobile, and fair	183,320	173,448	9,872
County agent	78,667	73,461	5,206
UNALLOCATED DEPRECIATION	1,150,080	1,131,997	18,083
PERSI RETIREMENT ACTUARIAL CHARGES	(562,000)	423,000	(985,000)
Total governmental activities	$ 8,865,971	$11,121,090	$ (2,255,119)

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CLEARWATER COUNTY, STATE OF IDAHO

STATEMENT OF NET POSITION
September 30, 2021

	Governmental Activities	Prior Year - 2020 Governmental Activities	Prior Year - 2019 Governmental Activities
ASSETS			
Current assets			
Cash	$ 7,685,301	$ 4,695,076	$ 3,079,796
Investments	654,209	2,146,793	3,346,405
Property taxes receivable	215,324	211,976	201,944
Accounts receivable	930,166	789,755	1,005,241
Total current assets	9,485,000	7,843,600	7,633,386
Noncurrent assets			
Net pension asset	82,000		
Capital assets	42,134,776	39,935,566	39,704,949
Less accumulated depreciation	(25,895,406)	(25,002,445)	(24,384,931)
Total noncurrent assets	16,321,370	14,933,121	15,320,018
Total assets	25,806,370	22,776,721	22,953,404
DEFERRED OUTFLOW OF RESOURCES			
Defined benefit pension	1,182,000	635,000	286,000
LIABILITIES			
Current liabilities			
Warrants payable	453,413	469,801	965,092
Accounts payable		414	
Compensated absences	281,135	170,478	166,532
Current portion of long-term obligations	258,099	61,383	25,522
Total current liabilities	992,647	702,076	1,157,146
Noncurrent liabilities			
Long-term obligations	257,918	516,017	248,169
Net pension liability		2,485,000	1,230,000
Total noncurrent liabilities	257,918	3,001,017	1,478,169
Total liabilities	1,250,565	3,703,093	2,635,315
DEFERRED INFLOW OF RESOURCES			
Defined benefit pension	2,633,000	81,000	564,000
NET POSITION			
Invested in capital assets, net of related debt	15,723,353	14,355,721	15,046,327
Unrestricted	7,381,452	5,271,907	4,993,762
Total net position	$ 23,104,805	$ 19,627,628	$ 20,040,089

See accompanying notes

CLEARWATER COUNTY, STATE OF IDAHO

STATEMENT OF ACTIVITIES
Year Ended September 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Prior Year 2020	Prior Year 2019
GOVERNMENTAL ACTIVITIES						
GENERAL GOVERNMENT						
GENERAL SERVICES						
General government	$ 847,648			$ (847,648)	$ (1,713,384)	$ (1,602,188)
Treasurer/tax collector	130,661			(130,661)	(141,577)	(128,953)
Assessor	253,805	$ 3,160		(250,645)	(315,231)	(306,205)
Elections	95,736		$ 63,105	(32,631)	(85,457)	8,333
Information services	363,864			(363,864)	(290,985)	(266,003)
LICENSING AND PUBLIC SERVICES						
Auditor/recorder	219,510	67,930		(151,580)	(146,404)	(166,964)
Motor vehicle licenses	235,511	119,032		(116,479)	(110,382)	(99,470)
Planning and building	103,365	72,357		(31,008)	(26,144)	(7,081)
LEGAL SYSTEM						
District and drug court	335,008	41,619	225	(293,164)	(324,868)	(331,245)
Prosecuting attorney	292,332	73,100		(219,232)	(218,278)	(257,212)
PUBLIC SAFETY						
Ambulance	625,439	533,757	34,800	(56,882)	219,308	(186,200)
Coroner	29,185			(29,185)	(34,083)	(30,100)
Civil defense-emergency services	44,758		12,400	(32,358)	(36,128)	(38,781)
Sheriff	1,861,646	430,176		(1,431,470)	(1,341,345)	(1,501,076)
Public defender	232,217	487		(231,730)	(197,739)	(434,897)
Predators	3,000			(3,000)	(3,000)	(3,000)
Detention and probation programs	129,447	40,186	71,495	(17,766)	(13,611)	(86,177)
Special grants	189,466		344,858	155,392	55,219	38,634
PUBLIC WORKS						
Transportation-roads and bridges	804,639	26,532	1,361,885	583,778	(155,858)	587,318
Noxious weeds	130,985	434		(130,551)	(136,794)	(124,845)
HEALTH AND WELFARE						
Solid waste	903,947	950,218		46,271	(66,947)	21,013
Charity/indigent assistance	95,857	39,080		(56,777)	(81,161)	(146,145)
North Idaho Health District/ Clearwater Valley Hospital	67,028			(67,028)	(67,163)	(65,769)
Junior college tuition / Historical Society	20,850			(20,850)	(21,000)	(22,150)
CULTURE AND RECREATION						
Recreation - boat, snowmobile, and fair	183,320	113,381	48,668	(21,271)	(80,962)	(71,662)
County agent	78,667			(78,667)	(73,461)	(74,474)
Balance forward	8,277,891	2,511,449	1,937,436	(3,829,006)	(5,407,435)	(5,295,299)

See accompanying notes

CLEARWATER COUNTY, STATE OF IDAHO

STATEMENT OF ACTIVITIES
Year Ended September 30, 2021

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Prior Year 2020	Prior Year 2019
Balance forward	$ 8,277,891	$ 2,511,449	$ 1,937,436	$ (3,829,006)	$ (5,407,435)	$ (5,295,299)
UNALLOCATED DEPRECIATION	1,150,080			(1,150,080)	(1,131,997)	(1,272,498)
PERSI RETIREMENT ACTUARIAL CHARGES	(562,000)			562,000	(423,000)	22,000
Total governmental activities	$ 8,865,971	$ 2,511,449	$ 1,937,436	(4,417,086)	(6,962,432)	(6,545,797)
General revenues:						
Property taxes, levied for general purposes				3,847,236	3,724,156	3,584,617
State sales tax not restricted to specific programs				1,275,215	1,117,230	1,080,113
Other state and federal funding not restricted to specific programs				1,321,573	1,313,676	1,397,675
Interest and investment earnings				12,911	57,587	115,916
Other general revenues				1,437,328	337,322	474,236
				7,894,263	6,549,971	6,652,557
Change in net position				3,477,177	(412,461)	106,760
Net position, beginning				19,627,628	20,040,089	19,933,329
Net position, ending				$ 23,104,805	$ 19,627,628	$ 20,040,089

See accompanying notes

CLEARWATER COUNTY, STATE OF IDAHO

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2021

	General	Road and Bridge	Ambulance	Justice	Solid Waste	Grants	Other Governmental Funds	Total Governmental Funds	Prior Year 2020	Prior Year 2019
ASSETS										
Cash and investments	$ 1,148,940	$ 1,675,657	$ 370,720	$ 872,880	$ 276,804	$ 318,678	$ 3,675,831	$ 8,339,510	$ 6,841,869	$ 6,426,201
Taxes receivable	46,719		5,607	58,419	67,281		37,298	215,324	211,976	201,944
Intergovernmental receivable	116,166	219,340	214,460	230,779	266	77,006	72,149	930,166	789,755	1,005,241
Due from other funds								0	100,000	100,000
Total assets	$ 1,311,825	$ 1,894,997	$ 590,787	$ 1,162,078	$ 344,351	$ 395,684	$ 3,785,278	$ 9,485,000	$ 7,943,600	$ 7,733,386
LIABILITIES AND FUND BALANCES										
Warrants payable	$ 47,773	$ 165,165	$ 25,516	$ 65,613	$ 71,697	$ 587	$ 77,062	$ 453,413	$ 469,801	$ 965,092
Claims payable								0	414	0
Due to other funds								0	100,000	100,000
Total liabilities	47,773	165,165	25,516	65,613	71,697	587	77,062	453,413	570,215	1,065,092
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	40,603		213,296	50,724	58,398	164,267	32,419	559,707	397,628	279,675
Total deferred inflows of resources	40,603	0	213,296	50,724	58,398	164,267	32,419	559,707	397,628	279,675
FUND BALANCES										
Assigned for accounting accruals	75,563	219,340	1,164	180,055			58,491	534,613	504,641	861,394
Assigned for special revenue		1,510,492	350,811	865,686	214,256	230,830	3,617,306	6,789,381	5,472,251	4,501,700
Unassigned	1,147,886							1,147,886	998,865	1,025,525
Total fund balances	1,223,449	1,729,832	351,975	1,045,741	214,256	230,830	3,675,797	8,471,880	6,975,757	6,388,619
Total liabilities and fund balances	$ 1,311,825	$ 1,894,997	$ 590,787	$ 1,162,078	$ 344,351	$ 395,684	$ 3,785,278	$ 9,485,000	$ 7,943,600	$ 7,733,386

See accompanying notes

CLEARWATER COUNTY, STATE OF IDAHO

RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET- GOVERNMENTAL FUNDS
September 30, 2021

	2021	Prior Year 2020	Prior Year 2019
Total fund balances - Governmental Funds	$ 8,471,880	$ 6,975,757	$ 6,388,619
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds:			
Cost of capital assets	42,134,776	39,935,566	39,704,949
Accumulated depreciation	(25,895,406)	(25,002,445)	(24,384,931)
Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Deferred outflows	1,182,000	635,000	286,000
Deferred inflows	(2,633,000)	(81,000)	(564,000)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Capital lease payable	(516,017)	(577,400)	(273,691)
Compensated absences to employees	(281,135)	(170,478)	(166,532)
Net pension asset (liability)	82,000	(2,485,000)	(1,230,000)
Amounts receivable to be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the future.	559,707	397,628	279,675
Total net position - Governmental Activities	$ 23,104,805	$ 19,627,628	$ 20,040,089

See accompanying notes

CLEARWATER COUNTY, STATE OF IDAHO

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

	General	Road and Bridge	Ambulance	Justice	Solid Waste	Grants	Other Governmental Funds	Total Governmental Funds	Prior Year 2020	Prior Year 2019
REVENUES										
Property taxes	$ 1,286,370	$ 2,551	$ 144,293	$ 1,511,975			$ 885,778	$ 3,830,967	$ 3,734,152	$ 3,584,458
Licenses and permits	195,032		3,043	22,058			110,057	330,190	248,431	301,358
Intergovernmental revenue	922,670	1,880,982	77,706	1,123,288	$ 107	$ 154,013	278,971	4,437,737	4,120,776	5,361,174
Charges for services	76,985	2,413	480,406	404,788			3,745	968,337	958,066	732,106
Interest and rent	7,454		2,820				139	10,413	56,100	115,930
Fines and penalties				73,100			38,257	111,357	90,715	97,812
Other revenue	34,094	30,129	1,210	36,063	981,618	53,715	1,392,657	2,529,486	1,408,640	1,397,355
Total revenues	2,522,605	1,916,075	709,478	3,171,272	981,725	207,728	2,709,604	12,218,487	10,616,880	11,590,193
EXPENDITURES										
General government	2,076,589						523,822	2,600,411	2,595,513	2,550,310
Public safety	194,640		674,087	3,055,032		17,833	209,417	4,151,009	4,114,946	4,062,985
Public works		1,737,755					445,884	2,183,639	1,905,203	2,275,904
Health and welfare					933,947	171,383	398,888	1,504,218	1,528,319	2,603,487
Culture and recreation						250	204,170	204,420	195,031	236,139
Other	78,667							78,667	73,461	74,474
Total expenditures	2,349,896	1,737,755	674,087	3,055,032	933,947	189,466	1,782,181	10,722,364	10,412,473	11,803,299
OTHER FINANCING SOURCES (USES)										
Capital lease proceeds									382,731	
Operating transfers in							262,517	262,517	50,000	46,660
Operating transfers out							(262,517)	(262,517)	(50,000)	(46,660)
Total other financing sources (uses)	0	0	0	0	0	0	0	0	382,731	0
NET CHANGES IN FUND BALANCES	172,709	178,320	35,391	116,240	47,778	18,262	927,423	1,496,123	587,138	(213,106)
FUND BALANCES AT BEGINNING OF YEAR	1,050,740	1,551,512	316,584	929,501	166,478	212,568	2,748,374	6,975,757	6,388,619	6,601,725
FUND BALANCES AT END OF YEAR	$ 1,223,449	$ 1,729,832	$ 351,975	$ 1,045,741	$ 214,256	$ 230,830	$ 3,675,797	$ 8,471,880	$ 6,975,757	$ 6,388,619

See accompanying notes

CLEARWATER COUNTY, STATE OF IDAHO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2021

	2021	Prior Year 2020	Prior Year 2019
Net changes in fund balances - total Governmental Funds	$ 1,496,123	$ 587,138	$ (213,106)
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays to purchase or build capital assets are reported in the 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 depreciation:			
Current year capital outlay	2,484,747	762,304	1,768,480
Current year depreciation	(1,150,080)	(1,131,997)	(1,272,498)
Book basis on capital assets disposed during the year	(28,418)	(17,204)	(18,810)
Amounts borrowed on long-term debt are reported in the governmental funds as other financing sources. Amounts repaid on long-term debt are reported in the governmental funds as expenditures. However, for governmental activities, the borrowing and repayment of funds is reflected as outstanding long-term debt:			
Borrowed under capital lease		(382,731)	
Current year repayment of long-term debt	61,383	79,022	24,838
Current year compensated absences	(281,135)	(170,478)	(166,532)
Prior year compensated absences	170,478	166,532	186,115
Net pension liability and the related deferred outflows and deferred inflows are not considered available for the governmental funds in the current year.			
Current year net pension liability, deferred outflows, and deferred inflows	562,000	(423,000)	22,000
Some amounts receivable will not be collected for several months after the fiscal year-ends, and they are not considered available revenues in the governmental funds. Instead, they are counted as unavailable tax revenues. They are, however, recorded as revenues in the statement of activities:			
Current year receivables	559,707	397,628	279,675
Prior year receivables	(397,628)	(279,675)	(503,402)
Change in net position - Governmental Activities	$ 3,477,177	$ (412,461)	$ 106,760

See accompanying notes

CLEARWATER COUNTY, STATE OF IDAHO

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
September 30, 2021

	Private-Purpose Trusts	Custodial Funds
ASSETS		
Cash and investments	$ 6,865	$ 628,715
Property taxes receivable		306,698
Intergovernmental receivable		70,391
Total assets	6,865	1,005,804
LIABILITIES		
Current liabilities		
Warrants payable		146,385
Held in trust for other governments		378,958
Held in trust for individuals		480,461
Total liabilities	0	1,005,804
NET POSITION		
Held in trust for Clearwater Valley Hospital and the State of Idaho	$ 6,865	$ 0

See accompanying notes

CLEARWATER COUNTY, STATE OF IDAHO

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

	Private-Purpose Trusts	Custodial Funds
ADDITIONS		
Property taxes		$ 6,469,280
Licenses and permits		997,205
Intergovernmental revenue		1,680,578
Charges for services		7,048
Fines and penalties		101,670
Other receipts		8,290
Refunds and reimbursements	$ 11,348	
Total additions	11,348	9,264,071
DEDUCTIONS		
Disbursed for beneficiaries	7,059	9,264,071
Total deductions	7,059	9,264,071
Change in net position	4,289	0
NET POSITION AT BEGINNING OF YEAR	2,576	
NET POSITION AT END OF YEAR	$ 6,865	$ 0

See accompanying notes

1. SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity. Clearwater County was formed February 27, 1911, and is headquartered in Orofino, Idaho. The County operates under a commissioner form of government, with supervision of various departments by elected officials. Clearwater County provides the following services: public safety, sanitation, health and welfare, road and bridges, planning and zoning, and tax assessment and collection.

Component Units. The County has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the County, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the County (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval of assets, etc.). Blended component units, although legally separate entities, are, in substance, part of the County's operations.

In conformity with GAAP, the financial statements of the Orofino Celebrations, Inc., (Fair Association) have been included in these financial statements as a blended component unit of Clearwater County. The Fair Association is responsible for conducting the County Fair on behalf of Clearwater County. For financial statement purposes, the Fair Association is reported as a special revenue fund of Clearwater County. These financial statements include the activity for the Fair Association for the year ended September 30, 2021.

Clearwater Valley Hospital was included in these financial statements as a blended component unit, accounted for as an enterprise fund. The original hospital lease ended during the 2015 fiscal year and, in accordance with the new lease terms, all amounts left in the fund were transferred to the County’s capital assets fund. As of September 30, 2015, the Hospital facilities have been leased to a third party, and the County is no longer liable on any long-term obligations.

The financial statements of Clearwater County have been prepared in conformity with United States generally accepted accounting principles (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.

Measurement Focus and Basis of Accounting. The accounting policies of Clearwater County conform to United States generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County uses the following two bases of accounting in these financial statements:

Economic Resources Measurement Focus and Accrual Basis of Accounting

Under this measurement focus, 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 exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued).

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

Under this measurement focus, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes as available if they are collected within 30 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes, state sales taxes, highway user's revenue, state revenue sharing, and interest are considered to be susceptible to accrual.

The County reports unearned revenue in its Fund Financial Statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Restricted Resources. Program expenses are allocated to restricted program revenue first and then to the next highest level of restricted net position/fund balances when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB No. 54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB No. 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Resources (Continued).

Assigned Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

County-Wide Financial Statements. The County-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The statement of net position and the statement of activities display information about the overall County except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements reflect only governmental activities of the County since there are no "business-type activities" within the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different functions of the County. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Program Revenue
The Statement of Activities reflects all restricted federal and state grants as program revenue, as well as all charges to County patrons for licenses, solid waste collections, and charges to other taxing entities for services such as law enforcement and jail services.

Fund Financial Statements. The Fund financial statements provide information about the County's fund categories. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All remaining funds are aggregated and reported as non-major funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Governmental Funds
Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The County reports the following major governmental funds:

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued).

Governmental Funds (Continued)

- General Fund. This is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.

- Road and Bridge. The "Road and Bridge Fund" is responsible for the construction and maintenance of County roads within the unincorporated areas of the County. The County Commissioners serve as the Highway District Commissioners. This fund is one of two highway districts in the County. The second highway district is a separate taxing district not included in these financial statements.

- Ambulance Fund. The "Ambulance Fund" provides funding for the emergency and non-emergency pre-hospital care and medical transfers to other facilities, when requested, for all persons in the district.

- Justice Fund. The "Justice Fund" provides funding for the operations of the offices of the clerk of the district court; the county sheriff's department; the prosecuting attorney; and operations of the county jail.

- Solid Waste. The County provides for solid waste collection for County residents. Waste is subsequently transferred to an independent disposal service.

- Grants. The "Grants Fund" is used to account for state, federal, and local grants received for the operations of the County funds or pass-through subgrantee's.

Fiduciary Funds. The County reports two types of fiduciary funds: Private purpose trusts and Custodial funds.

The private purpose trusts are used to account for trusts where the contributions and earnings will benefit County employees. These revenues are not available to finance County operations. All private purpose trusts are accounted for using the economic resources measurement focus and the accrual basis of accounting.

The custodial funds are used to account for monies collected and held on behalf of the State of Idaho, other taxing districts, and amounts held by County departments for individuals in fulfilling their public duties. Custodial funds are accounted for using the economic resources measurement focus and the accrual basis of accounting.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates. The County uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that the County uses.

Reclassifications. Certain reclassifications have been made to prior year balances in order to conform to the current year presentation.

Basis of Presentation.

Cash and Investments

Cash and investments include amounts in demand deposits as well as short-term investments in cash instruments. Statutes authorize the County to invest in obligations of the State of Idaho and its agencies, U.S. Treasury and U.S. agencies, local improvement County bonds, repurchase agreements, tax and revenue anticipation bonds and notes, and the State Treasurer's Local Government Investment Pool.

Deposits in the State Treasurer's Local Government Investment Pool are stated at fair value, which is the same as the value of the pool shares. The Idaho State Treasurer oversees the Local Government Investment Pool under the Joint Exercises of Power provisions of *Idaho Code*. The State Treasurer combines deposits from all governmental entities in the State, which participate in the Pool and purchases the following types of investments:

Local Certificates of Deposit
Repurchase Agreements
U.S. Government Securities

The entities participating in the Pool own a percentage of each investment held. This percentage is calculated by dividing the individual entity's deposits by the total deposits held in the pool. The purpose of this is to:

Increase the overall rate of return.
Reduce the risk of default.
Place each entity under the FDIC and SLIC limits of $250,000.

Investments held at year-end are disclosed in Note 3.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued).

Inventories

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. The balance of governmental fund inventories is considered immaterial at year-end.

Capital Assets

Capital assets are long-lived assets of the County as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The County records all capital assets at their original cost. Assets acquired prior to 2003 are recorded at their estimated original cost. Interest is capitalized on capital assets during the construction period.

The County capitalizes equipment with an original unit cost of $3,000 or more and an expected life of more than 3 years. The County capitalizes property improvements with an original cost of $10,000 or more that is expected to extend the property life by 10 years or more. Equipment with an original unit cost of between $200 and $3,000 is not capitalized for depreciation purposes, but is recorded for inventory tracking purposes only.

The County has not capitalized its infrastructure acquired prior to 2003. Significant infrastructure includes County roads, bridges, and Dent Bridge. After October 1, 2003, the County capitalizes road improvements with an original cost of $3,000 or more that is expected to extend the property life by 3 years or more.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings - 30 years; vehicles - 7 years; machinery and equipment - 10 years; computer equipment - 3 years; road construction - 30 years; road overlays - 15 years; road seal-coating - 7 years.

Property Taxes. The County levies property taxes for the County and all taxing districts within the County in November and the taxes are payable on December 20 and June 20 following the levy date. The taxes are distributed to taxing districts in the month following collection. The taxes are delinquent and a lien is filed the day following the due dates. A tax deed is issued on property three years from the date of delinquency.

Budgets. Annual appropriated budgets are adopted for all Governmental Funds other than the Fair Association. All appropriations, other than appropriations for uncompleted improvements in progress of construction, lapse at the end of the fiscal year.

Encumbrances. The County does not incorporate encumbrances as an extension of the formal budgetary accounting system. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions. For purposes of measuring the net pension liability, asset, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by PERSI. 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.

Compensated Absences. Accumulated paid time off, and compensatory time are reported as liabilities of the County. Upon termination, an employee is reimbursed for accumulated paid time off up to a maximum of 380 hours and accumulated compensatory time up to a maximum of 240 hours for regular employees or 480 hours for POST certified law enforcement in full.

Deferred Outflow/Inflows of Resources. The County reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. Deferred outflows of resources reported in this year's government-wide financial statements include amounts related to the County's participation in PERSI as outlined in Note 13 – Defined Benefit Pension Plan. No deferred outflows of resources affect the fund financial statements in the current year.

The County reports increases in net assets that relate to future periods as deferred inflows in a separate section of the County-wide statement of net position and the County governmental fund balance sheet. Deferred inflows of resources reported in this year's government-wide financial statements include amounts related to the County's participation in PERSI as outlined in Note 13 – Defined Benefit Pension Plan. Deferred inflows of resources reported in the fund financial statements include property tax and receivables that are not collected for 60 days after year-end and are not considered available to pay current year bills under the modified accrual basis of accounting.

2. LEGAL COMPLIANCE - BUDGETS

On or before the first Monday in August, the County Auditor, acting as budget officer, submits a proposed budget to the County Commissioners. When the Commissioners have agreed upon a tentative appropriation, the budget officer shall publish a notice of the tentative appropriation not later than the third week in August.

On the Tuesday following the first Monday in September, the Board of County Commissioners holds public hearings and upon the conclusion of those hearings, determines the amount of the budget. The amount of the budget shall be no greater than the amount of the tentative appropriation, and the amount to be raised from property taxes shall not be greater than the amount advertised.

The County budgets revenue on a comprehensive basis other than United States generally accepted accounting principles (GAAP). Property tax revenues are budgeted when levied. Intergovernmental revenue is recognized only when received.

The County adopts annual appropriated budgets for the general, special revenue, and debt service funds other than the Fair Association. All appropriations, other than appropriations for uncompleted improvements in progress of construction, lapse at the end of the year.

2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Expenditures may not exceed appropriations at the fund level. The budget is further broken down into the classifications of (1) salaries and wages and (2) all other expenditures.

Supplemental Appropriations. The County Commissioners may adjust the budget during the year to reflect the receipt of unscheduled revenue provided that there shall be no increase in anticipated property taxes. The annual budget procedure shall be complied with as nearly as practical before the budget may be adjusted. There was $50,000 in supplemental appropriations during the current fiscal year.

Fund Transfers. There were transfers to pay operating expenses not anticipated in the original budget at September 30, 2021, in the amount of $262,517.

Deficit Fund Balance. There were no funds with a deficit fund balance at September 30, 2021.

3. CASH AND INVESTMENTS

Cash and Investment policies are disclosed in Note 1.

Cash. At year-end, the carrying amount of the County's deposits (checking and savings) was $7,685,301 for Governmental Activities, $6,865 for Private Purpose Trusts, and $628,715 for Custodial funds. The bank balance was $8,953,359. Of the bank balance, $655,552 was considered covered by federal depository insurance. Banner Bank has fully guaranteed and collateralized the bank balance of $2,102,224 under an irrevocable standby letter of credit with the Federal Home Loan Bank of Seattle. The County had $6,195,583 in excess of the FDIC insured and bank collateralized limits.

Investments. At year-end, the components of the County's investments were:

Idaho State Treasurer's Local Government Investment Pool	$ 654,209

Interest Rate Risk
Interest rate risk is the risk that changes in interest rate will reduce the value of the County's investments. The County does not have a policy regarding interest rate risk.

Custodial Risk
Custodial risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments are held in the County's name.

Credit Risk
Credit risk is the risk that a borrower will fail to repay principal and interest in a timely manner.

Concentration of Credit Risk
The County has no policy on the amount they may invest in any one issuer.

4. PROPERTY TAXES

Property taxes are levied in November and payable on December 20 and June 20 following the levy date. The taxes are delinquent the day following the due dates. A lien is filed on property three years from the date of delinquency.

Details of property tax levies for all County funds (including the County general road fund and ambulance district) are as follows:

County Assessed Market Value for Tax Purposes

	Total Market Valuation Before Exemptions	All County Levies	Tax Charge
2020	$ 887,394,263	0.004825132	$ 3,521,959
2019	845,697,660	0.004859472	3,387,430
2018	813,438,538	0.004991731	3,340,064
2017	746,814,140	0.005214798	3,211,672
2016	728,479,426	0.005151374	3,106,439
2015	710,824,553	0.005077322	2,998,285
2014	683,148,638	0.004947273	2,803,420
2013	684,166,496	0.004775955	2,657,649
2012	705,935,497	0.004535145	2,644,447
2011	707,329,318	0.004512060	2,623,648

5. ACCOUNTS RECEIVABLE

Details of accounts receivable at September 30, 2021, are as follows:

State of Idaho sales tax	$ 390,734
State of Idaho Highway Users Tax	219,340
State of Idaho inmate housing	20,640
State of Idaho, other grants	92,210
Court Fees	34,811
Federal government agencies, Sheriff's deputy agreements	32,014
Ambulance billings to individuals, Medicaid, and insurance companies	230,279
Allowance for uncollectible accounts	(21,862)
Other	2,391
	$ 1,000,557
Accounts receivable, governmental funds	$ 930,166
Accounts receivable, custodial funds	70,391
	$ 1,000,557

6. CAPITAL ASSETS

A summary of changes in governmental activities capital assets follows:

	10/1/2020	Additions	Deletions	Balance 9/30/2021
Capital assets				
Buildings	$ 7,667,432	$ 292,029	$ (180,000)	$ 7,779,461
Roads	18,102,033	1,689,439		19,791,472
Equipment	2,684,254	180,982	0	2,865,236
Heavy equipment	2,341,250	5,350		2,346,600
Vehicles	2,664,739	316,947	(105,537)	2,876,149
CV Hospital	6,475,858			6,475,858
	$ 39,935,566	$ 2,484,747	$ (285,537)	42,134,776
Accumulated depreciation				
Buildings	$ 6,542,464	$ 75,242	$ (180,000)	6,437,706
Roads	7,356,116	571,496		7,927,612
Equipment	2,019,544	202,553		2,222,097
Heavy equipment	1,628,729	109,003		1,737,732
Vehicles	2,122,292	131,786	(77,119)	2,176,959
CV Hospital	5,333,300	60,000		5,393,300
	$ 25,002,445	$ 1,150,080	$ (257,119)	25,895,406
Governmental activities, net capital assets				$ 16,239,370

Depreciation was charged to the following functions in the statement of activities:

Governmental functions-unallocated	$ 1,150,080

7. LONG-TERM OBLIGATIONS

Capital Lease. The County purchased in 2017 through a capital lease agreement a 2017 Caterpillar 140 Motor Grader in the original amount of $322,702. The lease is payable in annual installments of $33,053 for 4 years with a final payment of $228,053 in the 5th year, with an interest rate of 2.718 percent.

The County purchased in 2020 through a capital lease agreement a 2002 Caterpillar 143 Motor Grader in the original amount of $95,400. The lease is payable in annual installments of $22,008 for 2 years with an initial payment of $53,500 in the 1st year, with an interest rate of 3.349 percent.

The County purchased in 2020 through a capital lease agreement a 2020 Caterpillar 160 Motor Grader in the original amount of $287,331. The lease is payable in annual installments of $24,090 for 4 years with a final payment of $234,088 in the 5th year, with an interest rate of 3.35 percent.

7. LONG-TERM OBLIGATIONS (CONTINUED)

Compensated Absences. The County provides paid time off benefits ranging from 8 hours to 22 hours per month to full-time employees. Benefits are prorated for part-time employees. The maximum accumulated vacation benefit is 380 hours. Unused paid time off is paid to employees upon termination of employment.

The County allows the use of compensation time to employees in lieu of overtime pay. Compensation time may be used as additional paid time off or is paid to employees upon termination of employment.

Changes in Long-term Debt. The following is a summary of changes in long-term debt for the year ended September 30, 2021:

	10/1/2020	Additions	Reductions	9/30/2021	Due Within One Year
Compensated Absences					
Vacation time	$ 98,993		$ (98,993)		
Paid-Time Off		$ 210,607		$ 210,607	$ 210,607
Compensatory time	71,485		(957)	70,528	70,528
Total compensated absences	170,478	210,607	(99,950)	281,135	281,135
Capital leases	577,400		(61,383)	516,017	258,099
	$ 747,878	$ 210,607	$ (161,333)	$ 797,152	$ 539,234

The capital lease payable is scheduled to mature on the following schedule:

Year Ending	Principal	Interest	Total Payments
2022	258,099	16,052	274,151
2023	15,449	8,641	24,090
2024	15,967	8,123	24,090
2025	226,502	7,586	234,088

8. SEGMENT INFORMATION - ENTERPRISE FUND

Effective March 1, 2015, the County entered into a lease with Essentia Community Hospitals and Clinics (ECHC) for the continued operation of the Clearwater Valley Hospital. The terms of the new lease call for a 20-year lease for the hospital location and a 5-year lease for the medical park with renewal options. Rent amounts to $1,500 per month for the hospital and $3,000 per month for the medical park. The medical park lease is set to increase 2.5 percent each year.

9. BUDGETARY REPORTING BASIS RECONCILIATION TO GAAP

The budget-to-actual financial statements in this report are based on the County's legally adopted budget, which is adopted on a comprehensive basis other than United States generally accepted accounting principles (GAAP). On the budgetary basis, the County records intergovernmental revenues only when received and records property tax revenues when levied.

10. FUND BALANCE AND DESIGNATIONS

Assigned Fund Balance. The fund balances of certain individual funds are assigned for particular purposes by the governing body including the following:

- ***Accounting Accruals.*** *Idaho Code* authorizes counties to accumulate and budget fund balances sufficient to maintain County operations on a cash basis. The fund balance designated for accounting accruals is that portion of the fund balance that is not available to the County on the budgetary basis of accounting.

  Approximately 31 percent of total County revenue is received through property tax collections, which are available to the County in January and July. A substantial portion of the unassigned fund balances are used to finance operations between property tax collections.

- ***Special Revenue.*** The fund balance has been assigned for special revenue purposes for that fund.

Unassigned Fund Balance. The fund balance has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

11. RISK MANAGEMENT

The County is a member of the Idaho County Reciprocal Management Program (ICRMP). ICRMP is an all-lines aggregate insurance program providing liability, property, and casualty insurance coverage to Idaho's counties and other political subdivisions on a voluntary participation basis. ICRMP assumes or reinsures all risk for covered claims. Participants are charged an annual insurance premium with no additional assessments for losses.

The general insurance limits are as follows:

General liability	$500,000 per claim
Property damage	Replacement cost coverage with a $1,500 deductible.
Automobile liability	$500,000 per claim
Errors and omissions liability	$500,000 per claim
Crime insurance and bonding	$500,000 per claim
Machinery	Replacement cost coverage with a $1,500 deductible.

The County's unemployment is self-insured with the State of Idaho.

12. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with *Internal Revenue Code,* Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan assets are available only for payment of benefits to plan participants and their beneficiaries. Accordingly, the Plan assets are not reflected in the County's financial statements.

13. DEFINED BENEFIT PENSION PLAN

Plan Description. The County contributes to the Base Plan, which is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI) 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 for retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based upon members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with 5 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 classifications. The annual service retirement allowance for each month of credited service is 2.0 percent (2.3 percent for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent 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 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions. Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Member and Employer Contributions (Continued). The contribution rates for employees are set by statute at 60 percent of the employer rate for general employees and 74 percent for police and firefighters. As of September 30, 2021, it was 7.16 percent for general employees and 9.13 percent for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.94 percent for general employees and 12.28 percent for police and firefighters. The County contributions required and paid were $471,686, $456,380 and $429,756 for the three years ended September 30, 2021, 2020, and 2019, respectively.

Pension Liabilities, Assets, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2021, the County reported an asset of $82,000 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The County's proportion of the net pension asset was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI employers. At June 30, 2021, the County's proportion was .10422913 percent.

For the year ended September 30, 2021, the County recognized a net change in pension expense of $562,000. At September 30, 2021, 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
Employer contributions made subsequent to the measurement date	$ 116,000	
Differences between expected and actual experience	$ 121,000	$ 48,000
Changes in assumptions or other inputs	$ 945,000	
Net difference between projected and actual earnings on pension plan investments		$ 2,585,000

Deferred out flows of resources in the amount of $116,000 related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending September 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the system (active and inactive employees) determined at July 1, 2021, the beginning of the measurement period ended June 30, 2021, is 4.6 and 4.7 for the measurement period June 30, 2020.

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

2021	$ (369,000)
2022	(332,000)
2023	(290,000)
2024	(576,000)

13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions. Valuations are based upon actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. PERSI amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period permitted under Section 59-1322, *Idaho Code,* is 25 years.

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	6.35%, net of pension plan investment expense
Cost of Living Adjustments (COLA)	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, service retirement members, 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 – Male	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Female	Pub-2010 General Tables, increased 21%
Fire & Police – Male	Pub-2010 Safety Tables, increased 21%
Fire & Police – Female	Pub-2010 Safety Tables, increased 26%
Disabled Members – Male	Pub-2010 Disabled Tables, increased 38%
Disabled Members – Female	Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020, which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2021, is based on the results of an actuarial valuation date of July 1, 2021.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2021.

13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued).

CAPITAL MARKET ASSUMPTIONS FROM CALLAN 2021

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30%	1.80%	(0.20%)
Broad US Equities	55%	8.00%	6.00%
Developed Foreign Equities	15%	8.25%	6.25%
Assumed Inflation – Mean		2.00%	2.00%
Assumed Inflation – Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		.40%	.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

Discount Rate. The discount rate used to measure the total pension liability was 6.35 percent. 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 plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 6.35 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
County's proportionate share of the net pension liability	$2,862,000 liability	$82,000 asset	$2,495,000 liability

13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

14. OTHER POST-EMPLOYMENT BENEFITS

The County does not provide benefits to retired employees other than retirement benefits funded through the Public Employee Retirement System of Idaho. However, retired employees can remain on the County's insurance policy after retirement if the retired employee pays the monthly cost. This arrangement is referred to as an "implicit subsidy" since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. The estimated amount of this implicit subsidy is considered immaterial to these financial statements.

15. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the County expects that none of these matters fall outside of the umbrella of the County's insurance policy.

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 10, 2023, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CLEARWATER COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	$ 1,239,510	$ 1,239,510	$ 1,289,064	$ 49,554
Other revenues	894,287	894,287	1,209,853	315,566
Total revenues	2,133,797	2,133,797	2,498,917	365,120
EXPENDITURES				
Salaries and wages	1,289,077	1,301,177	1,141,704	159,473
Other expenditures	1,751,463	1,739,363	1,208,192	531,171
Total expenditures	3,040,540	3,040,540	2,349,896	690,644
NET CHANGE IN FUND BALANCE	(906,743)	(906,743)	149,021	1,055,764
FUND BALANCE AT BEGINNING OF YEAR	906,743	906,743	998,865	92,122
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 1,147,886	$ 1,147,886

The County budgets revenue on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Property tax revenues are budgeted when levied. Intergovernmental revenue is recognized only when received.

Revenues on GAAP Basis	$ 2,522,605
Accrued intergovernmental revenue	(116,166)
Deferred property tax revenue	40,603
Prior year accrued intergovernmental revenue	89,784
Prior year deferred property tax revenue	(37,909)
Revenues on Budgetary Basis	$ 2,498,917

CLEARWATER COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE -
ROAD AND BRIDGE
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes			$ 2,551	$ 2,551
Other revenues	$ 1,487,151	$ 1,487,151	1,907,213	420,062
Total revenues	1,487,151	1,487,151	1,909,764	422,613
EXPENDITURES				
Other expenditures	2,493,687	2,493,687	1,737,755	755,932
Total expenditures	2,493,687	2,493,687	1,737,755	755,932
NET CHANGE IN FUND BALANCE	(1,006,536)	(1,006,536)	172,009	1,178,545
FUND BALANCE AT BEGINNING OF YEAR	1,006,536	1,006,536	1,338,483	331,947
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 1,510,492	$ 1,510,492

The County budgets revenue on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Property tax revenues are budgeted when levied. Intergovernmental revenue is recognized only when received.

Revenues on GAAP Basis	$ 1,916,075
Accrued intergovernmental revenue	(219,340)
Prior year accrued intergovernmental revenue	213,029
Revenues on Budgetary Basis	$ 1,909,764

CLEARWATER COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE -
AMBULANCE
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	$ 137,897	$ 137,897	$ 143,941	$ 6,044
Other revenues	645,737	645,737	563,447	(82,290)
Total revenues	783,634	783,634	707,388	(76,246)
EXPENDITURES				
Salaries and wages	375,600	375,600	285,190	90,410
Other expenditures	623,499	623,499	388,897	234,602
Total expenditures	999,099	999,099	674,087	325,012
NET CHANGE IN FUND BALANCE	(215,465)	(215,465)	33,301	248,766
FUND BALANCE AT BEGINNING OF YEAR	215,465	215,465	317,510	102,045
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 350,811	$ 350,811

The County budgets revenue on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Property tax revenues are budgeted when levied. Intergovernmental revenue is recognized only when received.

Revenues on GAAP Basis	$ 709,478
Accrued intergovernmental revenue	(214,460)
Deferred property tax revenue	213,296
Prior year accrued intergovernmental revenue	178,952
Prior year deferred property tax revenue	(179,878)
Revenues on Budgetary Basis	$ 707,388

CLEARWATER COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE -
JUSTICE
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	$ 1,449,290	$ 1,449,290	$ 1,509,424	$ 60,134
Other revenues	1,546,788	1,546,788	1,672,281	125,493
Total revenues	2,996,078	2,996,078	3,181,705	185,627
EXPENDITURES				
Salaries and wages	1,732,135	1,732,135	1,654,342	77,793
Other expenditures	1,900,105	1,900,105	1,400,690	499,415
Total expenditures	3,632,240	3,632,240	3,055,032	577,208
NET CHANGE IN FUND BALANCE	(636,162)	(636,162)	126,673	762,835
FUND BALANCE AT BEGINNING OF YEAR	636,162	636,162	739,013	102,851
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 865,686	$ 865,686

The County budgets revenue on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Property tax revenues are budgeted when levied. Intergovernmental revenue is recognized only when received.

Revenues on GAAP Basis	$ 3,171,272
Accrued intergovernmental revenue	(230,779)
Deferred property tax revenue	50,724
Prior year accrued intergovernmental revenue	243,763
Prior year deferred property tax revenue	(53,275)
Revenues on Budgetary Basis	$ 3,181,705

CLEARWATER COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE -
SOLID WASTE
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Other revenues	$ 877,463	$ 877,463	$ 981,636	$ 104,173
Total revenues	877,463	877,463	981,636	104,173
EXPENDITURES				
Salaries and wages	231,010	231,010	189,898	41,112
Other expenditures	828,273	828,273	744,049	84,224
Total expenditures	1,059,283	1,059,283	933,947	125,336
NET CHANGE IN FUND BALANCE	(181,820)	(181,820)	47,689	229,509
FUND BALANCE AT BEGINNING OF YEAR	181,820	181,820	224,699	42,879
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 272,388	$ 272,388

The County budgets revenue on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Property tax revenues are budgeted when levied. Intergovernmental revenue is recognized only when received.

Revenues on GAAP Basis	$ 981,725
Accrued intergovernmental revenue	(266)
Deferred property tax revenue	58,398
Prior year accrued intergovernmental revenue	159
Prior year deferred property tax revenue	(58,380)
Revenues on Budgetary Basis	$ 981,636

CLEARWATER COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE -
GRANTS
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Other revenues	$ 645,395	$ 645,395	$ 278,525	$ (366,870)
Total revenues	645,395	645,395	278,525	(366,870)
EXPENDITURES				
Other expenditures	716,147	716,147	189,466	526,681
Total expenditures	716,147	716,147	189,466	526,681
NET CHANGE IN FUND BALANCE	(70,752)	(70,752)	89,059	159,811
FUND BALANCE AT BEGINNING OF YEAR	70,752	70,752	229,032	158,280
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 318,091	$ 318,091

The County budgets revenue on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Property tax revenues are budgeted when levied. Intergovernmental revenue is recognized only when received. Interest revenue is recognized when received.

Revenues on GAAP Basis	$ 207,728
Accrued intergovernmental revenue	(77,006)
Deferred property tax revenue	164,267
Prior year accrued intergovernmental revenue	10,197
Prior year deferred property tax revenue	(26,661)
Revenues on Budgetary Basis	$ 278,525

CLEARWATER COUNTY, STATE OF IDAHO

SCHEDULE OF PENSION FUNDING
Year Ended September 30, 2021

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll	Share of PERSI Net Pension Liability (Asset) %	Share of PERSI Net Pension Liability (Asset) Amount	Net Pension Liability / Asset as % of Covered Payroll
2012	$ 290,312	$ 290,312	$ 0	$ 2,794,100	10.39%	(1)	(1)	
2013	314,136	314,136	0	3,023,400	10.39%	(1)	(1)	
2014	337,668	337,668	0	2,982,900	11.32%	0.10699330%	$ 787,600	26%
2015	337,840	337,840	0	2,984,500	11.32%	0.10754770%	1,416,200	47%
2016	356,058	356,058	0	3,145,400	11.32%	0.10353250%	2,098,800	67%
2017	384,614	384,614	0	3,397,700	11.32%	0.10553220%	1,659,000	49%
2018	399,306	399,306	0	3,527,400	11.32%	0.10912810%	1,610,000	46%
2019	429,756	429,756	0	3,796,400	11.32%	0.10778880%	1,230,000	32%
2020	456,380	456,380	0	3,791,054	12.04%	0.10699670%	2,485,000	66%
2021	471,686	471,686	0	3,912,756	12.06%	0.10422913%	(82,000)	-2%

(1) PERSI has not provided calculations for years prior to implementation of GASB Statement No. 68.

SUPPLEMENTARY INFORMATION

CLEARWATER COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - GAAP BASIS
September 30, 2021

	General	Road and Bridge	Ambulance	Consolidated Elections	District Court	County Fair	Justice	Drug Investigation	Court Interlock
ASSETS									
Cash and investments	$ 1,148,940	$ 1,675,657	$ 370,720	$ 216,095	$ 297,113	$ 32,651	$ 872,880	$ 28,716	$ 3,009
Taxes receivable	46,719		5,607		3,930	1,232	58,419		
Intergovernmental receivable	116,166	219,340	214,460		56,543		230,779		30
Total assets	$ 1,311,825	$ 1,894,997	$ 590,787	$ 216,095	$ 357,586	$ 33,883	$ 1,162,078	$ 28,716	$ 3,039
LIABILITIES AND FUND BALANCES									
Warrants payable	$ 47,773	$ 165,165	$ 25,516	$ 2,218	$ 7,196	$ 32,300	$ 65,613		
Total liabilities	47,773	165,165	25,516	2,218	7,196	32,300	65,613	$ 0	$ 0
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	40,603		213,296		3,404	1,074	50,724		
Total deferred inflows of resources	40,603	0	213,296	0	3,404	1,074	50,724	0	0
FUND BALANCES									
Assigned for accounting accruals	75,563	219,340	1,164		53,139		180,055		30
Assigned for special revenue		1,510,492	350,811	213,877	293,847	509	865,686	28,716	3,009
Unassigned	1,147,886								
Total fund balances	1,223,449	1,729,832	351,975	213,877	346,986	509	1,045,741	28,716	3,039
Total liabilities and fund balances	$ 1,311,825	$ 1,894,997	$ 590,787	$ 216,095	$ 357,586	$ 33,883	$ 1,162,078	$ 28,716	$ 3,039

CLEARWATER COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - GAAP BASIS
September 30, 2021

	Health District	Historical Society	Court Facilities	Drug Court	Social Services	Junior College	Parks	Predatory Animals	Reappraisal
ASSETS									
Cash and investments	$ 20,360	$ 2,167	$ 15,391	$ 47,273	$ 446,868	$ 16,375	$ 11,012	$ 1,109	$ 135,151
Taxes receivable	2,690	560			13,638		198	120	6,643
Intergovernmental receivable			150	5,172	10,254				
Total assets	$ 23,050	$ 2,727	$ 15,541	$ 52,445	$ 470,760	$ 16,375	$ 11,210	$ 1,229	$ 141,794
LIABILITIES AND FUND BALANCES									
Warrants payable				$ 1,424	$ 26,367		$ 315		$ 301
Total liabilities	$ 0	$ 0	$ 0	1,424	26,367	$ 0	315	$ 0	301
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	2,341	489			11,844		175	107	5,777
Total deferred inflows of resources	2,341	489	0	0	11,844	0	175	107	5,777
FUND BALANCES									
Assigned for accounting accruals			150	5,172					
Assigned for special revenue	20,709	2,238	15,391	45,849	432,549	16,375	10,720	1,122	135,716
Unassigned									
Total fund balances	20,709	2,238	15,541	51,021	432,549	16,375	10,720	1,122	135,716
Total liabilities and fund balances	$ 23,050	$ 2,727	$ 15,541	$ 52,445	$ 470,760	$ 16,375	$ 11,210	$ 1,229	$ 141,794

CLEARWATER COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - GAAP BASIS
September 30, 2021

	Enhanced 911	Solid Waste	Current Expense Tort	Noxious Weed	Snowmobile	County Vessel	Disaster Declaration	Sunnyside Complex Fire
ASSETS								
Cash and investments	$ 55,798	$ 276,804	$ 52,851	$ 39,710	$ 7,402	$ 97,052		$ 45,291
Taxes receivable		67,281	3,041	5,246				
Intergovernmental receivable		266						
Total assets	$ 55,798	$ 344,351	$ 55,892	$ 44,956	$ 7,402	$ 97,052	$ 0	$ 45,291
LIABILITIES AND FUND BALANCES								
Warrants payable	$ 2,605	$ 71,697		$ 1,299		$ 2,987		
Total liabilities	2,605	71,697	$ 0	1,299	$ 0	2,987	$ 0	$ 0
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue		58,398	2,646	4,562				
Total deferred inflows of resources	0	58,398	2,646	4,562	0	0	0	0
FUND BALANCES								
Assigned for accounting accruals								
Assigned for special revenue	53,193	214,256	53,246	39,095	7,402	94,065		45,291
Unassigned								
Total fund balances	53,193	214,256	53,246	39,095	7,402	94,065	0	45,291
Total liabilities and fund balances	$ 55,798	$ 344,351	$ 55,892	$ 44,956	$ 7,402	$ 97,052	$ 0	$ 45,291

CLEARWATER COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - GAAP BASIS
September 30, 2021

	American Rescue Plan	Capital Trust	Dent Bridge Maintenance	Grants	Contingency Fund	Community Guardians	American Recovery	Fair Association	Total
ASSETS									
Cash and investments	$ 49,782	$ 265,805	$ 269,005	$ 318,678	$ 691,965	$ 927	$ 800,512	$ 26,441	$ 8,339,510
Taxes receivable									215,324
Intergovernmental receivable				77,006					930,166
Total assets	$ 49,782	$ 265,805	$ 269,005	$ 395,684	$ 691,965	$ 927	$ 800,512	$ 26,441	$ 9,485,000
LIABILITIES AND FUND BALANCES									
Warrants payable			$ 50	$ 587					$ 453,413
Total liabilities	$ 0	$ 0	50	587	$ 0	$ 0	$ 0	$ 0	453,413
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue				164,267					559,707
Total deferred inflows of resources	0	0	0	164,267	0	0	0	0	559,707
FUND BALANCES									
Assigned for accounting accruals									534,613
Assigned for special revenue	49,782	265,805	268,955	230,830	691,965	927	800,512	26,441	6,789,381
Unassigned									1,147,886
Total fund balances	49,782	265,805	268,955	230,830	691,965	927	800,512	26,441	8,471,880
Total liabilities and fund balances	$ 49,782	$ 265,805	$ 269,005	$ 395,684	$ 691,965	$ 927	$ 800,512	$ 26,441	$ 9,485,000

CLEARWATER COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GAAP BASIS
Year Ended September 30, 2021

	General	Road and Bridge	Ambulance	Consolidated Elections	District Court	County Fair	Justice	Drug Investigative	Court Interlock
REVENUES									
Property taxes	$ 1,286,370	$ 2,551	$ 144,293		$ 95,858	$ 31,333	$ 1,511,975		
Licenses and permits	195,032		3,043				22,058		
Intergovernmental revenue	922,670	1,880,982	77,706		188,795	275	1,123,288		
Charges for services	76,985	2,413	480,406				404,788		
Interest and rent	7,454		2,820						
Fines and penalties					35,637		73,100		
Other revenue	34,094	30,129	1,210	$ 63,105	54,371		36,063	$ 3,330	$ 398
Total revenues	2,522,605	1,916,075	709,478	63,105	374,661	31,608	3,171,272	3,330	398
EXPENDITURES									
General government	2,076,589			50,269	271,206				
Public safety	194,640		674,087				3,055,032		946
Public works		1,737,755							
Health and welfare									
Culture and recreation						32,500			
Other	78,667								
Total expenditures	2,349,896	1,737,755	674,087	50,269	271,206	32,500	3,055,032	0	946
OTHER FINANCING SOURCES (USES)									
Operating transfers in									
Operating transfers out									
Total other financing sources (uses)	0	0	0	0	0	0	0	0	0
NET CHANGES IN FUND BALANCES	172,709	178,320	35,391	12,836	103,455	(892)	116,240	3,330	(548)
FUND BALANCES AT BEGINNING OF YEAR	1,050,740	1,551,512	316,584	201,041	243,531	1,401	929,501	25,386	3,587
FUND BALANCES AT END OF YEAR	$ 1,223,449	$ 1,729,832	$ 351,975	$ 213,877	$ 346,986	$ 509	$ 1,045,741	$ 28,716	$ 3,039

CLEARWATER COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GAAP BASIS
Year Ended September 30, 2021

	Health District	Historical Society	Court Facilities	Drug Court	Social Services	Junior College	Parks	Predatory Animals	Reappraisal
REVENUES									
Property taxes	$ 69,482	$ 19,960			$ 262,926		$ 5,520	$ 3,063	$ 158,286
Licenses and permits									
Intergovernmental revenue	608	178		$ 9,000	2,259		48	27	34,111
Charges for services									
Interest and rent									
Fines and penalties			$ 2,620						
Other revenue				49,803	50,116		71	25	
Total revenues	70,090	20,138	2,620	58,803	315,301	$ 0	5,639	3,115	192,397
EXPENDITURES									
General government									129,000
Public safety				72,802					
Public works									
Health and welfare	66,810				329,078			3,000	
Culture and recreation		20,000				850	5,870		
Other									
Total expenditures	66,810	20,000	0	72,802	329,078	850	5,870	3,000	129,000
OTHER FINANCING SOURCES (USES)									
Operating transfers in									
Operating transfers out									
Total other financing sources (uses)	0	0	0	0	0	0	0	0	0
NET CHANGES IN FUND BALANCES	3,280	138	2,620	(13,999)	(13,777)	(850)	(231)	115	63,397
FUND BALANCES AT BEGINNING OF YEAR	17,429	2,100	12,921	65,020	446,326	17,225	10,951	1,007	72,319
FUND BALANCES AT END OF YEAR	$ 20,709	$ 2,238	$ 15,541	$ 51,021	$ 432,549	$ 16,375	$ 10,720	$ 1,122	$ 135,716

CLEARWATER COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GAAP BASIS
Year Ended September 30, 2021

	Enhanced 911	Solid Waste	Current Expense Tort	Noxious Weed	Snowmobile	County Vessel	Disaster Declaration	Sunnyside Complex Fire
REVENUES								
Property taxes			$ 76,655	$ 130,167				
Licenses and permits					$ 1,862	$ 108,195		
Intergovernmental revenue		$ 107	669	1,140		41,861		
Charges for services				421				
Interest and rent								
Fines and penalties								
Other revenue	$ 107,548	981,618			6,807			$ 4,708
Total revenues	107,548	981,725	77,324	131,728	8,669	150,056	$ 0	4,708
EXPENDITURES								
General government			73,129					
Public safety	135,669							
Public works				130,985				
Health and welfare		933,947						
Culture and recreation					10,719	101,272		
Other								
Total expenditures	135,669	933,947	73,129	130,985	10,719	101,272	0	0
OTHER FINANCING SOURCES (USES)								
Operating transfers in								
Operating transfers out							(262,517)	
Total other financing sources (uses)	0	0	0	0	0	0	(262,517)	0
NET CHANGES IN FUND BALANCES	(28,121)	47,778	4,195	743	(2,050)	48,784	(262,517)	4,708
FUND BALANCES AT BEGINNING OF YEAR	81,314	166,478	49,051	38,352	9,452	45,281	262,517	40,583
FUND BALANCES AT END OF YEAR	$ 53,193	$ 214,256	$ 53,246	$ 39,095	$ 7,402	$ 94,065	$ 0	$ 45,291

CLEARWATER COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GAAP BASIS
Year Ended September 30, 2021

	American Rescue Plan	Capital Trust	Dent Bridge Maintenance	Grants	Contingency Fund	Community Guardians	American Recovery	Fair Association	Total
REVENUES									
Property taxes								$ 32,528	$ 3,830,967
Licenses and permits									330,190
Intergovernmental revenue				$ 154,013					4,437,737
Charges for services								3,324	968,337
Interest and rent							$ 137	2	10,413
Fines and penalties									111,357
Other revenue	$ 50,000	$ 184,000		53,715	$ 18,000		800,375		2,529,486
Total revenues	50,000	184,000	$ 0	207,728	18,000	$ 0	800,512	35,854	12,218,487
EXPENDITURES									
General government	218								2,600,411
Public safety				17,833					4,151,009
Public works		314,108	791						2,183,639
Health and welfare				171,383					1,504,218
Culture and recreation				250				32,959	204,420
Other									78,667
Total expenditures	218	314,108	791	189,466	0	0	0	32,959	10,722,364
OTHER FINANCING SOURCES (USES)									
Operating transfers in		262,517							262,517
Operating transfers out									(262,517)
Total other financing sources (uses)	0	262,517	0	0	0	0	0	0	0
NET CHANGES IN FUND BALANCES	49,782	132,409	(791)	18,262	18,000	0	800,512	2,895	1,496,123
FUND BALANCES AT BEGINNING OF YEAR	0	133,396	269,746	212,568	673,965	927	0	23,546	6,975,757
FUND BALANCES AT END OF YEAR	$ 49,782	$ 265,805	$ 268,955	$ 230,830	$ 691,965	$ 927	$ 800,512	$ 26,441	$ 8,471,880

CLEARWATER COUNTY, STATE OF IDAHO

FIDUCIARY FUNDS
COMBINING BALANCE SHEET - GAAP BASIS
September 30, 2021

	Catastrophic Claims Trust	Other Taxing Districts	Unclaimed Property Trust	Other Trust Accounts	Total
ASSETS					
Cash and investments	$ 6,865	$ 141,090	$ 0	$ 487,625	$ 635,580
Taxes receivable		306,698			306,698
Intergovernmental receivable		70,391			70,391
Total assets	6,865	$ 518,179	$ 0	$ 487,625	$ 1,012,669
LIABILITIES					
Warrants payable		$ 139,221		$ 7,164	$ 146,385
Due to other governments		378,958			378,958
Due to other individuals			$ 0	480,461	480,461
Total liabilities	0	$ 518,179	$ 0	$ 487,625	$ 1,005,804
NET POSITION	$ 6,865	$ 0	$ 0	$ 0	$ 6,865

CLEARWATER COUNTY, STATE OF IDAHO

FIDUCIARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION - GAAP BASIS
Year Ended September 30, 2021

	Catastrophic Claims Trust	Other Taxing Districts	Unclaimed Property Trust	Other Trust Accounts	Total
REVENUES					
Property taxes		$ 6,469,280			$ 6,469,280
Licenses and permits		997,205			997,205
Intergovernmental revenue		1,680,578			1,680,578
Charges for services		7,048			7,048
Fines and penalties		101,670			101,670
Other receipts			$ 422	$ 7,868	8,290
Refunds and reimbursements	$ 11,348				11,348
Total revenues	11,348	9,255,781	422	7,868	9,275,419
EXPENDITURES					
Disbursed for beneficiaries	7,059	9,255,781	422	7,868	9,271,130
Disbursed for Clearwater Valley Hospital					
Total expenditures	7,059	9,255,781	422	7,868	9,271,130
OTHER FINANCING SOURCES (USES)					
Operating transfers in					
Operating transfers out					
Total other financing sources (uses)	0	0	0	0	0
EXCESS OF REVENUES OVER EXPENDITURES	4,289	0	0	0	4,289
NET POSITION AT BEGINNING OF YEAR	2,576				2,576
NET POSITION AT END OF YEAR	$ 6,865	$ 0	$ 0	$ 0	$ 6,865

CLEARWATER COUNTY, STATE OF IDAHO

ALL COUNTY FUNDS
COMBINING BALANCE SHEET
September 30, 2021

	County Funds	Private Purpose Trusts	Custodial Funds
ASSETS			
Current assets			
Cash and investments	$ 8,339,510	$ 6,865	$ 628,715
Taxes receivable	215,324		306,698
Intergovernmental receivable	930,166		70,391
Total current assets	9,485,000	6,865	1,005,804
Total assets	$ 9,485,000	$ 6,865	$ 1,005,804
LIABILITIES			
Current liabilities			
Warrants payable	$ 453,413		$ 146,385
Due to other governments			378,958
Due to other individuals			480,461
Unearned revenue	559,707		
Total current liabilities	1,013,120	$ 0	1,005,804
Total liabilities	1,013,120	0	1,005,804
FUND BALANCES	8,471,880	6,865	0
Total liabilities and fund balances	$ 9,485,000	$ 6,865	$ 1,005,804

CLEARWATER COUNTY, STATE OF IDAHO

ALL COUNTY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
Year Ended September 30, 2021

	County Funds	Private Purpose Trusts	Custodial Funds
REVENUES			
Property taxes	$ 3,830,967		$ 6,469,280
Licenses and permits	330,190		997,205
Intergovernmental revenue	4,437,737		1,680,578
Charges for services	968,337		7,048
Interest and rent	10,413		
Fines and penalties	111,357		101,670
Other revenue	2,529,486	$ 11,348	8,290
Total revenues	12,218,487	11,348	9,264,071
EXPENDITURES			
General government	2,600,411		
Public safety	4,151,009		
Public works	2,183,639		
Health and welfare	1,504,218		
Culture and recreation	204,420		
Other	78,667		
Disbursed for beneficiaries		7,059	
Allocated to other governments			9,264,071
Total expenditures	10,722,364	7,059	9,264,071
OTHER FINANCING SOURCES (USES)			
Operating transfers in	262,517		
Operating transfers out	(262,517)		
Total other financing sources (uses)	0	0	0
NET CHANGES IN FUND BALANCES	1,496,123	4,289	0
FUND BALANCES AT BEGINNING OF YEAR	6,975,757	2,576	0
FUND BALANCES AT END OF YEAR	$ 8,471,880	$ 6,865	$ 0

CLEARWATER COUNTY DATA

The information below covers the population, land and some economic factors of the citizens and area that it serves.

Clearwater County Population	8,895
City of Orofino Population	3,275
City of Pierce Population	472
City of Weippe Population	405
City of Elk River Population	141
Area of Clearwater County	1,572,681
Federal Land	53.75%
Unemployment Rate	5.80%
Market Value	$758,828,962

SINGLE AUDIT SECTION

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INDEPENDENT AUDITOR'S REPORT – *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Clearwater County, State of Idaho
Orofino, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clearwater County, State of Idaho, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clearwater County, State of Idaho's basic financial statements, and have issued our report thereon dated February 10, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clearwater County, State of Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clearwater County, State of Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clearwater County, State of Idaho's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clearwater County, State of Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Presnell Gage PLLC

February 10, 2023

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INDEPENDENT AUDITOR'S REPORT – *UNIFORM GUIDANCE*

Board of Commissioners
Clearwater County, State of Idaho
Orofino, Idaho

Report on Compliance for Each Major Federal Program

We have audited the Clearwater County, State of Idaho's compliance with the types of compliance requirements described in the OMB's *Compliance Supplement* that could have a direct and material effect on each of the Clearwater County, State of Idaho's major federal programs for the year ended September 30, 2021. Clearwater County, State of Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, the Clearwater County, State of Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the Clearwater County, State of Idaho, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Clearwater County, State of Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clearwater County, State of Idaho's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Presnell Gage PLLC

February 10, 2023

CLEARWATER COUNTY, STATE OF IDAHO

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

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
* Material weakness(es) identified	_____ yes	_X_ no
* Significant deficiencies identified that are not considered to be material weaknesses?	_____ 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 deficiencies identified that are not considered to be material weaknesses?	_____ 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 the Uniform Guidance:	_____ yes	_X_ no

Identification of major programs:

CFDA Numbers	Name of federal program or cluster
10.665	Federal Forest Receipts

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	__X__ yes	__ no

CLEARWATER COUNTY, STATE OF IDAHO

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

Section II -- Financial Statement Findings

No matters were reported.

Section III -- Federal Award Findings and Questioned Costs

No matters were reported.

CLEARWATER COUNTY, STATE OF IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended September 30, 2021

	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
DEPARTMENT OF AGRICULTURE				
Passed through the State of Idaho -				
Department of Lands				
Schools and Roads Grants to States -				
Federal Forest Receipts	10.665		$ 524,830	$ 988,029 *
				988,029
DEPARTMENT OF TRANSPORTATION				
Passed through the State of Idaho -				
Department of Transportation				
Highway Planning and Construction	20.205		None	2,335
Highway Safety Cluster				
State and Community Highway Safety	20.600		None	7,681
National Priority Safety Programs	20.616		None	3,986
Subtotal Highway Safety cluster				11,667
				14,002
DEPARTMENT OF THE TREASURY				
Passed through the State of Idaho -				
Office of the Governor				
Coronavirus Relief Fund	21.019	20-1892-0-1-806	None	153,000
				153,000
ELECTION ASSISTANCE COMMISSION				
Passed through the State of Idaho -				
Secretary of State				
HAVA Election Security Grants	90.404	ID20101CARES-01	None	27,609
				27,609
DEPARTMENT OF HOMELAND SECURITY				
Passed through the State of Idaho -				
Department of Parks and Recreation				
Boating Safety Financial Assistance	97.012	14.01.16	None	41,861
Military Division				
Emergency Management Performance Grant	97.042	EMS2019EP00002	None	12,400
Homeland Security Grant Program	97.067	EMW2020SS00070	None	38,339
				92,600
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,275,240

NOTE 1: BASIS OF PRESENTATION

The schedule includes federal award activity of the County under programs of the federal government for the year ended September 30, 2020. The information in this schedule is presented in compliance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: DE MINIMIS INDIRECT COST RATE

The County did not elect to use the 10 percent de minimis cost rate.

NOTE 4: MAJOR PROGRAMS

Programs indicated with "*" are major programs as reported on the schedule of findings and questions costs.