NEZ PERCE COUNTY, STATE OF IDAHO

FINANCIAL STATEMENTS

Year Ended September 30, 2021

NEZ PERCE COUNTY, STATE OF IDAHO

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3-5
MANAGEMENT'S DISCUSSION AND ANALYSIS (M D & A)	6-12
BASIC FINANCIAL STATEMENTS	
COUNTY-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	13
Statement of Activities	14-15
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	16-17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18-19
Statement of Fiduciary Net Position - Fiduciary Funds	20
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	21
NOTES TO FINANCIAL STATEMENTS	22
REQUIRED SUPPLEMENTARY INFORMATION (RSI)	
Schedule of Pension Funding	42
Budgetary Comparison Schedule – General	43
Budgetary Comparison Schedule – General Road	44
Budgetary Comparison Schedule – Federal and State Matching	45
Budgetary Comparison Schedule – Justice	46
Budgetary Comparison Schedule – Airport	47
Required Supplementary Information – Modified Approach for Infrastructure Reporting	48
SUPPLEMENTARY INFORMATION	
Governmental Funds	
Combining Balance Sheet – GAAP Basis	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - GAAP Basis	55
Fiduciary Funds	
Combining Balance Sheet - GAAP Basis	60
Combining Statement of Changes in Fiduciary Net Position	61
SINGLE AUDIT SECTION	
Independent Auditor's Report – *Government Auditing Standards*	63
Independent Auditor's Report – *Uniform Guidance*	65
Schedule of Findings and Questioned Costs	67
Schedule of Expenditures of Federal Awards – Modified Accrual Basis	69

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Nez Perce County, State of Idaho
Lewiston, 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 Nez Perce 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 Nez Perce 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, schedule of pension funding, and budgetary comparison information on pages 6 through 12 and 42 through 48, 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 Nez Perce 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 March 2, 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 Nez Perce 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 May 25, 2022, on our consideration of the Nez Perce 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 Nez Perce County, State of Idaho's internal control over financial reporting and compliance.

PRESNELL GAGE PLLC

May 25, 2022

Our discussion and analysis of the County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2021.

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 13 through 15) 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 16 to 19) also report the County's operations in more detail than the County-wide statements by providing information about the County's most significant funds.

- The fiduciary funds (pages 20 and 21) 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.

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 amounted to $83,855,421 at year-end. This includes $58,831,195 in capital assets, net of related debt.

- The County's net position increased by $6,505,080 as a result of this year's operations (compared to an increase of $5,159,399 in 2020 and an increase of $5,315,581 in 2019).

The Statement of Net Position and the Statement of Activities (Continued)

Following is an overview of the County's statements of net position:

	2021	2020	Change
Current/other assets	$ 36,093,472	$ 28,735,265	
Capital assets (net)	58,831,195	57,469,823	
Total assets	$ 94,924,667	$ 86,205,088	$ 8,719,579
Deferred outflows of resources	$ 3,861,000	$ 2,043,000	$ 1,818,000
Current liabilities	5,085,338	1,432,900	
Noncurrent liabilities	1,243,908	9,203,847	
Total liabilities	$ 6,329,246	$ 10,636,747	$ (4,307,501)
Deferred inflows of resources	$ 8,601,000	$ 261,000	$ 8,340,000
Net position			
Invested in capital assets	58,831,195	57,469,823	
Unrestricted	25,024,226	19,880,518	
Net position	$ 83,855,421	$ 77,350,341	$ 6,505,080

The total cost of County operations amounted to $29,411,364 of which $3,645,374 was generated from charges for services, and $8,233,779 was generated from program revenues. General revenues amounted to $24,037,291.

Revenues are generally derived from the following sources:

	2021	2020	Change
Program Revenues			
Charges for services	$ 3,645,374	$ 4,448,969	
E-911 telephone line charges	699,250	698,762	
Highway user's revenue	2,397,387	2,247,763	
Other grants	5,137,142	6,008,338	
Total program revenues	$ 11,879,153	$ 13,403,832	$ (1,524,679)
General Revenues			
Property taxes	$ 19,105,852	$ 18,930,585	
State of Idaho sales tax	3,442,333	2,943,642	
State liquor and tobacco taxes	834,556	673,288	
Investment earnings	72,257	359,408	
Other	582,293	1,071,199	
Total general revenues	$ 24,037,291	$ 23,978,122	$ 59,169

The Statement of Net Position and the Statement of Activities (Continued)

- Some of the significant changes in expenses for 2021 were:
    - Road department purchased 2 pickups, 2 dump trucks, and right-of-way land acquisitions for Webb Road Phase II.
    - Sheriff's department purchased and fully equipped 3 patrol vehicles.
    - Ad Valorem purchased a 2017 Ford Edge.
    - Federal Aid in the amount of $4,980,542 for COVID-19 relief was received during 2021 with $1,056,153 being spent during 2021 and $3,924,389 deferred to future years.
    - Multiple large complex fires impacted County residents resulting in disaster declarations and follow up mitigation.
    - Addition to Juvenile Detention to accommodate moving Juvenile and Adult Probation with expenses for fiscal year 2021 in the amount of $1,051,425.47.
    - Courthouse Project Fund saved $5,311,279 as of September 30, 2021.

The Statement of Net Position and the Statement of Activities (Continued)

A table of the expenses by each function compared to the prior year follows:

	Functional Expenses		Increase
	2021	2020	(Decrease)
GENERAL GOVERNMENT			
GENERAL SERVICES			
General government	$ 1,106,431	$ 1,015,149	$ 91,282
Treasurer/tax collector	291,568	308,752	(17,184)
Assessor	558,464	538,923	19,541
Elections	227,776	289,062	(61,286)
Information services	935,682	998,418	(62,736)
Payroll burden and insurance	1,164,304	1,154,189	10,115
LICENSING AND PUBLIC SERVICES			
Auditor/recorder	481,500	468,846	12,654
Motor vehicle licenses	607,662	586,346	21,316
Planning and building	213,586	189,002	24,584
LEGAL SYSTEM			
District and drug court	1,410,359	1,419,338	(8,979)
Prosecuting attorney	1,475,682	1,314,433	161,249
PUBLIC SAFETY			
E-911	679,765	717,139	(37,374)
Coroner	172,719	122,607	50,112
Fire	9,946	5,340	4,606
Emergency services	398,252	309,994	88,258
Sheriff	2,792,662	2,763,239	29,423
Public defender	1,242,831	1,206,596	36,235
County jail	3,745,825	3,566,828	178,997
Detention and probation programs	1,236,493	2,158,706	(922,213)
Payroll burden and insurance	2,756,041	2,646,447	109,594
PUBLIC WORKS			
Transportation-roads, bridges, airport	5,403,283	5,210,070	193,213
Noxious weeds	51,156	49,638	1,518
HEALTH AND WELFARE			
Solid waste	914,642	939,968	(25,326)
Charity/indigent assistance	1,652,403	894,616	757,787
North Idaho Health District	314,749	317,087	(2,338)
Junior College Tuition	11,400	21,400	(10,000)
CULTURE AND RECREATION			
Recreation - boat, snowmobile, and fair	1,149,634	1,502,277	(352,643)
County agent	152,549	151,145	1,404
PERSI RETIREMENT ACTUARIAL CHANGES	(1,746,000)	1,357,000	(3,103,000)
	$ 29,411,364	$ 32,222,555	$ (2,811,191)

Fund Financial Statements

The fund financial statements begin on page 16 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.

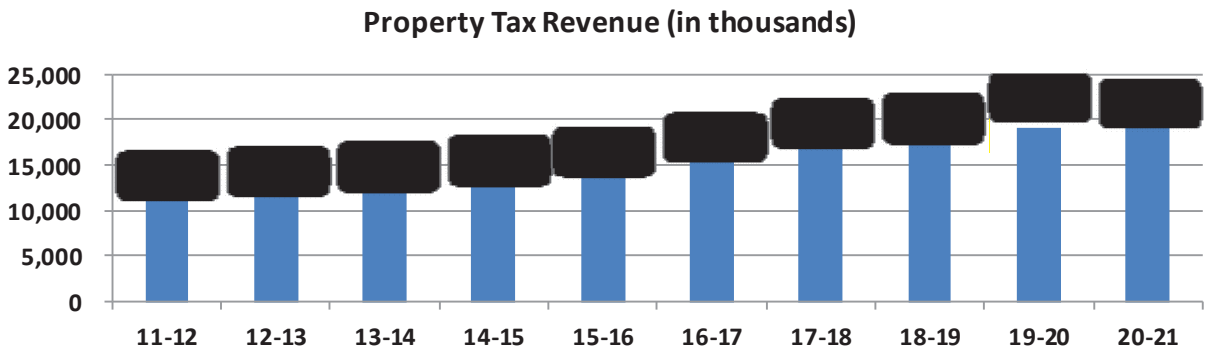
Fiduciary funds—The County is the fiduciary for licenses and fines collected for the State of Idaho and for property taxes and intergovernmental revenue collected for other taxing districts. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position on page 19. 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.

Financial Highlights

The governmental fund balances of the County increased by $3,560,438 (compared to an increase of $3,256,381 in 2020 and an increase of $1,332,257 in 2019). Fund balances are the part of net position that can be used to finance day-to-day operations. The increase is partially due to saving for the future Courthouse and the Pandemic.

Approximately 55 percent of total County revenue is provided by the property taxes, which are based upon property valuations and requested tax levies, which are subject to budget hearings. This is down from 56 percent in 2020.

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



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the County had $58,831,195 net of accumulated depreciation invested in capital assets, including buildings, bridges, roads, and major equipment. This amount represents a net increase of $1,361,372. Current year capital outlay of $3,972,443 was more than depreciation of $2,606,276. Capital outlay in 2020 totaled $6,082,870. More detailed information about the County's capital assets is presented in Notes 1 and 6 to the financial statements.

The largest portion of the County's net position represents its investment in County roads and bridges. Capitalized road costs amount to $140,535,371, or $11,648,872 net of accumulated depreciation. The County uses these capital assets for the benefit of its citizens; consequently, these assets are not available for future spending.

The County jointly owns with the City of Lewiston the Lewiston-Nez Perce County Regional Airport, which is managed by the Lewiston Nez Perce County Airport Authority. The County's 50 percent share of the capital assets of the airport is recorded on the County's financial statements. The County uses the modified approach to account for airport infrastructure assets and cost basis for all other infrastructure. The target condition level for airport infrastructure is 60. The most current reported condition level was 72.

Long-Term Debt. The County currently has no long-term debt.

Net Pension Asset. The County recognized a net pension asset of $269,000 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 $3,861,000 and deferred inflows of $8,601,000 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 3 percent increase (plus any new construction growth) in property taxes. The County has seen continued increases in the amount of new construction from fiscal year 2017 through fiscal year 2021.

2021	$ 26,175,650
2020	30,543,779 + $37,643,926 for the closing of URA, Area #3
2019	26,619,650
2018	41,109,823
2017	100,591,258 + $55,802,236 for the closing of URA, Area #2

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 208-799-3020 in Lewiston, Idaho.

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NEZ PERCE COUNTY, STATE OF IDAHO

STATEMENT OF NET POSITION
September 30, 2021

	Governmental Activities	Prior Year 2020	Prior Year 2019
ASSETS			
Current assets			
Cash	$ 8,076,804	$ 3,648,506	$ 2,956,975
Investments	24,943,879	22,119,704	19,067,791
Property taxes receivable	691,979	824,581	1,048,928
Intergovernmental receivable	1,907,291	1,955,510	1,820,460
Other receivables	204,519	186,964	697,252
Total current assets	35,824,472	28,735,265	25,591,406
Noncurrent assets			
Net pension asset	269,000		
Capital assets	218,788,549	214,870,050	208,868,454
Less accumulated depreciation	(159,957,354)	(157,400,227)	(155,051,359)
Total noncurrent assets	59,100,195	57,469,823	53,817,095
Total assets	94,924,667	86,205,088	79,408,501
DEFERRED OUTFLOWS OF RESOURCES			
Defined benefit pension	3,861,000	2,043,000	923,000
LIABILITIES			
Current liabilities			
Warrants payable	1,155,079	1,418,675	1,263,565
Accounts payable	4,042	7,828	6,589
Accrued expenses	1,827	6,397	5,353
Unearned revenue	3,924,390		
Total current liabilities	5,085,338	1,432,900	1,275,507
Noncurrent liabilities			
Net pension liability		7,999,000	3,965,000
Compensated absences	1,243,908	1,204,847	1,082,052
Total noncurrent liabilities	1,243,908	9,203,847	5,047,052
Total liabilities	6,329,246	10,636,747	6,322,559
DEFERRED INFLOWS OF RESOURCES			
Defined benefit pension	8,601,000	261,000	1,818,000
NET POSITION			
Invested in capital assets, net of related debt	58,831,195	57,469,823	53,817,095
Unrestricted	25,024,226	19,880,518	18,373,847
Total net position	$ 83,855,421	$ 77,350,341	$ 72,190,942

NEZ PERCE 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
GENERAL GOVERNMENT						
GENERAL SERVICES						
General government	$ 1,106,431	$ 142,252	$ 488,905	$ (475,274)	$ (765,566)	$ (483,627)
Treasurer/tax collector	291,568			(291,568)	(308,752)	(315,931)
Assessor	558,464	1,678		(556,786)	(537,212)	(509,785)
Elections	227,776		209,011	(18,765)	(135,585)	(58,497)
Information services	935,682			(935,682)	(998,418)	(949,624)
Payroll burden and insurance	1,164,304			(1,164,304)	(1,154,189)	(1,075,653)
LICENSING AND PUBLIC SERVICES						
Auditor/recorder	481,500	267,668		(213,832)	(227,114)	(239,199)
Motor vehicle licenses	607,662	391,658		(216,004)	(205,847)	(180,503)
Planning and building	213,586	330,952	38,287	155,653	29,712	(25,605)
LEGAL SYSTEM						
District and drug court	1,410,359	347,556	22,780	(1,040,023)	(1,042,047)	(970,095)
Prosecuting attorney	1,475,682	138,141	371,589	(965,952)	(1,168,941)	(1,200,298)
PUBLIC SAFETY						
E-911	679,765		699,250	19,485	(18,377)	477,778
Coroner	172,719			(172,719)	(122,607)	(133,988)
Fire	9,946			(9,946)	(5,340)	(8,461)
Emergency services	398,252		293,178	(105,074)	(132,755)	(78,680)
Sheriff	2,792,662	238,355	17,622	(2,536,685)	(2,518,397)	(2,421,084)
Public defender	1,242,831			(1,242,831)	(1,206,596)	(985,789)
County jail	3,745,825	622,347		(3,123,478)	(2,438,505)	(2,424,495)
Detention and probation programs	1,236,493	183,036	220,350	(833,107)	(1,772,916)	(1,661,973)
Payroll burden and insurance	2,756,041			(2,756,041)	(2,646,447)	(2,525,199)
PUBLIC WORKS						
Transportation-roads, bridges, airport	5,403,283		5,454,221	50,938	2,076,119	593,071
Noxious weeds	51,156		40,000	(11,156)	(9,638)	(9,347)
Balance forward	26,961,987	2,663,643	7,855,193	(16,443,151)	(15,309,418)	(15,186,984)

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

STATEMENT OF ACTIVITIES
Year Ended September 30, 2021

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Prior year 2020	Prior year 2019
Balance forward	$ 26,961,987	$ 2,663,643	$ 7,855,193	$ (16,443,151)	$ (15,309,418)	$ (15,186,984)
HEALTH AND WELFARE						
Solid waste	914,642	876,229		(38,413)	(81,420)	(32,684)
Charity/indigent assistance	1,652,403		161,482	(1,490,921)	(716,868)	(893,209)
North Idaho Health District	314,749			(314,749)	(317,087)	(321,775)
Junior College Tuition	11,400		70,133	58,733	3,600	(1,850)
CULTURE AND RECREATION						
Recreation - boat, snowmobile, and fair	1,149,634	105,376	128,283	(915,975)	(902,563)	(887,496)
County agent	152,549	126	18,688	(133,735)	(137,967)	(136,842)
PERSI RETIREMENT ACTUARIAL CHANGES	(1,746,000)			1,746,000	(1,357,000)	(6,000)
Total governmental activities	$ 29,411,364	$ 3,645,374	$ 8,233,779	(17,532,211)	(18,818,723)	(17,466,840)
General revenues:						
Property taxes, levied for general purposes				19,105,852	18,930,585	18,518,934
Sales tax used for property tax relief						249
Sales tax allocated to jail construction						30
State sales tax not restricted to specific programs				3,442,333	2,943,642	2,816,170
State liquor and tobacco taxes				834,556	673,288	631,998
Other state and federal funding not restricted to specific programs				218,401	190,455	169,940
Interest and investment earnings				72,257	359,408	467,753
Other				363,892	880,744	177,347
				24,037,291	23,978,122	22,782,421
Change in net position				6,505,080	5,159,399	5,315,581
Net position, beginning				77,350,341	72,190,942	66,875,361
Net position, ending				$ 83,855,421	$ 77,350,341	$ 72,190,942

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2021

	General	General Road	Federal and State Matching	Justice	Capital Project	Airport	Other Governmental Funds	Total Governmental Funds	Prior Year 2020	Prior Year 2019
ASSETS										
Cash and investments	$ 6,566,089	$ 3,538,280	$ 4,023,475	$ 3,649,693	$ 5,311,279	$ 2,055,045	$ 7,876,822	$ 33,020,683	$ 25,768,210	$ 22,024,766
Property taxes receivable	182,155	21,862	2,000	130,761		12,973	342,228	691,979	824,581	1,048,928
Intergovernmental receivable	33,712	856,555	776	974,319			41,929	1,907,291	1,955,510	1,820,460
Other receivables							204,519	204,519	186,964	697,252
Total assets	$ 6,781,956	$ 4,416,697	$ 4,026,251	$ 4,754,773	$ 5,311,279	$ 2,068,018	$ 8,465,498	$ 35,824,472	$ 28,735,265	$ 25,591,406
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Warrants payable	$ 249,382	$ 225,344	$ 31,577	$ 259,991			$ 388,785	$ 1,155,079	$ 1,418,675	$ 1,263,565
Claims payable							4,042	4,042	7,828	6,589
Accrued expenses							1,827	1,827	6,397	5,353
Total liabilities	249,382	225,344	31,577	259,991	$ 0	$ 0	394,654	1,160,948	1,432,900	1,275,507
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	2,356,545	21,861	2,000	130,761		1,762,975	381,468	4,655,610	854,889	1,124,804
Total deferred inflows of resources	2,356,545	21,861	2,000	130,761	0	1,762,975	381,468	4,655,610	854,889	1,124,804
FUND BALANCES										
Restricted for jail construction										2,053,733
Assigned for accounting accruals	33,712	856,555	776	974,319			126,448	1,991,810	2,022,474	2,397,712
Assigned for bridge construction			3,991,898					3,991,898	3,764,720	4,943,250
Assigned for E-911 wireless							1,170,041	1,170,041	1,185,199	543,760
Assigned for mandated appraisals							300,000	300,000	300,000	300,000
Assigned for juvenile detention	1,500,000							1,500,000	1,500,000	
Assigned for indigent							1,180,374	1,180,374	1,893,822	
Assigned for fairgrounds							37,304	37,304	330,000	
Assigned for solid waste							531,000	531,000	531,000	
Assigned for courthouse	2,500,000						238,393	2,738,393	225,295	
Assigned for airport						305,043		305,043	232,672	
Assigned for special revenue		3,312,937		3,389,702	5,311,279		4,105,816	16,119,734	12,798,524	10,655,229
Unassigned, reported in:										
General funds	142,317							142,317	1,663,770	2,297,411
Total fund balances	4,176,029	4,169,492	3,992,674	4,364,021	5,311,279	305,043	7,689,376	30,007,914	26,447,476	23,191,095
Total liabilities and fund balances	$ 6,781,956	$ 4,416,697	$ 4,026,251	$ 4,754,773	$ 5,311,279	$ 2,068,018	$ 8,465,498	$ 35,824,472	$ 28,735,265	$ 25,591,406

See accompanying notes

NEZ PERCE 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	$ 30,007,914	$ 26,447,476	$ 23,191,095
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:			
Cost of capital assets	218,788,549	214,870,050	208,868,454
Accumulated depreciation	(159,957,354)	(157,400,227)	(155,051,359)
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	3,861,000	2,043,000	923,000
Deferred inflows	(8,601,000)	(261,000)	(1,818,000)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Compensated absences to employees	(1,243,908)	(1,204,847)	(1,082,052)
Net pension (liability) asset	269,000	(7,999,000)	(3,965,000)
Property taxes receivable to be collected this year; but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the future.	611,220	734,889	1,004,804
Other accounts receivable to be collected; but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds:			
Indigent notes receivable	120,000	120,000	120,000
Total net position - Governmental Activities	$ 83,855,421	$ 77,350,341	$ 72,190,942

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

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

	General	General Road	Federal and State Matching	Justice	Capital Project	Airport	Other Governmental Funds	Total Governmental Funds	Prior year 2020	Prior year 2019
REVENUES										
Property taxes	$ 8,023,840	$ 636,763	$ 61,266	$ 5,782,873		$ 554,539	$ 4,176,345	$ 19,235,626	$ 19,197,924	$ 18,101,883
Licenses and permits	522,032	6,850		281,005			109,272	919,159	782,897	804,649
Intergovernmental revenue	921,016	3,250,334	255,679	4,394,084		96,499	756,677	9,674,289	9,056,300	9,695,750
Charges for services	368,661	763,033	3,456	873,610			1,912,725	3,921,485	3,813,211	3,812,985
Interest and rent	32,369			39,562			48,314	120,245	444,851	540,563
Fines and penalties				33,395			256,644	290,039	300,878	354,885
Other revenue	94,685	3,984	2,341	66,328	$ 5,268	2,333	465,393	640,332	687,183	453,663
Total revenues	9,962,603	4,660,964	322,742	11,470,857	5,268	653,371	7,725,370	34,801,175	34,283,244	33,764,378
EXPENDITURES										
General government	6,482,410			2,259,381			1,267,136	10,008,927	8,625,521	8,422,004
Public safety	632,306			8,684,523			4,286,112	13,602,941	12,588,968	12,716,170
Public works		3,930,762	218,899			581,000	50,360	4,781,021	6,377,188	5,789,192
Health and welfare							1,608,496	1,608,496	1,845,237	1,813,694
Culture and recreation							1,102,305	1,102,305	1,456,027	1,302,645
Debt service										2,250,000
Other	132,047						5,000	137,047	133,922	138,416
Total expenditures	7,246,763	3,930,762	218,899	10,943,904	0	581,000	8,319,409	31,240,737	31,026,863	32,432,121
EXCESS OF REVENUES OVER EXPENDITURES	2,715,840	730,202	103,843	526,953	5,268	72,371	(594,039)	3,560,438	3,256,381	1,332,257
OTHER FINANCING SOURCES (USES)										
Transfers in					1,750,000		6,000	1,756,000	2,256,000	2,653,018
Transfers out	(1,750,000)						(6,000)	(1,756,000)	(2,256,000)	(2,653,018)
Total other financing sources (uses)	(1,750,000)	0	0	0	1,750,000	0	0	0	0	0
NET CHANGE IN FUND BALANCES	965,840	730,202	103,843	526,953	1,755,268	72,371	(594,039)	3,560,438	3,256,381	1,332,257
FUND BALANCES AT BEGINNING OF YEAR	3,210,189	3,439,290	3,888,831	3,837,068	3,556,011	232,672	8,283,415	26,447,476	23,191,095	21,858,838
FUND BALANCES AT END OF YEAR	$ 4,176,029	$ 4,169,492	$ 3,992,674	$ 4,364,021	$ 5,311,279	$ 305,043	$ 7,689,376	$ 30,007,914	$ 26,447,476	$ 23,191,095

See accompanying notes

NEZ PERCE 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 change in fund balances - Governmental Funds	$ 3,560,438	$ 3,256,381	$ 1,332,257
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays used 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	3,972,443	6,082,870	3,708,322
Current year depreciation	(2,606,276)	(2,430,142)	(2,275,020)
Loss on disposal of non-fully depreciated capital assets	(4,795)		(432)
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:			
Current year repayment of long-term debt			2,200,000
Current year compensated absences	(1,243,908)	(1,204,847)	(1,082,052)
Prior year compensated absences	1,204,847	1,082,052	1,028,916
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	1,746,000	(1,357,000)	(6,000)
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 deferred tax revenues. They are, however, recorded as revenues in the statement of activities:			
Current year taxes receivable	611,220	734,889	1,004,804
County services reimbursements receivable	120,000	120,000	120,000
Prior year taxes receivable	(734,889)	(1,004,804)	(595,214)
Prior year County services reimbursements receivable	(120,000)	(120,000)	(120,000)
Change in net position - Governmental Activities	$ 6,505,080	$ 5,159,399	$ 5,315,581

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

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

	Private-Purpose Trusts	Custodial Funds
ASSETS		
Current assets		
Cash and investments	$ 19,259	$ 3,037,910
Property taxes receivable		1,111,287
Intergovernmental receivable		65,371
Other receivables		3,980,000
Total current assets	$ 19,259	$ 8,194,568
LIABILITIES		
Current liabilities		
Warrants payable	$ 2,387	$ 671,094
Claims payable	22,147	
Held in trust for other governments		2,316,737
Held in trust for employees	(5,275)	
Held in trust for individuals		5,206,737
Total current liabilities	$ 19,259	$ 8,194,568

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

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

	Private-Purpose Trusts	Custodial Funds
ADDITIONS		
Employee deductions	$ 123,423	
Property taxes		$ 1,466,282
Licenses and permits		3,893,487
Intergovernmental revenue		4,831,852
Charges for services		200,350
Fines and penalties		910,835
Other receipts		3,848,609
Total additions	123,423	15,151,415
DEDUCTIONS		
Allocated to beneficiaries	123,423	15,151,415
Total deductions	123,423	15,151,415
Change in net position	0	0
Net position at beginning of year	0	0
NET POSITION AT END OF YEAR	$ 0	$ 0

See accompanying notes

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. Nez Perce County was formed February 4, 1864, by an Act of Congress of the United States. The County operates under a commissioner form of government, with supervision of various departments by elected officials. Nez Perce 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.).

In conformity with GAAP, the financial statements of the Nez Perce County Fair Board (Fair Board) have been included in these financial statements as a blended component unit of Nez Perce County. Blended component units, although legally separate entities, are, in substance, part of the County's operations. These financial statements include the activity for the Fair Board for the year ended December 31, 2020.

The Fair Board is governed by a seven-member board appointed by the Nez Perce County Commissioners. The Fair Board is responsible for conducting the County Fair on behalf of Nez Perce County. For financial statement purposes, the Fair Board is reported as a special revenue fund of Nez Perce County. Complete financial statements for the Fair Board may be obtained at the Fair Board's administrative office: 1229 Burrell, Lewiston, Idaho 83501.

Joint Venture. The County operates the Lewiston-Nez Perce County Airport as a joint venture with the City of Lewiston. Capital improvements and the excess of operating expenses over revenue are funded 50-50 between the two entities. The operations of the airport are included in the Airport Authority’s financial statements. The revenues generated for the airport as the County's share of expenditures are included in these financial statements as a special revenue fund. The County’s share of the Airport’s capital assets are included in the County-wide statements.

Measurement Focus and Basis of Accounting. The accounting policies of Nez Perce 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, sales tax, 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 sales tax, grants, entitlements, and donations are 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, sales tax, grants, entitlements, and interest revenue are considered susceptible to accrual.

The County reports unavailable revenue in its fund financial statements. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unavailable 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 unavailable 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, the county commissioners.

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 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's governmental activities. 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 grants as program revenue, as well as the County allocation of administrative receipts from patrons for fees, licenses, solid waste, and driver's licenses.

Fund Financial Statements. The fund financial statements provide information about the County's funds including its fiduciary funds. Separate statements for each fund category—governmental 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 governmental 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 The County reports the following major governmental funds:

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued).

Governmental Funds (Continued)

- General Road. The "general road 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.

- Federal and State Matching. The "federal and state matching fund" may levy a special tax levy to be used for bridge maintenance and construction; or matching state and federal highway funds; or secondary highway construction, maintenance and improvements; or maintenance during an emergency.

- Justice. 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.

- Capital Project. The "capital project fund" is used to account for the accumulated funds available for future capital projects.

- Airport. The "airport fund" provides funding for the operations of the jointly owned Lewiston-Nez Perce County Airport.

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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments. Cash and investments include amounts in demand deposits, certificates of deposit, U.S. Treasury bills, the State of Idaho Local Government Investment Pool, and investments in a cash management account under a repurchase agreement with the bank.

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 district bonds, repurchase agreements, and tax and revenue anticipation bonds and notes.

Deposits in the State Treasurer's Local Government Investment Pool are stated at cost, which approximates market. 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.

Inventories. The costs of governmental fund 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.

The County capitalizes equipment with an original unit cost of $5,000 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 $500 and $5,000 is not capitalized for depreciation purposes, but is recorded for inventory tracking purposes only.

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: roads and bridges – 30 to 50 years; buildings - 30 years; vehicles - 7 years; machinery and equipment - 10 years; computer equipment - 3 years.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued). The County adopted the above capital asset policies retroactively in 2003 along with the adoption of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. These financial statements do not include the retroactive infrastructure reporting for land parcels owned by the County.

In accordance with GASB No. 34, the County has reported all capital assets including infrastructure in the county-wide statement of net position. The County elected to use the "Modified Approach" as defined by GASB No. 34 for reporting its airport infrastructure. As a result, no accumulated depreciation or depreciation expense has been recorded for the airport infrastructure. A more detailed discussion of the "Modified Approach" is presented in the required supplementary information section of this report.

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 County Fair Board. Non-appropriated annual budgets are adopted for the County Fair Board. 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.

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 vacation leave, sick leave, and compensatory time are reported as liabilities of the County. Upon termination, an employee is reimbursed for accumulated vacation days up to a maximum of 240 hours and accumulated compensatory time in full. Only employees with an excess of five years of County employment are reimbursed for sick leave, limited to a maximum payout of 240 hours (accumulation of up to 800 hours paid at 30 percent) times the employee's current regular pay rate.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/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 the cash is received. Homeland Security grants where the expenditures are made through the State of Idaho purchasing system are not budgeted.

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. For the year ended September 30, 2021, no fund expenditures exceed appropriations.

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.

The County adopted Resolution 2021-10-158 to amend the budget and provide an additional $150,000 to the General Fund.

2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Fund Transfers. The County budgeted for and transferred $1,750,000 from the general fund to capital project fund for courthouse construction. The County also budgeted and transferred $6,000 from the district court to the drug court.

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 was $8,076,804 for governmental activities and $3,057,169 for fiduciary funds. The bank balances amounted to $35,783,659. Of the bank balance, $979,495 was considered covered by Federal Depository Insurance. The remainder of the bank balance is considered uninsured and uncollaterized.

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

Idaho State Treasurer's Local Government Investment Pool	$ 24,943,879

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will reduce the value of the County's investments. The County does not have a policy regarding interest rate risk. Substantially, all investments are purchased with short-term maturities, which minimize the interest rate risk. The scheduled maturity of County investments is as follows:

	Fair Value
State Investment Pool	$ 24,943,879

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 by third parties in street name for the County.

Credit Risk. The County has no formal policy on the credit risk rating of investments. The County's investment in the Idaho State Treasurer's Local Government Investment Pool is not rated.

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.

4. PROPERTY TAXES (CONTINUED)

Details of property tax levies for all County funds are as follows:

County Assessed Market Value for Tax Purposes

	Total Market Valuation	All County Levy	Tax Charge
2020	$ 3,612,666,106	0.5005980%	$ 18,671,897
2019	3,435,600,919	0.5472993%	18,315,592
2018	3,310,577,411	0.5486252%	17,636,990
2017	3,256,293,018	0.5421997%	16,906,797
2016	2,957,056,235	0.5437024%	15,602,939
2015	2,818,376,280	0.5159378%	14,046,267
2014	2,679,805,076	0.4966748%	12,814,764
2013	2,619,839,711	0.5001985%	12,549,651
2012	2,558,063,712	0.4778861%	12,150,107
2011	2,608,274,845	0.4517572%	11,725,920

5. ACCOUNTS RECEIVABLE

Details of intergovernmental receivables at September 30, 2021, are as follows:

	Governmental Funds	Fiduciary Funds
State of Idaho sales tax	$ 967,719	$ 65,371
State of Idaho highway users tax	631,544	
State of Idaho federal grants pass through	257,933	
Other	50,095	
	$ 1,907,291	$ 65,371

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

	Governmental Funds	Fiduciary Funds
E-911 fees due from telephone companies	$ 63,135	
County services indigent reimbursement	7,335,356	
Allowance for uncollectible indigent reimbursements	(7,215,356)	
District court fines and penalties		$ 3,980,000
Other	21,384	
	$ 204,519	$ 3,980,000

6. CAPITAL ASSETS

A summary of changes in capital assets follows:

	10/1/2020	Additions	Deletions	9/30/2021
CAPITALIZED LISTING				
Capital assets, not being depreciated				
Land	$ 359,738	$ 65,447		$ 425,185
Airport land and improvements	5,688,341			5,688,341
Airport runways	14,447,916	939,030		15,386,946
Airport construction in progress	89,855	33,228		123,083
Capital assets, being depreciated				
Buildings	31,643,093	1,262,590		32,905,683
Bridges	8,631,083	120,077		8,751,160
Roads	140,421,792	113,579		140,535,371
Water and sewer	226,309			226,309
Boat ramps	711,158	19,768		730,926
Equipment	12,650,765	1,418,724	$ 53,944	14,015,545
	$214,870,050	$ 3,972,443	$ 53,944	218,788,549
ACCUMULATED DEPRECIATION				
Buildings	$ 14,807,092	$ 914,217		15,721,309
Bridges	4,940,753	163,428		5,104,181
Roads	128,137,912	748,587		128,886,499
Water and sewer	131,951	3,870		135,821
Boat ramps	377,691	37,720		415,411
Equipment	9,004,828	738,454	$ 49,149	9,694,133
	$157,400,227	$ 2,606,276	$ 49,149	159,957,354
Governmental activities, net capital assets				$ 58,831,195

Depreciation of $2,606,276 was charged to the following functions in the statement of activities:

Transportation	$ 1,151,908
Jail	705,361
Sheriff	133,539
E-911 Program	129,839
Airport Authority	188,372
All other functions	297,257

The Joint-Powers Agreement between the City of Lewiston, Airport Authority, and Nez Perce County states that the capital assets are equally owned by the City and the County. Accordingly, $7,394,911 of capital assets and $2,929,799 of accumulated depreciation have been added to the County's general fixed asset fund under buildings and equipment.

7. LONG-TERM DEBT

Compensatory Time. Most County employees earn compensatory time at the rate of 1 1/2 times actual hours for overtime hours worked. Compensatory time can be paid on a current basis or paid upon termination of employment at the employee's option.

Vacation Time. Employees are credited with 8 hours of vacation each month during the first year of employment and can be credited with up to 16 hours of vacation each month based upon the number of years employed by the County. A maximum of 240 hours of vacation may be accumulated. Unused vacation time is paid out upon termination of employment.

Sick Leave. Employees are credited with 8 hours of sick leave each month of employment. A maximum of 800 hours of unused sick leave will be paid at 30 percent times the employee's regular pay rate upon termination of employment (upon completion of 5 years or more of service).

The following is a summary of changes in general long-term debt:

	Balance 10/01/2020	Additions	Repayment	Balance 9/30/2021
Compensated absences				
Vacation time	$ 683,243	$ 4,568		$ 687,811
Sick leave	391,270		$ 1,672	389,598
Compensatory time	111,672	26,478		138,150
Other	7,651		613	7,038
Airport	4,151	1,058		5,209
Fair Board absences	6,860	9,242		16,102
Total compensated absences	$ 1,204,847	$ 41,346	$ 2,285	$ 1,243,908

8. 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.

9. FUND BALANCE AND DESIGNATIONS

Restricted Net Position. Restricted net positions on the government-wide statements represent amounts whose use is restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Net positions are restricted for debt service by the bond holder on the outstanding bond.

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

9. FUND BALANCE AND DESIGNATIONS (CONTINUED)

- ***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 55 percent of County revenue is received through property tax collections, which are available to the County in January and July. A substantial portion of the unreserved, undesignated fund balances are used to finance operations between property tax collections. In addition, the Commissioners have made the following designations for specific projects that are being planned by the County.

- ***Bridge Construction.*** The County is developing plans for required construction work on the Southway Bridge, Cherry Lane Bridge, Lenore Bridge, Pine Creek Bridge, McIntyre Bridge, Arrow/Highline Bridge, Bedrock Bridge, Cottonwood Creek Bridge, McCormick Ridge Bridge, Big Canyon Creek Bridge, and Webb Road phase II. The commissioners have designated the entire balance of the federal and state matching funds balance for these projects, as the County's share of these expenditures is currently expected to exceed the fund balance available.

- ***E-911 Wireless.*** The Commissioners have designated the entire remaining balance of the fund for E-911 software, upgrades, and next generation projects whose cost is expected to exceed the current E-911 fund balance.

- ***Mandated Appraisals.*** The Commissioners have designated $300,000 of the ad valorem fund balance for appraisal work that would be required in the event of a state mandated appraisal or for the defense of assessed values by taxpayers. This fund balance was last used in 2002 when the County was challenged on their property assessment values by Potlatch Corporation.

- **Juvenile Detention.** The Commissioners have designated $1.5 million of the general fund for the addition to the Juvenile Detention Center to house staff from the County probation departments.

- **Indigent.** The Commissioners have designated the entire remaining balance of the charity fund to cover unexpected increases in expenses due to complicated criminal trials and potential increases of need for uncovered medical expenses of indigent applicants. The County is statutorily liable for these expenses regardless of what is budgeted.

- **Fairgrounds.** The County is committed to expand the fairgrounds and provide funding for improvements. The Commissioners have designated the entire fund balance for such improvements, i.e. RV Park and new shop building.

- **Solid Waste.** The Commissioners have designated a portion of the solid waste fund balance for courthouse cleanup and cleanup of drug property in the amount of $531,000.

- **Courthouse.** The County has plans underway to build a new courthouse and has designated the entire balance of the court facilities fund and $2.5 million of the general fund.

9. FUND BALANCE AND DESIGNATIONS (CONTINUED)

- **Airport.** The Commissioners have designated the entire balance of the airport fund for potential incentive to attract air service development.

- ***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.

10. 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 (includes flood and earthquake)	Replacement cost coverage with a $2,500 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 $2,500 deductible

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

11. ECONOMIC DEPENDENCY

Approximately 55 percent of total County revenues are derived from local property taxes. Potlatch Forest Products Corp is a major property taxpayer in Nez Perce County, whose property assessment is approximately 13 percent of the total County property assessment. The largest ten property owners amount to 27 percent of the total County property assessment.

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.

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 as a percent of covered payroll 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 $1,528,187, $1,477,958 and $1,369,934 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 $269,000 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 0.34044306 percent.

13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Assets, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued). For the year ended September 30, 2021, the County recognized a net change in pension expense of $1,746,000. 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	$ 379,000	
Differences between expected and actual experience	$ 396,000	$ 156,000
Changes in assumptions or other inputs	$ 3,086,000	
Net difference between projected and actual earnings on pension plan investments		$ 8,445,000

Deferred out flows of resources in the amount of $379,000 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:

2022	$(1,204,000)
2023	(1,085,000)
2024	(948,000)
2025	(1,882,000)

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%

13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued). 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 including 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 liability 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	$9,347,000 liability	$269,000 asset	$8,151,000 asset

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

Nez Perce County offers its employees the opportunity to remain on the County medical insurance plan after they retire until age 65. Employees must meet the conditions for retirement of the Public Employee Retirement System of Idaho (PERSI), which generally requires that the employee's age plus number of years of service must total 90 (80 for sheriff's deputies). (Example: a 58-year-old employee with 32 years of service would be eligible to retire under the rule of 90.)

Retired employees must pay the full medical insurance premium. This arrangement is considered to include an implicit subsidy under accounting standards as the retired employee medical insurance premium is considered to be less than the actuarially determined premium for a retired individual in those circumstances. There are currently 2 retired employees taking advantage of this benefit. 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 in the opinion of the County's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 25, 2022, the date the financial statements were available to be issued.

17. TAX ABATEMENTS

The County enters into property tax abatements with local businesses under *Idaho Code* Section 63-602NN. Under the *Idaho Code*, the County may grant property tax abatements of up to 100 percent of plant investments that meet all tax incentive criteria as defined in *Code* Section 63-602NN subsection 2 through a direct reduction of the entity's property tax bill. The *Idaho Code* allows for the recapture of abated taxes in the event an abatement recipient does not meet all of the criteria for receiving the abatement or ceases to do business in the County.

17. TAX ABATEMENTS (CONTINUED)

Details of all property tax abatements that the County has entered into as of September 30, 2021, are as follows:

- A 75 percent reduction in assessed value to a pulp and paper product manufacturer for specified plant improvements not to exceed $61 million of assessed value in the first year and $81 million of assessed value for the next 4 years starting in tax year 2018. The abatement amounted to $1,385,644 for the year ended September 30, 2021.

- A 50 percent reduction in additional assessed value in the first year and 75 percent in the next four years to a bullet manufacturer for plant improvements effective for 5 years starting in tax year 2018. The abatement amounted to $408,464 for the year ended September 30, 2021.

- A 75 percent reduction in assessed value to a lumber manufacturer for specified plant improvements not to exceed $15 million of assessed value for the next 5 years starting in tax year 2020. The abatement amounted to $71,160 for the year ended September 30, 2021.

18. COMMITMENTS AND CONTINGENCIES

The commissioners have committed $4 million over 3 years to United Airlines to help subsidize their flight to Denver from the Lewiston-Nez Perce County Airport. The payouts will be $1.75 million, $1.25 million, and $1 million over fiscal years ending 2022, 2023, and 2024.

REQUIRED SUPPLEMENTARY INFORMATION

NEZ PERCE 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	$ 992,596	$ 992,596	$ 0	$ 9,553,400	10.39%	(1)	(1)	
2013	994,248	994,248	0	9,569,300	10.39%	(1)	(1)	
2014	1,090,739	1,090,739	0	9,635,500	11.32%	0.35298380%	$ 2,598,500	27%
2015	1,122,344	1,122,344	0	9,914,700	11.32%	0.35056460%	4,616,400	47%
2016	1,152,783	1,152,783	0	10,183,600	11.32%	0.34467310%	6,987,000	69%
2017	1,202,750	1,202,750	0	10,625,000	11.32%	0.35215540%	5,535,000	52%
2018	1,274,631	1,274,631	0	11,260,000	11.32%	0.34632820%	5,108,000	45%
2019	1,369,934	1,369,934	0	12,101,900	11.32%	0.34736290%	3,965,000	33%
2020	1,477,958	1,477,958	0	12,288,962	12.03%	0.34447850%	7,999,000	65%
2021	1,528,187	1,528,187	0	12,700,451	12.03%	0.34044306%	(269,000)	-2%

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

NEZ PERCE COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2021

GENERAL	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	$ 7,947,811	$ 7,947,811	$ 8,023,840	$ 76,029
Other revenues	1,996,466	2,146,466	1,951,470	(194,996)
Total revenues	9,944,277	10,094,277	9,975,310	(118,967)
EXPENDITURES				
Salaries and wages	3,512,238	3,662,238	3,320,802	341,436
Other expenditures	6,467,355	6,467,355	3,925,961	2,541,394
Total expenditures	9,979,593	10,129,593	7,246,763	2,882,830
EXCESS OF REVENUES OVER EXPENDITURES	(35,316)	(35,316)	2,728,547	2,763,863
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,250,000)	(1,250,000)	(1,750,000)	(500,000)
Total other financing sources (uses)	(1,250,000)	(1,250,000)	(1,750,000)	(500,000)
NET CHANGE IN FUND BALANCE	(1,285,316)	(1,285,316)	978,547	2,263,863
FUND BALANCE AT BEGINNING OF YEAR	1,285,316	1,285,316	3,163,770	1,878,454
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 4,142,317	$ 4,142,317

The County budgets revenue on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Intergovernmental and other revenues are recognized in revenue when received for budgetary purposes.

Revenues on GAAP basis	$ 9,962,603
Accrued intergovernmental revenue	(33,712)
Prior year accrued revenue	46,419
Revenues of budgetary basis	$ 9,975,310

NEZ PERCE COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2021

GENERAL ROAD	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	$ 621,132	$ 621,132	$ 636,763	$ 15,631
Other revenues	2,799,432	2,799,432	4,001,392	1,201,960
Total revenues	3,420,564	3,420,564	4,638,155	1,217,591
EXPENDITURES				
Salaries and wages	1,321,897	1,321,897	1,251,155	70,742
Other expenditures	3,686,163	3,686,163	2,679,607	1,006,556
Total expenditures	5,008,060	5,008,060	3,930,762	1,077,298
NET CHANGE IN FUND BALANCE	(1,587,496)	(1,587,496)	707,393	2,294,889
FUND BALANCE AT BEGINNING OF YEAR	1,587,496	1,587,496	2,605,544	1,018,048
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 3,312,937	$ 3,312,937

The County budgets revenue on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Intergovernmental and other revenues are recognized in revenue when received for budgetary purposes.

Revenues on GAAP basis	$ 4,660,964
Accrued intergovernmental revenue	(856,555)
Prior year accrued revenue	833,746
Revenues of budgetary basis	$ 4,638,155

NEZ PERCE COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2021

FEDERAL AND STATE MATCHING	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	$ 51,577	$ 51,577	$ 61,266	$ 9,689
Other revenues			384,811	384,811
Total revenues	51,577	51,577	446,077	394,500
EXPENDITURES				
Other expenditures	1,951,000	1,951,000	218,899	1,732,101
Total expenditures	1,951,000	1,951,000	218,899	1,732,101
NET CHANGE IN FUND BALANCE	(1,899,423)	(1,899,423)	227,178	2,126,601
FUND BALANCE AT BEGINNING OF YEAR	1,899,423	1,899,423	3,764,720	1,865,297
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 3,991,898	$ 3,991,898

The County budgets revenue on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Intergovernmental and other revenues are recognized in revenue when received for budgetary purposes.

Revenues on GAAP basis	$ 322,742
Accrued intergovernmental revenue	(776)
Prior year accrued revenue	124,111
Revenues of budgetary basis	$ 446,077

NEZ PERCE COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2021

JUSTICE

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	$ 5,706,802	$ 5,706,802	$ 5,782,873	$ 76,071
Other revenues	4,687,692	4,687,692	5,623,675	935,983
Total revenues	10,394,494	10,394,494	11,406,548	1,012,054
EXPENDITURES				
Salaries and wages	6,904,846	6,904,846	6,492,811	412,035
Other expenditures	5,302,066	5,302,066	4,451,093	850,973
Total expenditures	12,206,912	12,206,912	10,943,904	1,263,008
NET CHANGE IN FUND BALANCE	(1,812,418)	(1,812,418)	462,644	2,275,062
FUND BALANCE AT BEGINNING OF YEAR	1,812,418	1,812,418	2,927,058	1,114,640
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 3,389,702	$ 3,389,702

The County budgets revenue on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Intergovernmental and other revenues are recognized in revenue when received for budgetary purposes.

Revenues on GAAP basis	$ 11,470,857
Accrued intergovernmental revenue	(974,319)
Prior year accrued revenue	910,010
Revenues of budgetary basis	$ 11,406,548

NEZ PERCE COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2021

AIRPORT

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	$ 550,949	$ 550,949	$ 554,539	$ 3,590
Other revenues	100,000	100,000	98,832	(1,168)
Total revenues	650,949	650,949	653,371	2,422
EXPENDITURES				
Other expenditures	681,000	681,000	581,000	100,000
Total expenditures	681,000	681,000	581,000	100,000
NET CHANGE IN FUND BALANCE	(30,051)	(30,051)	72,371	102,422
FUND BALANCE AT BEGINNING OF YEAR	30,051	30,051	232,672	202,621
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 305,043	$ 305,043

The County budgets revenue on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Intergovernmental and other revenues are recognized in revenue when received for budgetary purposes.

Revenues on GAAP basis	$ 653,371
Revenues of budgetary basis	$ 653,371

Effective October 1, 2010, a Joint Airport Authority was formed to manage all airport activities and operations. The Lewiston-Nez Perce County Regional Airport has approximately 3,220,000 square feet of airfield pavement. The airport has implemented a pavement management system, which inventories the pavement network, identifies the pavement condition on a periodic basis, and compiles the pavement condition in a pavement maintenance management software *Micro PAVER*. The U.S. Army Corps of Engineers developed the *PCI* reporting method for airport pavements. The *PCI* is established by visually inspecting sample units of the airport's pavement sections and assessing the type and severity of the pavement's surface distresses, such as cracking, depressions, patching, raveling, rutting, and shoving. The software uses this information to assign a *PCI* for each pavement segment, with a possible range from 0 to 100. Using the *PCI*, the Pavement Condition Rating (PCR) is assigned to each segment, ranging from "Poor to Failing" to "Good." The rating system is broken down as follows:

PCI	Rating
0-55	Poor to Failing
56-70	Fair
71-85	Satisfactory
86-100	Good

The 2002 *Pavement Condition Index Report* is used as a reference for the GASB No. 34 reporting requirements for airfield pavements using the Modified Approach. The Lewiston-Nez Perce Regional Airport intends to preserve its infrastructure at an index rating greater than 65. The last *PC*I inspection was conducted in July 2016, with the PCI Index report dated October 7, 2016, reflecting an average *PCI* rating of 72. Even though a formal report was not prepared in the current fiscal year to update the *PCI* rating, the Lewiston-Nez Perce Regional Airport engineers provided an opinion stating they believe the rating would not have declined by a significant amount from the prior report completed in 2016. Additionally, portions of the airport surfaces are in excellent condition due to reconstruction that was conducted during the current year. The intention of the Lewiston-Nez Perce Regional Airport is to obtain a full *PCI* rating report prior to the next fiscal year-end.

Year Ended	Original Estimated Maintenance Expense	Actual Maintenance Expense	PCI Rating	Assessment Date
9/30/14	$ 355,000	$ 0		
9/30/15	355,000	4,734,682		
9/30/16	355,000	2,249,777	72	September 30, 2016
9/30/17	355,000	1,067,713		
9/30/18	355,000	3,678,012		
9/30/19	355,000	3,180,451		
9/30/20	355,000	6,521,147		
9/30/21	355,000	2,548,696		

SUPPLEMENTARY INFORMATION

NEZ PERCE COUNTY, STATE OF IDAHO

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

	General	Charity	Indigent Revolving	General Road	Federal and State Matching	Justice	District Court
ASSETS							
Cash and investments	$ 6,566,089	$ 1,225,047	$ 409,313	$ 3,538,280	$ 4,023,475	$ 3,649,693	$ 520,331
Property taxes receivable	182,155	25,111		21,862	2,000	130,761	4,903
Intergovernmental receivable	33,712			856,555	776	974,319	
Other receivables			120,000				
Total assets	$ 6,781,956	$ 1,250,158	$ 529,313	$ 4,416,697	$ 4,026,251	$ 4,754,773	$ 525,234
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Warrants payable	$ 249,382	$ 44,672	$ 4,604	$ 225,344	$ 31,577	$ 259,991	$ 9,336
Claims payable							
Accrued expenses							
Total liabilities	249,382	44,672	4,604	225,344	31,577	259,991	9,336
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	2,356,545	25,112	120,000	21,861	2,000	130,761	4,903
Total deferred inflows of resources	2,356,545	25,112	120,000	21,861	2,000	130,761	4,903
FUND BALANCES							
Assigned for accounting accruals	33,712			856,555	776	974,319	
Assigned for bridge construction					3,991,898		
Assigned for E-911 wireless							
Assigned for mandated appraisals							
Assigned for juvenile detention	1,500,000						
Assigned for indigent		1,180,374					
Assigned for fairgrounds							
Assigned for solid waste							
Assigned for courthouse	2,500,000						
Assigned for airport							
Assigned for special revenue			404,709	3,312,937		3,389,702	510,995
Unassigned	142,317						
Total fund balances	4,176,029	1,180,374	404,709	4,169,492	3,992,674	4,364,021	510,995
Total liabilities and fund balances	$ 6,781,956	$ 1,250,158	$ 529,313	$ 4,416,697	$ 4,026,251	$ 4,754,773	$ 525,234

NEZ PERCE COUNTY, STATE OF IDAHO

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

	Ad Valorem	Health District	Noxious Weed	Noxious Weed Revolving	Airport	Fairgrounds and Buildings	Fair Board
ASSETS							
Cash and investments	$ 580,150	$ 35,159	$ 116,858	$ 14,300	$ 2,055,045	$ 240,704	$ 229,495
Property taxes receivable	13,040	7,575	129		12,973	5,758	213,702
Intergovernmental receivable							
Other receivables							
Total assets	$ 593,190	$ 42,734	$ 116,987	$ 14,300	$ 2,068,018	$ 246,462	$ 443,197
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Warrants payable	$ 5,201		$ 2,344	$ 965		$ 203,402	
Claims payable							$ 4,042
Accrued expenses							1,827
Total liabilities	5,201	$ 0	2,344	965	$ 0	203,402	5,869
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	13,039	7,575	130		1,762,975	5,756	132,941
Total deferred inflows of resources	13,039	7,575	130	0	1,762,975	5,756	132,941
FUND BALANCES							
Assigned for accounting accruals							
Assigned for bridge construction							
Assigned for E-911 wireless							
Assigned for mandated appraisals	300,000						
Assigned for juvenile detention							
Assigned for indigent							
Assigned for fairgrounds						37,304	
Assigned for solid waste							
Assigned for courthouse							
Assigned for airport					305,043		
Assigned for special revenue	274,950	35,159	114,513	13,335			304,387
Unassigned							
Total fund balances	574,950	35,159	114,513	13,335	305,043	37,304	304,387
Total liabilities and fund balances	$ 593,190	$ 42,734	$ 116,987	$ 14,300	$ 2,068,018	$ 246,462	$ 443,197

NEZ PERCE COUNTY, STATE OF IDAHO

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

	Election Consolidation	Junior College Tuition	Solid Waste	Court Interlocking	Court Facilities	Juvenile Detention	Juvenile Probation
ASSETS							
Cash and investments	$ 438,744	$ 43,309	$ 859,826	$ 49,692	$ 238,393	$ 360,557	$ 275,004
Property taxes receivable			34,406			13,465	11,350
Intergovernmental receivable						6,110	35,618
Other receivables							
Total assets	$ 438,744	$ 43,309	$ 894,232	$ 49,692	$ 238,393	$ 380,132	$ 321,972
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Warrants payable			$ 35,213			$ 16,245	$ 14,453
Claims payable							
Accrued expenses							
Total liabilities	$ 0	$ 0	35,213	$ 0	$ 0	16,245	14,453
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue			34,407			13,465	11,350
Total deferred inflows of resources	0	0	34,407	0	0	13,465	11,350
FUND BALANCES							
Assigned for accounting accruals						6,110	35,618
Assigned for bridge construction							
Assigned for E-911 wireless							
Assigned for mandated appraisals							
Assigned for juvenile detention							
Assigned for indigent							
Assigned for fairgrounds							
Assigned for solid waste			531,000				
Assigned for courthouse					238,393		
Assigned for airport							
Assigned for special revenue	438,744	43,309	293,612	49,692		344,312	260,551
Unassigned							
Total fund balances	438,744	43,309	824,612	49,692	238,393	350,422	296,169
Total liabilities and fund balances	$ 438,744	$ 43,309	$ 894,232	$ 49,692	$ 238,393	$ 380,132	$ 321,972

NEZ PERCE COUNTY, STATE OF IDAHO

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

	Adult Probation	Drug Court	Drug Prosecution	Parks and Recreation	County Vessel	Snowmobile
ASSETS						
Cash and investments	$ 260,695	$ 147,127	$ 16,880	$ 67,415	$ 150,901	$ 74,463
Property taxes receivable	12,289			500		
Intergovernmental receivable	201					
Other receivables					21,384	
Total assets	$ 273,185	$ 147,127	$ 16,880	$ 67,915	$ 172,285	$ 74,463
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Warrants payable	$ 8,498	$ 2,258			$ 1,881	$ 45
Claims payable						
Accrued expenses						
Total liabilities	8,498	2,258	$ 0	$ 0	1,881	45
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	12,289			501		
Total deferred inflows of resources	12,289	0	0	501	0	0
FUND BALANCES						
Assigned for accounting accruals	201				21,384	
Assigned for bridge construction						
Assigned for E-911 wireless						
Assigned for mandated appraisals						
Assigned for juvenile detention						
Assigned for indigent						
Assigned for fairgrounds						
Assigned for solid waste						
Assigned for courthouse						
Assigned for airport						
Assigned for special revenue	252,197	144,869	16,880	67,414	149,020	74,418
Unassigned						
Total fund balances	252,398	144,869	16,880	67,414	170,404	74,418
Total liabilities and fund balances	$ 273,185	$ 147,127	$ 16,880	$ 67,915	$ 172,285	$ 74,463

NEZ PERCE COUNTY, STATE OF IDAHO

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

	Emergency Communications	Employer Cafeteria	Capital Project	Current Expense Contingency	Total
ASSETS					
Cash and investments	$ 1,204,121	$ 266,195	$ 5,311,279	$ 52,143	$ 33,020,683
Property taxes receivable					691,979
Intergovernmental receivable					1,907,291
Other receivables	63,135				204,519
Total assets	$ 1,267,256	$ 266,195	$ 5,311,279	$ 52,143	$ 35,824,472
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Warrants payable	$ 34,080			$ 5,588	$ 1,155,079
Claims payable					4,042
Accrued expenses					1,827
Total liabilities	34,080	$ 0	$ 0	5,588	1,160,948
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue					4,655,610
Total deferred inflows of resources	0	0	0	0	4,655,610
FUND BALANCES					
Assigned for accounting accruals	63,135				1,991,810
Assigned for bridge construction					3,991,898
Assigned for E-911 wireless	1,170,041				1,170,041
Assigned for mandated appraisals					300,000
Assigned for juvenile detention					1,500,000
Assigned for indigent					1,180,374
Assigned for fairgrounds					37,304
Assigned for solid waste					531,000
Assigned for courthouse					2,738,393
Assigned for airport					305,043
Assigned for special revenue		266,195	5,311,279	46,555	16,119,734
Unassigned					142,317
Total fund balances	1,233,176	266,195	5,311,279	46,555	30,007,914
Total liabilities and fund balances	$ 1,267,256	$ 266,195	$ 5,311,279	$ 52,143	$ 35,824,472

NEZ PERCE COUNTY, STATE OF IDAHO

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

	General	Charity	Indigent Revolving	General Road	Federal and State Matching	Justice	District Court
REVENUES							
Property taxes	$ 8,023,840	$ 826,778		$ 636,763	$ 61,266	$ 5,782,873	$ 332,085
Licenses and permits	522,032			6,850		281,005	
Intergovernmental revenue	921,016	77,555		3,250,334	255,679	4,394,084	133,698
Charges for services	368,661			763,033	3,456	873,610	62,663
Interest and rent	32,369					39,562	
Fines and penalties						33,395	209,840
Other revenue	94,685	3,409	$ 161,482	3,984	2,341	66,328	25,696
Total revenues	9,962,603	907,742	161,482	4,660,964	322,742	11,470,857	763,982
EXPENDITURES							
General government	6,482,410					2,259,381	544,527
Public safety	632,306	1,302,899				8,684,523	
Public works				3,930,762	218,899		
Health and welfare		318,291	49,414				
Culture and recreation							
Other	132,047						
Total expenditures	7,246,763	1,621,190	49,414	3,930,762	218,899	10,943,904	544,527
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out	(1,750,000)						(6,000)
Total other financing sources (uses)	(1,750,000)	0	0	0	0	0	(6,000)
NET CHANGE IN FUND BALANCES	965,840	(713,448)	112,068	730,202	103,843	526,953	213,455
FUND BALANCES AT BEGINNING OF YEAR	3,210,189	1,893,822	292,641	3,439,290	3,888,831	3,837,068	297,540
FUND BALANCES AT END OF YEAR	$ 4,176,029	$ 1,180,374	$ 404,709	$ 4,169,492	$ 3,992,674	$ 4,364,021	$ 510,995

NEZ PERCE COUNTY, STATE OF IDAHO

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

	Ad Valorem	Health District	Noxious Weed	Noxious Weed Revolving	Airport	Fairgrounds and Buildings	Fair Board
REVENUES							
Property taxes	$ 471,274	$ 320,668	$ 10,037		$ 554,539	$ 172,874	$ 322,685
Licenses and permits							
Intergovernmental revenue					96,499		
Charges for services				$ 40,000			26,580
Interest and rent							47,988
Fines and penalties							
Other revenue	3,640	1,343	44		2,333	707	18,292
Total revenues	474,914	322,011	10,081	40,000	653,371	173,581	415,545
EXPENDITURES							
General government	554,353						
Public safety							
Public works			12,909	37,451	581,000		
Health and welfare		314,749					
Culture and recreation						533,522	411,386
Other							
Total expenditures	554,353	314,749	12,909	37,451	581,000	533,522	411,386
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out							
Total other financing sources (uses)	0	0	0	0	0	0	0
NET CHANGE IN FUND BALANCES	(79,439)	7,262	(2,828)	2,549	72,371	(359,941)	4,159
FUND BALANCES AT BEGINNING OF YEAR	654,389	27,897	117,341	10,786	232,672	397,245	300,228
FUND BALANCES AT END OF YEAR	$ 574,950	$ 35,159	$ 114,513	$ 13,335	$ 305,043	$ 37,304	$ 304,387

NEZ PERCE COUNTY, STATE OF IDAHO

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

	Election Consolidation	Junior College Tuition	Solid Waste	Court Interlocking	Court Facilities	Juvenile Detention	Juvenile Probation
REVENUES							
Property taxes						$ 615,471	$ 520,904
Licenses and permits							
Intergovernmental revenue	$ 110,232	$ 15,000				127,202	202,263
Charges for services			$ 876,229			79,342	21,906
Interest and rent							
Fines and penalties				$ 4,271	$ 13,098		6,655
Other revenue		150				9,538	4,526
Total revenues	110,232	15,150	876,229	4,271	13,098	831,553	756,254
EXPENDITURES							
General government	42,586						
Public safety						790,610	685,742
Public works							
Health and welfare		11,400	914,642				
Culture and recreation							
Other							
Total expenditures	42,586	11,400	914,642	0	0	790,610	685,742
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out							
Total other financing sources (uses)	0	0	0	0	0	0	0
NET CHANGE IN FUND BALANCES	67,646	3,750	(38,413)	4,271	13,098	40,943	70,512
FUND BALANCES AT BEGINNING OF YEAR	371,098	39,559	863,025	45,421	225,295	309,479	225,657
FUND BALANCES AT END OF YEAR	$ 438,744	$ 43,309	$ 824,612	$ 49,692	$ 238,393	$ 350,422	$ 296,169

NEZ PERCE COUNTY, STATE OF IDAHO

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

	Adult Probation	Drug Court	Drug Prosecution	Parks and Recreation	County Vessel	Snowmobile
REVENUES						
Property taxes	$ 562,147			$ 21,422		
Licenses and permits					$ 103,646	$ 5,626
Intergovernmental revenue	25,946	$ 37,496	$ 8,274		19,011	
Charges for services	84,850					
Interest and rent						
Fines and penalties		22,780				
Other revenue	2,697	75		90	32,138	
Total revenues	675,640	60,351	8,274	21,512	154,795	5,626
EXPENDITURES						
General government		46,750				
Public safety	610,583		10,692			
Public works						
Health and welfare						
Culture and recreation				14,512	136,192	6,693
Other						
Total expenditures	610,583	46,750	10,692	14,512	136,192	6,693
OTHER FINANCING SOURCES (USES)						
Transfers in		6,000				
Transfers out						
Total other financing sources (uses)	0	6,000	0	0	0	0
NET CHANGE IN FUND BALANCES	65,057	19,601	(2,418)	7,000	18,603	(1,067)
FUND BALANCES AT BEGINNING OF YEAR	187,341	125,268	19,298	60,414	151,801	75,485
FUND BALANCES AT END OF YEAR	$ 252,398	$ 144,869	$ 16,880	$ 67,414	$ 170,404	$ 74,418

NEZ PERCE COUNTY, STATE OF IDAHO

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

	Emergency Communications	Employer Cafeteria	Capital Project	Current Expense Contingency	Total
REVENUES					
Property taxes					$19,235,626
Licenses and permits					919,159
Intergovernmental revenue					9,674,289
Charges for services	$ 699,250			$ 21,905	3,921,485
Interest and rent		$ 326			120,245
Fines and penalties					290,039
Other revenue	170,936	30,630	$ 5,268		640,332
Total revenues	870,186	30,956	5,268	21,905	34,801,175
EXPENDITURES					
General government				78,920	10,008,927
Public safety	885,586				13,602,941
Public works					4,781,021
Health and welfare					1,608,496
Culture and recreation					1,102,305
Other		5,000			137,047
Total expenditures	885,586	5,000	0	78,920	31,240,737
OTHER FINANCING SOURCES (USES)					
Transfers in			1,750,000		1,756,000
Transfers out					(1,756,000)
Total other financing sources (uses)	0	0	1,750,000	0	0
NET CHANGE IN FUND BALANCES	(15,400)	25,956	1,755,268	(57,015)	3,560,438
FUND BALANCES AT BEGINNING OF YEAR	1,248,576	240,239	3,556,011	103,570	26,447,476
FUND BALANCES AT END OF YEAR	$ 1,233,176	$ 266,195	$ 5,311,279	$ 46,555	$30,007,914

NEZ PERCE COUNTY, STATE OF IDAHO

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

	State of Idaho	Employees Trust	Taxing Districts	Treasurer's Trust	Sheriff's Trust	District Court's Trust	Total
ASSETS							
Cash and investments	$ 598,950	$ 19,259	$ 513,225	$ 647,137	$ 664,611	$ 613,987	$ 3,057,169
Property taxes receivable			1,111,287				1,111,287
Intergovernmental receivable			65,371				65,371
Other receivables						3,980,000	3,980,000
Total assets	$ 598,950	$ 19,259	$ 1,689,883	$ 647,137	$ 664,611	$ 4,593,987	$ 8,213,827
LIABILITIES							
Warrants payable	$ 597,614	$ 2,387	$ 72,193		$ 1,287		$ 673,481
Claims payable		22,147					22,147
Due to other governments	1,336		1,617,690	$ 697,711			2,316,737
Due to employees		(5,275)					(5,275)
Due to individuals				(50,574)	663,324	$ 4,593,987	5,206,737
Total liabilities	$ 598,950	$ 19,259	$ 1,689,883	$ 647,137	$ 664,611	$ 4,593,987	$ 8,213,827

NEZ PERCE COUNTY, STATE OF IDAHO

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

	State of Idaho	Employees Trust	Taxing Districts	Treasurer's Trust	Sheriff's Trust	District Court's Trust	Total
ADDITIONS							
Property taxes			$ 1,466,282				$ 1,466,282
Licenses and permits	$ 3,890,152		3,335				3,893,487
Intergovernmental revenue	3,433,824		1,398,028				4,831,852
Charges for services	256		30,328	$ 169,766			200,350
Fines and penalties	768,654		142,181				910,835
Other receipts		$ 123,423			$ 2,113,717	$ 1,734,892	3,972,032
Total additions	$ 8,092,886	$ 123,423	$ 3,040,154	$ 169,766	$ 2,113,717	$ 1,734,892	$ 15,274,838
DEDUCTIONS							
Disbursed to beneficiaries	$ 8,091,550	$ 128,698	$ 1,863,496	$ (167,381)	$ 2,075,735	$ 1,734,892	$ 13,726,990
Allocated to beneficiaries	1,336	(5,275)	1,176,658	337,147	37,982		1,547,848
Total deductions	$ 8,092,886	$ 123,423	$ 3,040,154	$ 169,766	$ 2,113,717	$ 1,734,892	$ 15,274,838

SINGLE AUDIT SECTION

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INDEPENDENT AUDITOR'S REPORT - *GOVERNMENT AUDITING STANDARDS*

Board of County Commissioners
Nez Perce County, State of Idaho
Lewiston, 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 Nez Perce 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 Nez Perce County, State of Idaho's basic financial statements, and have issued our report thereon dated May 25, 2022.

Internal Control over Financial Reporting

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

May 25, 2022

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INDEPENDENT AUDITOR'S REPORT – *UNIFORM GUIDANCE*

Board of County Commissioners
Nez Perce County, State of Idaho
Lewiston, Idaho

Report on Compliance for Each Major Federal Program

We have audited the Nez Perce 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 Nez Perce County, State of Idaho's major federal programs for the year ended September 30, 2021. Nez Perce 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 Nez Perce 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 Nez Perce 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 Nez Perce County, State of Idaho's compliance.

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Opinion on Each Major Federal Program

In our opinion, the Nez Perce 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 Nez Perce 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 Nez Perce 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 Nez Perce 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

May 25, 2022

NEZ PERCE 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
21.019	Coronavirus Relief Fund

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

NEZ PERCE 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.

NEZ PERCE 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				
Cooperative Forestry Assistance	10.664	20-DG11010000-021		$ 90,096
Schools and Roads Grants to States -				
Federal Forest Receipts	10.665		$ 651	2,170
				92,266
DEPARTMENT OF JUSTICE				
Passed through the State of Idaho -				
Department of Juvenile Corrections				
Bulletproof Vest Partnership Program	16.607		None	1,218
				1,218
DEPARTMENT OF TRANSPORTATION				
Passed through the State of Idaho -				
Department of Transportation				
Highway Planning and Construction	20.205		None	260,280
Highway Safety cluster				
State and Community Highway Safety	20.600		None	6,675
Alcohol Traffic Safety & Drunk Driving Prevention	20.601		None	3,567
National Priority Safety Programs	20.616		None	2,773
Subtotal Highway Safety cluster				13,015
				273,295
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	996,717 *
				996,717
ELECTION ASSISTANCE COMMISSION				
Passed through the State of Idaho -				
Secretary of State				
HAVA Election Security Grants	90.404	ID20101001-01		56,726
				56,726
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	31,527
Military Division				
Disaster Grants Public Assistance	97.036	FEMA-4534-DR-ID	None	59,436
Emergency Management Performance Grant	97.042	EMS2018EP00003	None	12,493
Homeland Security Grant Program	97.067	EMW2019SS00047	None	37,537
				140,993
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,561,215

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, 2021. 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 questioned costs.