Payette County, Idaho

Year Ended September 30, 2021

Audited Financial Statements



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Quest CPAs PLLC

PAYETTE COUNTY, IDAHO
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Independent Auditor's Report

Board of County Commissioners
Payette County, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, two of the three discretely presented component units, each major fund, and the aggregate remaining fund information of Payette County, Idaho (the County) 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 of material misstatement.

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

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

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Summary of Opinions

The business-type activities, each major fund, and the aggregate remaining fund information have received unmodified opinions. The governmental activities have received a qualified opinion. One discretely presented component unit – the Payette County Ambulance District – has received an adverse opinion. The other two discretely presented component units – the Payette County Abatement District and Payette County Fair – have received unmodified opinions.

Basis for Qualified Opinion on Governmental Activities

Management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recognition and measurement of an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses related to the other postemployment benefits as well as certain note disclosures and required supplementary information. The amount by which the departure would affect net position, assets, liabilities, deferred outflows of resources, deferred inflows of resources, expenses, note disclosures, and required supplementary information has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities of the County, as of September 30, 2021, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Unit

The financial statements referred to above include the County's primary government and three of its four legally separate component units – one reported as blended (Payette County Gopher Extermination District) and two reported as discretely presented (Payette County Abatement District and Payette County Fair). The financial statements do not include financial data for the Payette County Ambulance District, the County's third legally separate component unit which would normally be reported as discretely presented. Accounting principles generally accepted in the United States of America require financial data for the County's legally separate component units to be reported with the financial data of the County's primary government. However, current audited financial statements for the component unit are unavailable. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the government-wide financial statements has not been determined.

Adverse Opinion on One Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of one of the County's legally separate component units, the Payette County Ambulance District, as of September 30, 2021, or the changes in financial position thereof for the year then ended.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, two of three discretely presented component units – the Payette County Abatement District and Payette County Fair, each major fund, and the aggregate remaining fund information of the County as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer's share of net pension asset and liability, and schedule of employer contributions listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not required to be 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, and 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.

Management has not included the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not 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, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying 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 not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 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 schedule of expenditures of federal awards is 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 March 15, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
March 15, 2022

PAYETTE COUNTY, IDAHO
Statement of Net Position
September 30, 2021

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Units
Assets				
Current Assets				
Cash & Investments	$8,862,133	$6,363,668	$15,225,801	$713,722
Receivables:				
Taxes	177,591		177,591	15,734
Accounts	3,035	274,683	277,718	
Inventory	4,147		4,147	
Total Current Assets	9,046,906	6,638,351	15,685,257	729,456
Noncurrent Assets				
Cash & Investments	5,130,779		5,130,779	
Restricted Cash & Investments		1,839,049	1,839,049	
Nondepreciable Capital Assets	375,765	246,565	622,330	
Depreciable Net Capital Assets	3,705,270	1,740,728	5,445,998	415,758
Net Pension Asset	111,186	9,615	120,801	
Total Noncurrent Assets	9,323,000	3,835,957	13,158,957	415,758
Total Assets	18,369,906	10,474,308	28,844,214	1,145,214
Deferred Outflows of Resources				
Pension Deferred Outflows	1,598,249	138,185	1,736,434	
Total Deferred Outflows of Resources	1,598,249	138,185	1,736,434	0
Total Assets and Deferred Outflows of Resources	$19,968,155	$10,612,493	$30,580,648	$1,145,214
Liabilities				
Current Liabilities				
Accounts Payable & Accrued Expenses	$804,440	$168,460	$972,900	$32,930
Unearned Grant Revenue	238,046		238,046	
Long-Term Debt & Obligations, Current	289,696	26,950	316,646	
Total Current Liabilities	1,332,182	195,410	1,527,592	32,930
Noncurrent Liabilities				
Long-Term Debt & Obligations, Noncurrent		1,839,049	1,839,049	
Total Noncurrent Liabilities	0	1,839,049	1,839,049	0
Total Liabilities	1,332,182	2,034,459	3,366,641	32,930
Deferred Inflows of Resources				
Pension Deferred Inflows	3,556,915	307,577	3,864,492	
Total Deferred Inflows of Resources	3,556,915	307,577	3,864,492	0
Total Liabilities and Deferred Inflows of Resources	4,889,097	2,342,036	7,231,133	32,930
Net Position				
Net Investment in Capital Assets	4,081,035	1,987,293	6,068,328	415,758
Restricted - Special Programs	8,961,768		8,961,768	
Restricted - Debt Service	33,942		33,942	
Restricted - Capital Projects	797,307		797,307	
Unrestricted	1,205,006	6,283,164	7,488,170	696,526
Total Net Position	15,079,058	8,270,457	23,349,515	1,112,284
Total Liabilities and Deferred Inflows of Resources and Net Position	$19,968,155	$10,612,493	$30,580,648	$1,145,214

PAYETTE COUNTY, IDAHO

Statement of Activities

Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants And Contributions	Program Revenues: Capital Grants And Contributions	Net (Expense) Revenue
Primary Government					
Governmental Activities					
Current Expenditures					
Assessor	$331,837	$68,986	$31,785		($231,066)
Buildings & Grounds	367,973	76,498	35,246		(256,229)
Clerk / Auditor	286,064	59,470	27,401		(199,193)
Commissioners	107,992	22,451	10,344		(75,197)
County Agent	96,682	20,099	9,261		(67,322)
District Court	885,025	183,989	84,772		(616,264)
Indigent & Charity	1,083,576	225,266	103,790		(754,520)
Planning & Zoning	141,775	29,474	13,580		(98,721)
Prosecuting Attorney	511,079	106,249	48,954		(355,876)
Road & Bridge	1,074,740	290,705	133,941		(650,094)
Sheriff & Jail	2,124,219	466,745	215,051		(1,442,423)
Treasurer / Tax Collector	174,311	36,238	16,696		(121,377)
Other General Fund Functions	1,293,262	268,858	123,875		(900,529)
Other Justice Fund Functions	1,481,748	308,043	141,929		(1,031,776)
Other Nonmajor Fund Functions	2,221,532	466,619	214,993		(1,539,920)
Capital Assets	335,677				(335,677)
Total Governmental Activities	12,517,492	2,629,690	1,211,618	0	(8,676,184)
Business-Type Activities					
Landfill Operations	2,833,738	3,676,137			842,399
Total Business-Type Activities	2,833,738	3,676,137	0	0	842,399
Total Primary Government	$15,351,230	$6,305,827	$1,211,618	$0	($7,833,785)
Component Unit					
Payette County Abatement District	$405,380				($405,380)
Payette County Fair	530,186	$20,335			(509,851)
Total Component Units	$935,566	$20,335	$0	$0	($915,231)

Changes in Net Position	Governmental Activities	Business-Type Activities	Total Primary Government	Component Units
Net (Expense) Revenue	($8,676,184)	$842,399	($7,833,785)	($915,231)
General Revenues				
Property Taxes	6,460,927		6,460,927	533,812
Intergovernmental Revenue	3,716,788		3,716,788	
Investment Return	117,688	22,743	140,431	1,075
Change in FMV of Investments	(58,712)		(58,712)	
Other Revenues (Expenses)	1,183,505	15,776	1,199,281	417,914
Pension Revenue (Expense)	133,470	11,036	144,506	
Transfers			0	
Total	11,553,666	49,555	11,603,221	952,801
Change in Net Position	2,877,482	891,954	3,769,436	37,570
Net Position - Beginning	12,201,576	7,378,503	19,580,079	1,074,714
Net Position - Ending	$15,079,058	$8,270,457	$23,349,515	$1,112,284

PAYETTE COUNTY, IDAHO

Balance Sheet - Governmental Funds

September 30, 2021

	General (Current Expense) Fund	Road & Bridge Fund	District Court Fund	Justice Fund
Assets				
Cash & Investments	$3,645,204	$1,776,865	$620,712	$3,389,912
Receivables:				
Taxes	32,586	12,853	5,823	75,138
Accounts				
Due From Other Funds				
Inventory				
Total Assets	$3,677,790	$1,789,718	$626,535	$3,465,050
Liabilities				
Accounts Payable & Accrued Expenses	$232,347	$82,938	$50,420	$254,674
Unearned Grant Revenue	238,046			
Due To Other Funds				
Total Liabilities	470,393	82,938	50,420	254,674
Deferred Inflows of Resources				
Unavailable Tax Revenues	29,327	11,568	5,241	67,624
Total Deferred Inflows of Resources	29,327	11,568	5,241	67,624
Fund Balances				
Restricted - Special Programs		1,695,212	570,874	3,142,752
Restricted - Debt Service				
Restricted - Capital Projects				
Nonspendable				
Unassigned	3,178,070			
Total Fund Balances	3,178,070	1,695,212	570,874	3,142,752
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$3,677,790	$1,789,718	$626,535	$3,465,050

PAYETTE COUNTY, IDAHO
Balance Sheet - Governmental Funds
September 30, 2021

	Indigent & Charity Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash & Investments	$1,154,875	$3,405,344	$13,992,912
Receivables:			
Taxes	26,367	24,824	177,591
Accounts		3,035	3,035
Due From Other Funds		0	0
Inventory		4,147	4,147
Total Assets	$1,181,242	$3,437,350	$14,177,685
Liabilities			
Accounts Payable & Accrued Expenses	$72,327	$111,734	$804,440
Unearned Grant Revenue		0	238,046
Due To Other Funds		0	0
Total Liabilities	72,327	111,734	1,042,486
Deferred Inflows of Resources			
Unavailable Tax Revenues	23,730	22,475	159,965
Total Deferred Inflows of Resources	23,730	22,475	159,965
Fund Balances			
Restricted - Special Programs	1,085,185	2,467,745	8,961,768
Restricted - Debt Service		33,942	33,942
Restricted - Capital Projects		797,307	797,307
Nonspendable		4,147	4,147
Unassigned		0	3,178,070
Total Fund Balances	1,085,185	3,303,141	12,975,234
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$1,181,242	$3,437,350	$14,177,685

PAYETTE COUNTY, IDAHO
Balance Sheet - Governmental Funds
September 30, 2021

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

Total Governmental Fund Balances	$12,975,234
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 in the funds.	4,081,035
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	159,965
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	(289,696)
Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds.	(1,847,480)
Net Position of Governmental Activities	$15,079,058

PAYETTE COUNTY, IDAHO

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended September 30, 2021

	General (Current Expense) Fund	Road & Bridge Fund	District Court Fund	Justice Fund
Revenues				
Property Taxes	$969,651	$402,085	$262,195	$2,916,960
Intergovernmental Revenue	359,805	1,560,300	542,911	608,000
Investment Return	65,399			47,154
Change in FMV of Investments	(58,712)			
Charges for Services	915,189	1,150	173,674	934,916
Grants & Other	1,254,438	18,454	187,802	194,758
Total Revenues	3,505,770	1,981,989	1,166,582	4,701,788
Expenditures				
Current Expenditures				
Assessor	347,585			
Buildings & Grounds	385,436			
Clerk / Auditor	299,641			
Commissioners	113,117			
County Agent	101,271			
District Court			927,027	
Indigent & Charity				
Planning & Zoning	148,503			
Prosecuting Attorney				535,334
Road & Bridge		1,464,714		
Sheriff & Jail				2,351,693
Treasurer / Tax Collector	182,584			
Other General Fund Functions	1,354,639			
Other Justice Fund Functions				1,552,070
Other Nonmajor Fund Functions				
Total Expenditures	2,932,776	1,464,714	927,027	4,439,097
Excess (Deficiency) of Revenues Over Expenditures	572,994	517,275	239,555	262,691
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	572,994	517,275	239,555	262,691
Fund Balances - Beginning	2,605,076	1,177,937	331,319	2,880,061
Fund Balances - Ending	$3,178,070	$1,695,212	$570,874	$3,142,752

PAYETTE COUNTY, IDAHO

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended September 30, 2021

	Indigent & Charity Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$1,021,619	$925,623	$6,498,133
Intergovernmental Revenue	281,721	364,051	3,716,788
Investment Return		5,135	117,688
Change in FMV of Investments		0	(58,712)
Charges for Services	50,317	554,444	2,629,690
Grants & Other	371,838	367,833	2,395,123
Total Revenues	1,725,495	2,217,086	15,298,710
Expenditures			
Current Expenditures			
Assessor		0	347,585
Buildings & Grounds		0	385,436
Clerk / Auditor		0	299,641
Commissioners		0	113,117
County Agent		0	101,271
District Court		0	927,027
Indigent & Charity	1,135,001	0	1,135,001
Planning & Zoning		0	148,503
Prosecuting Attorney		0	535,334
Road & Bridge		0	1,464,714
Sheriff & Jail		0	2,351,693
Treasurer / Tax Collector		0	182,584
Other General Fund Functions		0	1,354,639
Other Justice Fund Functions		0	1,552,070
Other Nonmajor Fund Functions		2,351,056	2,351,056
Total Expenditures	1,135,001	2,351,056	13,249,671
Excess (Deficiency) of Revenues Over Expenditures	590,494	(133,970)	2,049,039
Other Financing Sources (Uses)			
Transfers In		0	0
Transfers Out		0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balances	590,494	(133,970)	2,049,039
Fund Balances - Beginning	494,691	3,437,111	10,926,195
Fund Balances - Ending	$1,085,185	$3,303,141	$12,975,234

PAYETTE COUNTY, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended September 30, 2021

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Net Change in Fund Balances - Total Governmental Funds	$2,049,039
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the excess of capital outlays over (under) depreciation expense in the current period.	131,856
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.	(37,206)
In the statement of activities, compensated absences are accrued when earned, but the expenditure is reported when due in the governmental funds.	70,067
Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds.	663,726
Change in Net Position of Governmental Activities	$2,877,482

PAYETTE COUNTY, IDAHO
Statement of Net Position - Proprietary Funds
September 30, 2021

	Landfill Fees Fund	Clay Peak Landfill Fund	Total Enterprise Funds
Assets			
Current Assets			
Cash & Investments	$1,483,916	$4,879,752	$6,363,668
Receivables:			
Accounts	14,760	259,923	274,683
Due From Other Funds			0
Total Current Assets	1,498,676	5,139,675	6,638,351
Noncurrent Assets			
Restricted Cash & Investments		1,839,049	1,839,049
Nondepreciable Capital Assets		246,565	246,565
Depreciable Net Capital Assets		1,740,728	1,740,728
Net Pension Asset		9,615	9,615
Total Noncurrent Assets	0	3,835,957	3,835,957
Total Assets	1,498,676	8,975,632	10,474,308
Deferred Outflows of Resources			
Pension Deferred Outflows		138,185	138,185
Total Deferred Outflows of Resources	0	138,185	138,185
Total Assets and Deferred Outflows of Resources	$1,498,676	$9,113,817	$10,612,493
Liabilities			
Current Liabilities			
Accounts Payable & Accrued Expenses	$70,718	$97,742	$168,460
Due To Other Funds			0
Long-Term Debt & Obligations, Current		26,950	26,950
Total Current Liabilities	70,718	124,692	195,410
Noncurrent Liabilities			
Long-Term Debt & Obligations, Noncurrent		1,839,049	1,839,049
Total Noncurrent Liabilities	0	1,839,049	1,839,049
Total Liabilities	70,718	1,963,741	2,034,459
Deferred Inflows of Resources			
Pension Deferred Inflows		307,577	307,577
Total Deferred Inflows of Resources	0	307,577	307,577
Total Liabilities and Deferred Inflows of Resources	70,718	2,271,318	2,342,036
Net Position			
Net Investment in Capital Assets		1,987,293	1,987,293
Unrestricted	1,427,958	4,855,206	6,283,164
Total Net Position	1,427,958	6,842,499	8,270,457
Total Liabilities and Deferred Inflows of Resources and Net Position	$1,498,676	$9,113,817	$10,612,493

PAYETTE COUNTY, IDAHO

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds

Year Ended September 30, 2021

	Landfill Fees Fund	Clay Peak Landfill Fund	Total Enterprise Funds
Operating Revenues			
Charges for Services	$624,785	$3,051,352	$3,676,137
Miscellaneous		15,776	15,776
Total Operating Revenues	624,785	3,067,128	3,691,913
Operating Expenses			
Personnel		630,549	630,549
Operations & Maintenance	724,298	1,357,930	2,082,228
Depreciation		120,961	120,961
Total Operating Expenses	724,298	2,109,440	2,833,738
Operating Income (Loss)	(99,513)	957,688	858,175
Nonoperating Revenues (Expenses)			
Investment Return		22,743	22,743
Pension Revenue (Expense)		11,036	11,036
Total Nonoperating Revenue (Expenses)	0	33,779	33,779
Income (Loss) Before Transfers	(99,513)	991,467	891,954
Transfers In			0
Transfers Out			0
Change in Net Position	(99,513)	991,467	891,954
Net Position - Beginning	1,527,471	5,851,032	7,378,503
Net Position - Ending	$1,427,958	$6,842,499	$8,270,457

PAYETTE COUNTY, IDAHO
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2021

	Landfill Fees Fund	Clay Peak Landfill Fund	Total Enterprise Funds
Cash Flows From Operations			
Receipts from Customers	$629,168	$3,054,613	$3,683,781
Payments for Personnel		(770,929)	(770,929)
Payments for Operations & Maintenance	(691,008)	(1,715,023)	(2,406,031)
Cash Provided (Used) By Operations	(61,840)	568,661	506,821
Cash Flows From Capital & Related Financing			
Acquisition of Capital Assets			0
Changes in Other Long-Term Obligations		998	998
Cash Provided (Used) By Capital & Related Financing	0	998	998
Cash Flows From Investments			
Investment Income		22,743	22,743
Cash Provided (Used) By Investments	0	22,743	22,743
Change in Cash & Investments	(61,840)	592,402	530,562
Cash & Investments - Beginning	1,545,756	4,287,350	5,833,106
Cash & Investments - Ending	$1,483,916	$4,879,752	$6,363,668
Reconciliation of Operating Income (Loss) to Cash Provided (Used) By Operations			
Operating Income (Loss)	($99,513)	$957,688	$858,175
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operations:			
Depreciation		120,961	120,961
PERSI Contributions		(140,380)	(140,380)
Changes in Assets & Liabilities:			
Receivables	4,383	(12,515)	(8,132)
Accounts Payable & Accrued Expenses	33,290	(357,093)	(323,803)
Cash Provided (Used) By Operations	($61,840)	$568,661	$506,821

PAYETTE COUNTY, IDAHO
Statement of Fiduciary Net Position
September 30, 2021

	Private Purpose Trust Funds	Custodial Funds	Total
Assets			
Cash & Investments	$668,945	$258,470	$927,415
Taxes Receivable		342,010	342,010
Total Assets	$668,945	$600,480	$1,269,425
Liabilities			
Accounts Payable & Accrued Expenses	$361,592	$260,279	$621,871
Total Liabilities	361,592	260,279	621,871
Net Position			
Restricted - Held in Trust	307,353		307,353
Restricted - Other Governments		340,201	340,201
Total Net Position	307,353	340,201	647,554
Total Liabilities and Net Position	$668,945	$600,480	$1,269,425

PAYETTE COUNTY, IDAHO
Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2021

	Private Purpose Trust Funds	Custodial Funds	Total
Additions			
Collections	$15,235,492	$8,533,004	$23,768,496
Total Additions	15,235,492	8,533,004	23,768,496
Deductions			
Distributions	15,286,366	8,377,360	23,663,726
Total Deductions	15,286,366	8,377,360	23,663,726
Change in Net Position	(50,874)	155,644	104,770
Net Position - Beginning - As Prev. Stated	0	0	0
Restatement - See Note J	391,075	151,709	542,784
Net Position - Beginning - As Restated	391,075	151,709	542,784
Net Position - Ending	$340,201	$307,353	$647,554

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Payette County, Idaho (the County) provides basic county services and operates under a board of county commissioners form of government. These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to counties. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

As required by GAAP, these financial statements present the County and three of its four component units, entities for which the County is considered to be financial accountable. One of the component units, Payette County Ambulance District, did not have current audited financial statements available, and accordingly, is not presented in these financial statements. A component unit is included in the County's reporting entity if it is both fiscally dependent on the County (the primary government) and there is the potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. Because of the closeness of their relationship with the primary government (the County), some component units are blended as though they are part of the primary government and are reported as a special revenue fund. Blended component units include the Payette County Gopher Extermination District. The county commissioners are the governing board for the Payette County Gopher Extermination District and the County employees perform all significant operational and fiscal responsibilities. Discretely presented component units include the Payette County Abatement District and Payette County Fair. The Payette County Ambulance District would normally also be treated as a discretely presented component unit but as disclosed above, is not included in the County's financial statements. Separate financial statements for the Payette County Gopher Extermination District, Payette County Abatement District, and Payette County Fair are issued and available from the County.

Basic Financial Statements - Government-Wide Statements – The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business-type.

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the County's functions and business-type activities. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenues.

The County allocates and reports expenditures by function and program within its various funds. Accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the County include:

General Fund – The general (current expense) fund is the County's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the road & bridge fund, which accounts for maintenance and construction of roads and bridges, the district court fund, which accounts for district court activities, the justice fund, which accounts for basic public safety and related functions, and the indigent & charity fund, which accounts for the indigent services and programs.

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and/or the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in enterprise funds are reported as business-type activities in the government-wide financial statements. Major enterprise funds of the County include:

Landfill Fees Fund and Clay Peak Landfill Fund – The landfill fees fund and Clay Peak landfill fund account for the revenues earned and expenses incurred in providing landfill services.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The County's fiduciary funds are presented in the fiduciary financial statements by type (agency funds). Because by definition these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and proprietary and fiduciary fund financial statements are reported on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

Cash and Investments – Nearly all the cash and investment balances of the County's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is allocated to the various funds in proportion to their respective investment balance. Investments are measured using the market approach and include fixed income securities and are stated at fair value using Level 2 inputs (inputs other than quoted prices included in Level 1 that are observable for an asset, liability, either directly or indirectly).

For purposes of the statement of cash flows, the County considers all investments (excluding restricted investments) available for immediate withdrawal or with maturities of three months or less to be cash and cash equivalents (referred to as cash and investments).

Receivables – Receivables are reported net of any estimated uncollectible amounts.

Inventories – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

Capital Assets and Depreciation – Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method.

Compensated Absences – The County provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is recorded as a liability in the accompanying financial statements.

Pensions – For purposes of measuring the net pension asset/liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (the Base Plan) and additions to/deductions from the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources – The County's financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a

future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the County first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the County first utilizes committed resources then assigned resources before using unassigned resources.

Property Taxes – The County is responsible for levying property taxes. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20th and June 20th. A lien is filed on real property three years from the date of delinquency.

Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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.

Interfund Activity – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Custodial Credit Risk – The County maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits.

Risk Management – The County is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

Subsequent Events – Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
Cash - Deposits	$10,146,830	$6,363,668	$927,415	$17,437,913
Investments - Fixed Income Securities	3,846,082	1,839,049		5,685,131
Total	$13,992,912	$8,202,717	$927,415	$23,123,044

Deposits – At year end, the carrying amounts of the County's deposits were $17,437,913 and the bank balances were $17,366,969. Of the bank balances, $3,995,967 was insured, $12,557,275 was collateralized, and the remainder was uninsured and uncollateralized.

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

Interest rate risk:

	Investment Maturity Schedule (In Years)			
Investment Type	Less Than 1	1 - 5	6 - 10	Total
US Government Agency Obligations	$554,352	$4,393,254	$737,525	$5,685,131
Total	$554,352	$4,393,254	$737,525	$5,685,131

Credit rate risk (Moody's rating scale)**:**

	Investment Rating Schedule		
Investment Type	AAA	Unrated	Total
US Government Agency Obligations	$5,534,792	$150,339	$5,685,131
Total	$5,534,792	$150,339	$5,685,131

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Treasury, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The County's investment policy complies with state statutes.

Restricted Cash & Investments – Restricted cash and investments at year end is cash and investments held in trust for landfill closure and postclosure costs.

C. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	$375,765			$375,765
Total	375,765	$0	$0	375,765
Depreciable Capital Assets				
Buildings	3,515,227			3,515,227
Equipment	3,280,993	467,533	10,900	3,737,626
Infrastructure	15,166,431			15,166,431
Subtotal	21,962,651	467,533	10,900	22,419,284
Accumulated Depreciation				
Buildings	2,127,029	114,783		2,241,812
Equipment	2,297,723	193,300	10,900	2,480,123
Infrastructure	13,964,485	27,594		13,992,079
Subtotal	18,389,237	335,677	10,900	18,714,014
Total	3,573,414	131,856	0	3,705,270
Net Capital Assets	$3,949,179	$131,856	$0	$4,081,035

Depreciation expense of $335,677 was charged to the capital assets program.

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	$246,565			$246,565
Total	246,565	$0	$0	246,565
Depreciable Capital Assets				
Buildings & Basic Facility	2,481,356			2,481,356
Equipment	1,458,386			1,458,386
Subtotal	3,939,742	0	0	3,939,742
Accumulated Depreciation				
Buildings & Basic Facility	779,639	100,022		879,661
Equipment	1,298,414	20,939		1,319,353
Subtotal	2,078,053	120,961	0	2,199,014
Total	1,861,689	(120,961)	0	1,740,728
Net Capital Assets	$2,108,254	($120,961)	$0	$1,987,293

Depreciation expense of $120,961 was charged to the landfill operations program.

D. LONG-TERM DEBT AND OBLIGATIONS

Changes in long-term debt and obligations are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Act.					
Comp. Absences	$359,763	$337,448	$407,515	$289,696	$289,696
Subtotal	359,763	337,448	407,515	289,696	289,696
Business-Type Act.					
Landfill Closure Costs	1,744,723	94,326		1,839,049	
Comp. Absences	25,952	73,464	72,466	26,950	26,950
Subtotal	1,770,675	167,790	72,466	1,865,999	26,950
Total	$2,130,438	$505,238	$479,981	$2,155,695	$316,646

Compensated absences are normally paid through the general fund, other major governmental funds, and clay peak landfill fund.

E. OPERATING LEASES

The County has several operating leases for equipment. The leases have four to six-year terms, call for annual payments, and it is anticipated that the County will return the equipment at the end of the lease terms. Total lease payments for the year amounted to $195,633 in the governmental activities (paid through the road & bridge fund) and $209,977 in the business-type activities (paid through the clay peak landfill fund).

Future minimum lease payments are estimated as follows:

Year Ended	Governmental Activities	Business-Type Activities
9/30/22	$70,940	$908,671
9/30/23	70,940	423,703
9/30/24	24,767	42,740
9/30/25	190,000	360,000
Total	$356,647	$1,735,114

F. PENSION PLAN

Plan Description

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

of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. 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% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2021 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The County's contributions were $684,715 for the year ended September 30, 2021.

Pension Asset/Liabilities, 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 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 Base Plan employers. At June 30, 2021, the County's proportion was 0.1526051 percent.

For the year ended September 30, 2021, the County recognized pension (revenue) expense of ($144,506). 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
Differences between expected and actual experience	$177,984	$70,218
Changes in assumptions or other inputs	1,386,643	
Net difference between projected and actual earnings on pension plan investments		3,794,274
Employer contributions subsequent to the measurement date	171,807	
Total	$1,736,434	$3,864,492

$171,807 reported as deferred outflows of resources related to pensions resulting from County contributions made subsequent to the measurement date will be recognized as an adjustment to the pension expense 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, 2020 is 4.7 and 4.6 for the measurement period June 30, 2021.

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

Year Ended	
9/30/22	($539,766)
9/30/23	(486,439)
9/30/24	(425,092)
9/30/25	(843,298)
Total	($2,294,595)

Actuarial Assumptions

Valuations are based on 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. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension asset 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	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries

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

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. The total pension asset 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 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.

Capital Market Assumptions from Callan 2021			
Asset Class	**Target Allocation**	**Long-Term Expected Nominal Rate of Return (Arithmetic)**	**Long-Term Expected Real Rate of Return (Arithmetic)**
Core Fixed Income	30.00%	1.80%	-0.20%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return*		5.15%	3.06%

Investment Policy Assumptions from PERSI November 2019	
Portfolio Long-Term Expected Real Rate of Return*	4.14%
Portfolio Standard Deviation	14.16%

Economic/Demographic Assumptions from Milliman 2021	
Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return*	4.05%
Assumed Inflation	2.30%
Long-Term Expected Geometric Rate of Return*	**6.35%**

*Net of Investment Expenses

Discount Rate

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

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.

The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 6.35 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher 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 (asset)	$4,199,308	($120,801)	($3,662,082)

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.

G. DEFINED CONTRIBUTION PLAN

The County has a defined contribution plan (Internal Revenue Code 457) wherein it contributes 1.75% of eligible employees' salaries. Participating employees may also make voluntary contributions. County contributions for the year were $92,925.

H. LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated minimum liability for landfill closure and postclosure care cost is $1,839,049 at year end, which is based on an approximate usage of the active waste areas (Construction & Demolition (C&D) Waste Area, and Cells 1 & 2) of the landfill, for which the County has reserved adequate funds. Cell 1 is filled to capacity and is fully closed with seeded cover. The C&D Waste Area is estimated 75% - 80% filled to capacity and is estimated to be filled on or about 2025. Cell 2 is estimated 45% filled to capacity and is estimated to be filled on or about 2033. An area for Landfill Cell 3 has been designated and should extend the life of the Clay Peak Landfill to beyond 2080.

The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired at year end. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The County records an estimated current cost of the landfill closure and postclosure care costs on its statement of net position as part of long-term debt and obligations.

The County is required by state and federal laws and regulations to make annual contributions, when needed, to finance closure and postclosure care. At year end, the County had sufficient funds held for these purposes. Held funds are kept in trust and are presented on the County's statement of net position as "restricted cash and investments". It is anticipated that future inflation costs will be financed in part from

earnings on investments held in the fund. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in postclosure requirements may need to be covered by charges to future landfill users, taxpayers, or both.

I. TAX ABATEMENTS

Idaho counties are authorized by state statute to transact certain property tax activity with property owners in their respective taxing districts. The counties collect the property taxes, then allocate and remit those collections among the taxing districts within the counties. The counties are authorized to cancel or reduce property taxes due to various reasons, including the circuit breaker program, agricultural and other exemptions, and section 63-602NN exemptions under Idaho code for real property improvements.

J. PRIOR PERIOD ADJUSTMENT

During the year, the County implemented GASB No. 84 *Fiduciary Activities*. As required by GASB 84, the County's private purpose trust fund and custodial fund net positions were restated by $542,784 to reflect the implementation of this new standard which requires that certain previously reported fiduciary funds now be classified as private purpose trust funds or custodial funds.

PAYETTE COUNTY, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2021

General (Current Expense) Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Property Taxes	$909,295	$909,295	$969,651	$60,356	
Intergovernmental Revenue	280,800	280,800	359,805	79,005	
Investment Return	39,116	39,116	65,399	26,283	
Change in FMV of Investments	0	0	(58,712)	(58,712)	
Charges for Services	638,600	638,600	915,189	276,589	
Grants & Other	796,442	1,007,309	1,254,438	247,129	
Total Revenues	2,664,253	2,875,120	3,505,770	630,650	
Expenditures					
Current Expenditures					
Assessor	366,177	366,177	347,585	18,592	
Buildings & Grounds	462,500	462,500	385,436	77,064	
Clerk / Auditor	321,422	321,422	299,641	21,781	
Commissioners	121,489	121,489	113,117	8,372	
County Agent	121,100	121,100	101,271	19,829	
District Court	0	0	0	0	
Indigent & Charity	0	0	0	0	
Planning & Zoning	204,794	204,794	148,503	56,291	
Prosecuting Attorney	0	0	0	0	
Road & Bridge	0	0	0	0	
Sheriff & Jail	0	0	0	0	
Treasurer / Tax Collector	209,172	209,172	182,584	26,588	
Other General Fund Functions	1,486,285	1,697,152	1,354,639	342,513	
Other Justice Fund Functions	0	0	0	0	
Other Nonmajor Fund Functions	0	0	0	0	
Total Expenditures	3,292,939	3,503,806	2,932,776	571,030	*
Excess (Deficiency) of Revenues Over Expenditures	(628,686)	(628,686)	572,994	1,201,680	
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	
Transfers Out	0	0	0	0	*
Total Other Financing Sources (Uses)	0	0	0	0	
Net Change in Fund Balances	(628,686)	(628,686)	572,994	1,201,680	
Fund Balances - Beginning	628,686	628,686	2,605,076	1,976,390	
Fund Balances - Ending	$0	$0	$3,178,070	3,178,070	
	**Total expenditures (over) under appropriations are:*			$571,030	

PAYETTE COUNTY, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2021

Road & Bridge Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Property Taxes	$379,128	$379,128	$402,085	$22,957	
Intergovernmental Revenue	1,056,330	1,159,945	1,560,300	400,355	
Investment Return	0	0	0	0	
Change in FMV of Investments	0	0	0	0	
Charges for Services	0	0	1,150	1,150	
Grants & Other	0	0	18,454	18,454	
Total Revenues	1,435,458	1,539,073	1,981,989	442,916	
Expenditures					
Current Expenditures					
Assessor	0	0	0	0	
Buildings & Grounds	0	0	0	0	
Clerk / Auditor	0	0	0	0	
Commissioners	0	0	0	0	
County Agent	0	0	0	0	
District Court	0	0	0	0	
Indigent & Charity	0	0	0	0	
Planning & Zoning	0	0	0	0	
Prosecuting Attorney	0	0	0	0	
Road & Bridge	1,982,466	2,086,081	1,464,714	621,367	
Sheriff & Jail	0	0	0	0	
Treasurer / Tax Collector	0	0	0	0	
Other General Fund Functions	0	0	0	0	
Other Justice Fund Functions	0	0	0	0	
Other Nonmajor Fund Functions	0	0	0	0	
Total Expenditures	1,982,466	2,086,081	1,464,714	621,367	*
Excess (Deficiency) of Revenues Over Expenditures	(547,008)	(547,008)	517,275	1,064,283	
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	
Transfers Out	0	0	0	0	*
Total Other Financing Sources (Uses)	0	0	0	0	
Net Change in Fund Balances	(547,008)	(547,008)	517,275	1,064,283	
Fund Balances - Beginning	547,008	547,008	1,177,937	630,929	
Fund Balances - Ending	$0	$0	$1,695,212	1,695,212	
	**Total expenditures (over) under appropriations are:*			$621,367	

PAYETTE COUNTY, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2021

District Court Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Property Taxes	$252,027	$252,027	$262,195	$10,168	
Intergovernmental Revenue	263,676	263,676	542,911	279,235	
Investment Return	0	0	0	0	
Change in FMV of Investments	0	0	0	0	
Charges for Services	150,090	150,090	173,674	23,584	
Grants & Other	287,279	287,279	187,802	(99,477)	
Total Revenues	953,072	953,072	1,166,582	213,510	
Expenditures					
Current Expenditures					
Assessor	0	0	0	0	
Buildings & Grounds	0	0	0	0	
Clerk / Auditor	0	0	0	0	
Commissioners	0	0	0	0	
County Agent	0	0	0	0	
District Court	1,145,003	1,145,003	927,027	217,976	
Indigent & Charity	0	0	0	0	
Planning & Zoning	0	0	0	0	
Prosecuting Attorney	0	0	0	0	
Road & Bridge	0	0	0	0	
Sheriff & Jail	0	0	0	0	
Treasurer / Tax Collector	0	0	0	0	
Other General Fund Functions	0	0	0	0	
Other Justice Fund Functions	0	0	0	0	
Other Nonmajor Fund Functions	0	0	0	0	
Total Expenditures	1,145,003	1,145,003	927,027	217,976	*
Excess (Deficiency) of Revenues Over Expenditures	(191,931)	(191,931)	239,555	431,486	
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	
Transfers Out	0	0	0	0	*
Total Other Financing Sources (Uses)	0	0	0	0	
Net Change in Fund Balances	(191,931)	(191,931)	239,555	431,486	
Fund Balances - Beginning	191,931	191,931	331,319	139,388	
Fund Balances - Ending	$0	$0	$570,874	570,874	
	**Total expenditures (over) under appropriations are:*			$217,976	

PAYETTE COUNTY, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2021

Justice Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Property Taxes	$2,833,779	$2,833,779	$2,916,960	$83,181	
Intergovernmental Revenue	597,000	597,000	608,000	11,000	
Investment Return	45,000	45,000	47,154	2,154	
Change in FMV of Investments	0	0	0	0	
Charges for Services	815,000	815,000	934,916	119,916	
Grants & Other	237,350	289,898	194,758	(95,140)	
Total Revenues	4,528,129	4,580,677	4,701,788	121,111	
Expenditures					
Current Expenditures					
Assessor	0	0	0	0	
Buildings & Grounds	0	0	0	0	
Clerk / Auditor	0	0	0	0	
Commissioners	0	0	0	0	
County Agent	0	0	0	0	
District Court	0	0	0	0	
Indigent & Charity	0	0	0	0	
Planning & Zoning	0	0	0	0	
Prosecuting Attorney	561,526	561,526	535,334	26,192	
Road & Bridge	0	0	0	0	
Sheriff & Jail	2,664,508	2,717,056	2,351,693	365,363	
Treasurer / Tax Collector	0	0	0	0	
Other General Fund Functions	0	0	0	0	
Other Justice Fund Functions	1,757,512	1,757,512	1,552,070	205,442	
Other Nonmajor Fund Functions	0	0	0	0	
Total Expenditures	4,983,546	5,036,094	4,439,097	596,997	*
Excess (Deficiency) of Revenues Over Expenditures	(455,417)	(455,417)	262,691	718,108	
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	
Transfers Out	0	0	0	0	*
Total Other Financing Sources (Uses)	0	0	0	0	
Net Change in Fund Balances	(455,417)	(455,417)	262,691	718,108	
Fund Balances - Beginning	455,417	455,417	2,880,061	2,424,644	
Fund Balances - Ending	$0	$0	$3,142,752	3,142,752	
	**Total expenditures (over) under appropriations are:*			$596,997	

PAYETTE COUNTY, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2021

Indigent & Charity Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Property Taxes	$1,016,882	$1,016,882	$1,021,619	$4,737	
Intergovernmental Revenue	110,000	110,000	281,721	171,721	
Investment Return	0	0	0	0	
Change in FMV of Investments	0	0	0	0	
Charges for Services	30,000	30,000	50,317	20,317	
Grants & Other	238,000	485,150	371,838	(113,312)	
Total Revenues	1,394,882	1,642,032	1,725,495	83,463	
Expenditures					
Current Expenditures					
Assessor	0	0	0	0	
Buildings & Grounds	0	0	0	0	
Clerk / Auditor	0	0	0	0	
Commissioners	0	0	0	0	
County Agent	0	0	0	0	
District Court	0	0	0	0	
Indigent & Charity	1,409,260	1,656,410	1,135,001	521,409	
Planning & Zoning	0	0	0	0	
Prosecuting Attorney	0	0	0	0	
Road & Bridge	0	0	0	0	
Sheriff & Jail	0	0	0	0	
Treasurer / Tax Collector	0	0	0	0	
Other General Fund Functions	0	0	0	0	
Other Justice Fund Functions	0	0	0	0	
Other Nonmajor Fund Functions	0	0	0	0	
Total Expenditures	1,409,260	1,656,410	1,135,001	521,409	*
Excess (Deficiency) of Revenues Over Expenditures	(14,378)	(14,378)	590,494	604,872	
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	
Transfers Out	0	0	0	0	*
Total Other Financing Sources (Uses)	0	0	0	0	
Net Change in Fund Balances	(14,378)	(14,378)	590,494	604,872	
Fund Balances - Beginning	14,378	14,378	494,691	480,313	
Fund Balances - Ending	$0	$0	$1,085,185	1,085,185	
	**Total expenditures (over) under appropriations are:*			$521,409	

PAYETTE COUNTY, IDAHO

Schedule of Employer's Share of Net Pension Asset and Liability

PERSI - Base Plan

Last 10 - Fiscal Years*

	2021	2020	2019
County's portion of the net pension asset/liability	0.1526051%	0.1564640%	0.1553671%
County's proportionate share of the net pension (asset) liability	($120,801)	$3,633,301	$1,773,472
County's covered payroll	$5,695,017	$5,571,499	$5,276,890
County's proportional share of the net pension asset/liability as a percentage of its covered payroll	-2.12%	65.21%	33.61%
Plan fiduciary net position as a percentage of the total pension asset/liability	100.36%	88.22%	93.79%

	2018	2017	2016	2015
County's portion of the net pension asset/liability	0.1514671%	0.1501126%	0.1561449%	0.1619153%
County's proportionate share of the net pension (asset) liability	$2,234,166	$2,359,512	$3,165,297	$2,132,161
County's covered payroll	$4,873,242	$4,662,394	$4,639,170	$4,564,647
County's proportional share of the net pension asset/liability as a percentage of its covered payroll	45.85%	50.61%	68.23%	46.71%
Plan fiduciary net position as a percentage of the total pension asset/liability	91.69%	90.68%	87.26%	91.38%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of June 30.

PAYETTE COUNTY, IDAHO

Schedule of Employer Contributions

PERSI - Base Plan

Last 10 - Fiscal Years*

	2021	2020	2019
Statutorily required contribution	$684,715	$671,090	$624,690
Contributions in relation to the statutorily required contribution	$684,715	$671,090	$624,690
Contribution deficiency (excess)	$0	$0	$0
County's covered payroll	$5,734,631	$5,620,519	$5,446,825
Contributions as a percentage of covered payroll	11.94%	11.94%	11.47%

	2018	2017	2016	2015
Statutorily required contribution	$575,322	$550,129	$525,154	$516,718
Contributions in relation to the statutorily required contribution	$575,322	$550,129	$525,154	$516,718
Contribution deficiency (excess)	$0	$0	$0	$0
County's covered payroll	$5,082,350	$4,859,797	$4,639,170	$4,564,647
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of each year's fiscal year end.

PAYETTE COUNTY, IDAHO

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2021

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Dept of Justice			
Passed Through Idaho State Police:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DS-BX-0013	$20,048
Total US Dept of Justice			20,048
US Dept of Treasury			
Passed Through Idaho Office of the Governor:			
COVID-19 - Coronavirus Relief Fund	21.019	20-1892-0-1-806	1,083,574
Total US Dept of Treasury			1,083,574
US Election Assistance Commission			
Passed Through Idaho Secretary of State:			
COVID-19 - 2020 Supplemental COVID-19 Election Security Grants	90.404	ID20101CARES-01	32,363
Total US Election Assistance Commission			32,363
US Dept of Homeland Security			
Passed Through Idaho Dept of Parks and Recreation:			
Boating Safety Financial Assistance	97.012	14.01.16	4,582
Passed Through Idaho Military Division:			
COVID-19 - Disaster Relief Fund	97.036	FEMA-4534 DR-ID	13,397
COVID-19 - Emergency Management Performance Grants	97.042	EMS2020EP00003	23,055
BRIC: Building Resilient Infrastructure and Communities	97.047	EMS2018PC0008	19,977
Homeland Security Grant Program	97.067	EMW2019SS00047	14,622
Total US Dept of Homeland Security			75,633
Total Expenditures of Federal Awards			$1,211,618

NOTES:

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the 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 accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

B. Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the 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. The County has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Quest CPAs PLLC
Quality Expertise Service Timeliness

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of County Commissioners
Payette County, 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, the business-type activities, two of the three discretely presented component units, each major fund, and the aggregate remaining fund information of Payette County, Idaho (the County), 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, and have issued our report thereon dated March 15, 2022.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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

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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 County's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Quest CPAs PLLC

Payette, Idaho
March 15, 2022

Quest CPAs PLLC
Audit Specialists www.qcpas.com

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of County Commissioners
Payette County, Idaho

Report on Compliance for Each Major Federal Program

We have audited Payette County, Idaho's (the County's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2021. The County'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 County'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 County'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 County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County 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.

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Report on Internal Control Over Compliance

Management of the County 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 County's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 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 County'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 in 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.

Quest CPAs PLLC

Payette, Idaho
March 15, 2022

PAYETTE COUNTY, IDAHO
Schedule of Findings and Questioned Costs
Year Ended September 30, 2021

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued:	Unmodified • Business-Type Activities • Each Major Fund • Aggreg Remain Fund Info • Two Discretely Presented Component Units Qualified • Gov't Activities Adverse • One Discretely Presented Component Unit
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Major program identification:
a. COVID-19 - Coronavirus Relief Fund – CFDA #21.019
b. COVID-19 - 2020 Supplemental COVID-19 Election Security Grants – CFDA #90.404

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