Adams County, Idaho

Year Ended September 30, 2022

Audited Financial Statements



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Quest CPAs PLLC

ADAMS COUNTY, IDAHO
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Independent Auditor's Report

Board of County Commissioners
Adams County, Idaho

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

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Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and schedule of employer's share of net pension asset and liability and schedule of employer contributions, and schedule of changes in the net OPEB liability and related ratios listed in the table of contents 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. 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.

Supplementary 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, 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,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 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 January 24, 2023, 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
January 24, 2023

ADAMS COUNTY, IDAHO
Statement of Net Position
September 30, 2022

	Governmental Activities	
	Primary Government	**Component Units**
Assets		
Current Assets		
Cash & Investments	$10,399,471	$86,799
Receivables:		
Taxes	93,179	8,928
Accounts		25,000
Total Current Assets	10,492,650	120,727
Noncurrent Assets		
Cash & Investments	298,186	
Nondepreciable Capital Assets	374,140	
Depreciable/Amortizable Net Capital Assets	5,273,807	366,121
Total Noncurrent Assets	5,946,133	366,121
Total Assets	16,438,783	486,848
Deferred Outflows of Resources		
OPEB Items	20,249	
Pension Items	1,556,535	
Total Deferred Outflows of Resources	1,576,784	0
Total Assets and Deferred Outflows of Resources	$18,015,567	$486,848
Liabilities		
Current Liabilities		
Accounts Payable & Accrued Expenses	$452,890	$2,182
Long-Term Liabilities, Current	257,202	
Total Current Liabilities	710,092	2,182
Noncurrent Liabilities		
Long-Term Liabilities, Noncurrent	3,355,895	
Total Noncurrent Liabilities	3,355,895	0
Total Liabilities	4,065,987	2,182
Deferred Inflows of Resources		
OPEB Items	786	
Pension Items	13,028	
Total Deferred Inflows of Resources	13,814	0
Total Liabilities and Deferred Inflows of Resources	4,079,801	2,182
Net Position		
Net Investment in Capital Assets	5,153,608	366,121
Restricted - Special Programs	6,875,132	
Restricted - Capital Projects	2,203,676	
Unrestricted	(296,650)	118,545
Total Net Position	13,935,766	484,666
Total Liabilities and Deferred Inflows of Resources and Net Position	$18,015,567	$486,848

ADAMS COUNTY, IDAHO
Statement of Activities
Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants And Contributions	Program Revenues: Capital Grants And Contributions	Net (Expense) Revenue
Governmental Activities - Primary Government					
Current Expenditures					
Assessor	$177,823	$21,546			($156,277)
Buildings & Grounds	161,864	19,612			(142,252)
Capital Projects	679,980	82,391			(597,589)
Clerk / Auditor	126,055	15,274			(110,781)
Commissioners	105,731	12,811			(92,920)
Prosecuting Attorney	196,177	23,770			(172,407)
Road & Bridge	1,391,096	242,366	$496,340		(652,390)
Sheriff & Jail	1,258,924	163,359	17,207		(1,078,358)
Solid Waste	450,376	63,779			(386,597)
Treasurer / Tax Collector	128,810	15,607			(113,203)
Other General Fund Functions	652,973	79,118			(573,855)
Other Justice Fund Functions	533,163	64,601			(468,562)
Other Nonmajor Fund Functions	1,562,657	190,093	18,250	$383,515	(970,799)
Other PILT Fund Functions	0				0
Capital Assets	908,367				(908,367)
Total Primary Government	$8,333,996	$994,327	$531,797	$383,515	($6,424,357)
Component Unit					
Council Valley Ambulance District	$237,886	$103,397			(134,489)
Meadows Valley Ambulance District	121,884				(121,884)
Total Component Unit	$359,770	$103,397	$0	$0	($256,373)

Changes in Net Position	Primary Government	Component Units
Net (Expense) Revenue	(6,424,357)	(256,373)
General Revenues		
Property Taxes	3,066,403	237,459
Intergovernmental Revenue	2,955,824	
Investment Return	36,759	
Other Revenue	1,137,953	8,206
Pension Revenue (Expense)	(691,592)	
OPEB Revenue (Expense)	(14,200)	
Total	6,491,147	245,665
Change in Net Position	66,790	(10,708)
Net Position - Beginning - As Prev. Stated	14,111,122	495,374
Restatement - See Note H	(242,146)	
Net Position - Beginning	13,868,976	495,374
Net Position - Ending	$13,935,766	$484,666

ADAMS COUNTY, IDAHO

Balance Sheet - Governmental Funds

September 30, 2022

	General (Current Expense) Fund	Road & Bridge Fund	Justice Fund	Solid Waste Fund
Assets				
Cash & Investments	$1,197,922	$1,213,859	$657,611	$539,911
Receivables:				
Taxes	26,231		28,314	18,444
Due From Other Funds				
Total Assets	$1,224,153	$1,213,859	$685,925	$558,355
Liabilities				
Accounts Payable & Accrued Expenses	$25,265	$173,091	$14,478	$679
Due To Other Funds				
Total Liabilities	25,265	173,091	14,478	679
Deferred Inflows of Resources				
Unavailable Tax Revenues	23,608		25,483	16,599
Total Deferred Inflows of Resources	23,608	0	25,483	16,599
Fund Balances				
Restricted - Special Programs		1,040,768	645,964	541,077
Restricted - Capital Projects				
Unassigned	1,175,280			
Total Fund Balances	1,175,280	1,040,768	645,964	541,077
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$1,224,153	$1,213,859	$685,925	$558,355

ADAMS COUNTY, IDAHO
Balance Sheet - Governmental Funds
September 30, 2022

	PILT Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash & Investments	$2,194,321	$2,427,329	$2,466,704	$10,697,657
Receivables:				
Taxes		0	20,190	93,179
Due From Other Funds		0	0	0
Total Assets	$2,194,321	$2,427,329	$2,486,894	$10,790,836
Liabilities				
Accounts Payable & Accrued Expenses		$223,653	$15,724	$452,890
Due To Other Funds		0	0	0
Total Liabilities	$0	223,653	15,724	452,890
Deferred Inflows of Resources				
Unavailable Tax Revenues		0	18,168	83,858
Total Deferred Inflows of Resources	0	0	18,168	83,858
Fund Balances				
Restricted - Special Programs	2,194,321	0	2,453,002	6,875,132
Restricted - Capital Projects		2,203,676	0	2,203,676
Unassigned		0	0	1,175,280
Total Fund Balances	2,194,321	2,203,676	2,453,002	10,254,088
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$2,194,321	$2,427,329	$2,486,894	$10,790,836

ADAMS COUNTY, IDAHO
Balance Sheet - Governmental Funds
September 30, 2022

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

Total Governmental Fund Balances	$10,254,088
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.	5,647,947
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	83,858
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(3,613,097)
Deferred outflows/inflows related to OPEB are not due and payable in the current period and therefore are not reported in the funds.	19,463
Deferred outflows/inflows related to pensions are not due and payable in the current period and therefore are not reported in the funds.	1,543,507
Net Position of Governmental Activities	$13,935,766

ADAMS COUNTY, IDAHO

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended September 30, 2022

	General (Current Expense) Fund	Road & Bridge Fund	Justice Fund	Solid Waste Fund
Revenues				
Property Taxes	$895,809		$1,103,193	$392,438
Intergovernmental Revenue	77,068	$2,147,096	542,646	
Investment Return	19,024			
Charges for Services	298,064		247,568	303,964
Grants & Other	25,025	113,941	67,974	360
Total Revenues	1,314,990	2,261,037	1,961,381	696,762
Expenditures				
Current Expenditures				
Assessor	185,358			
Buildings & Grounds	168,723			
Capital Projects				
Clerk / Auditor	131,396			
Commissioners	110,211			
Prosecuting Attorney			204,490	
Road & Bridge		2,085,038		
Sheriff & Jail			1,405,355	
Solid Waste				548,684
Treasurer / Tax Collector	134,269			
Other General Fund Functions	680,642			
Other Justice Fund Functions			555,755	
Other Nonmajor Fund Functions				
Other PILT Fund Functions				
Total Expenditures	1,410,599	2,085,038	2,165,600	548,684
Excess (Deficiency) of Revenues Over Expenditures	(95,609)	175,999	(204,219)	148,078
Other Financing Sources (Uses)				
Proceeds from Lease		156,960		
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	0	156,960	0	0
Net Change in Fund Balances	(95,609)	332,959	(204,219)	148,078
Fund Balances - Beginning	1,270,889	707,809	850,183	392,999
Fund Balances - Ending	$1,175,280	$1,040,768	$645,964	$541,077

ADAMS COUNTY, IDAHO

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended September 30, 2022

	PILT Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes		$3,499	$654,091	$3,049,030
Intergovernmental Revenue		0	189,014	2,955,824
Investment Return		14,497	3,238	36,759
Charges for Services		0	144,731	994,327
Grants & Other	$466,577	564,203	815,185	2,053,265
Total Revenues	466,577	582,199	1,806,259	9,089,205
Expenditures				
Current Expenditures				
Assessor		0	0	185,358
Buildings & Grounds		0	0	168,723
Capital Projects		708,794	0	708,794
Clerk / Auditor		0	0	131,396
Commissioners		0	0	110,211
Prosecuting Attorney		0	0	204,490
Road & Bridge		0	0	2,085,038
Sheriff & Jail		0	0	1,405,355
Solid Waste		0	0	548,684
Treasurer / Tax Collector		0	0	134,269
Other General Fund Functions		0	0	680,642
Other Justice Fund Functions		0	0	555,755
Other Nonmajor Fund Functions		0	1,635,334	1,635,334
Other PILT Fund Functions		0	0	0
Total Expenditures	0	708,794	1,635,334	8,554,049
Excess (Deficiency) of Revenues Over Expenditures	466,577	(126,595)	170,925	535,156
Other Financing Sources (Uses)				
Proceeds from Lease		0	0	156,960
Transfers In		0	0	0
Transfers Out		0	0	0
Total Other Financing Sources (Uses)	0	0	0	156,960
Net Change in Fund Balances	466,577	(126,595)	170,925	692,116
Fund Balances - Beginning	1,727,744	2,330,271	2,282,077	9,561,972
Fund Balances - Ending	$2,194,321	$2,203,676	$2,453,002	$10,254,088

ADAMS COUNTY, IDAHO
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended September 30, 2022

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	$692,116
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 as well as any gains and losses on dispositions of assets.	(272,739)
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.	17,373
Proceeds of lease is a financing source in the governmental funds, but increases long-term debt in the statement of net position.	(156,960)
Repayment of debt/lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	145,058
In the statement of activities, compensated absences are accrued when earned, but the expenditure is reported when due in the governmental funds.	(10,599)
Changes in net OPEB liability and related OPEB source deferred outflow of resources do not provide or require current financial resources and therefore are not reflected in the funds.	(5,684)
Changes in net pension asset/liability and related pension deferred outflows and deferred inflows do not provide or require current financial resources and therefore are not reflected in the funds.	(341,775)
Change in Net Position of Governmental Activities	$66,790

ADAMS COUNTY, IDAHO
Statement of Fiduciary Net Position
September 30, 2022

	Private Purpose Trust Funds	Custodial Funds	Total
Assets			
Cash & Investments	$421,642	$81,264	$502,906
Taxes Receivable		67,741	67,741
Total Assets	$421,642	$149,005	$570,647
Liabilities			
Accounts Payable & Accrued Expenses	$67,011	$81,264	$148,275
Total Liabilities	67,011	81,264	148,275
Net Position			
Restricted - Held in Trust	354,631		354,631
Restricted - Other Governments		67,741	67,741
Total Net Position	354,631	67,741	422,372
Total Liabilities and Net Position	$421,642	$149,005	$570,647

ADAMS COUNTY, IDAHO
Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2022

	Private Purpose Trust Funds	Custodial Funds	Total
Additions			
Collections	$721,073	$2,741,227	$3,462,300
Total Additions	721,073	2,741,227	3,462,300
Deductions			
Distributions	732,948	2,733,675	3,466,623
Total Deductions	732,948	2,733,675	3,466,623
Change in Net Position	(11,875)	7,552	(4,323)
Net Position - Beginning	366,506	60,189	426,695
Net Position - Ending	$354,631	$67,741	$422,372

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Adams 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 its two component units, entities for which the County is considered to be financial accountable. 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. Aggregate discretely presented component units include the Council Valley Ambulance District (CVAD) and the Meadows Valley Ambulance District (MVAD). CVAD and MVAD were established under state law which designate the County commissioners as the governing authority. Separate financial statements for CVAD and MVAD 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. Currently, all the County's activities are categorized as governmental activities.

In the government-wide statement of net position, the governmental 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. 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 (when two or more funds are involved) 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) are normally covered by general revenues.

The County's sole activity is providing basic county services, and substantially all expenses are directly related to this activity. 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 justice fund, which accounts for basic public safety and related functions, the solid waste fund, which accounts for waste disposal activities, and the PILT fund, which accounts for PILT funding and related expenditures.

Capital Projects Funds – Capital projects funds are used to account for the acquisition of capital assets. Major capital project funds include the capital projects fund, used to account for major capital additions and improvements.

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support County programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. Fiduciary funds of the County include:

Private Purpose Trust Funds – Private purpose trust funds are used to account for the assets, and related income producing and disbursement activities, for which the County acts as a trustee.

Custodial Funds – Custodial funds are used to account for assets held by the County on behalf of other governments.

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.

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are reported on the 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. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Investments are measured using the market approach and include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants. Investments also include the 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).

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. Compensated absences will be paid by the fund in which the employee works.

Pensions – For purposes of measuring the net pension asset/liability and pension revenue/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. Pension obligations will be paid by the fund in which the employee works.

Other Post-Employment Benefits (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Other Post-Employment Benefit Plan (the County's OPEB Plan) and additions to/deductions from the County's OPEB Plan fiduciary net position have been determined on the same basis as they are reported by the County's OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Other post-employment benefits will be paid by the fund in which the employee works.

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. The County does not have a formal policy concerning custodial credit risk.

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	Fiduciary Funds	Total
Cash - Deposits	$5,310,739	$502,906	$5,813,645
Investments - Local Gov't Invest Pool	4,939,175		4,939,175
Investments - Fixed Income Securities	447,743		447,743
Total	$10,697,657	$502,906	$11,200,563

Deposits – At year end, the carrying amounts of the County's deposits were $5,813,645 and the bank balances were $5,645,235. Of the bank balances, $730,746 was insured, $4,699,584 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	Total
Local Gov't Invest Pool	$4,939,175		$4,939,175
US Gov't Agency Oblig	149,557	$298,186	447,743
Total	$5,088,732	$298,186	$5,386,918

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

	Investment Rating Schedule		
Investment Type	AAA	Not Rated	Total
Local Gov't Invest Pool		$4,939,175	$4,939,175
US Gov't Agency Oblig	$398,844	48,899	447,743
Total	$398,844	$4,988,074	$5,386,918

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.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. The local government investment pool is not registered with the SEC and is a short-term investment pool. The state treasurer's office investment policy for the local government investment pool includes the following three primary objectives in order of priority: safety, liquidity, and yield. Participants have overnight availability to their funds, up to $10 million. Withdrawals

of $10 million or more require three business days' notification. More information on the local governmental investment pool including regulatory information, ratings, and risk information can be found at www.sto.idaho.gov.

C. CAPITAL ASSETS

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

	Beginning Balance*	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	$374,140			$374,140
Total	374,140	$0	$0	374,140
Depreciable/Amortizable Capital Assets				
Buildings	6,246,973	11,790		6,258,763
Equipment	3,826,190	466,878	598,301	3,694,767
Infrastructure	14,853,514			14,853,514
Leased Equipment	482,349	156,960		639,309
Subtotal	25,409,026	635,628	598,301	25,446,353
Accumulated Depreciation				
Buildings	2,039,840	184,305		2,224,145
Equipment	2,742,624	596,428	598,301	2,740,751
Infrastructure	14,837,958	15,556		14,853,514
Subtotal	19,620,422	796,289	598,301	19,818,410
Accumulated Amortization				
Leased Equipment	242,058	112,078		354,136
Subtotal	242,058	112,078	0	354,136
Total	5,546,546	(272,739)	0	5,273,807
Net Capital Assets	$5,920,686	($272,739)	$0	$5,647,947

Depreciation expense of $796,289 and amortization expense of $112,078 were charged to the capital assets program. *Due to the implementation of GASB No. 87 *Leases*, beginning balances on this schedule were restated – see Note H.

D. LONG-TERM LIABILITIES

Note Payable – at year end, the County had a note payable as follows:

Note payable due in annual payments ranging from $39,499 - $195,000 with interest at 4.98% through 2024, secured by equipment, paid through the road & bridge fund	$214,569
Total	$214,569

Maturities on the note are estimated as follows:

Year Ended	Principal	Interest
9/30/23	$28,817	$10,682
9/30/24	185,752	9,248
Total	$214,569	$19,930

Leases – At year end, the County had leases as follows:

Lease for equipment #0785 for 5 years starting June 2022, due in annual payments of $40,489, with interest at 3.99%, paid through the road & bridge fund	$116,471
Lease for equipment #0671 for 5 years starting October 2018, due in annual payments of $45,632, with interest at 5.35%, paid through the road & bridge fund	43,315
Lease for equipment #0250 for 7 years starting November 2018, due in annual payments of $53,528, with interest at 5.30%, paid through the solid waste fund	119,984
Total	$279,770

Future lease payments are estimated as follows:

Year Ended	Principal	Interest	Total
9/30/23	$108,662	$30,987	$139,649
9/30/24	68,453	25,564	94,017
9/30/25	71,775	22,242	94,017
9/30/26	30,880	9,609	40,489
Total	$279,770	$88,402	$368,172

Changes in long-term liabilities are as follows:

Description	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Note Payable	$242,020		$27,451	$214,569	$28,817
Leases	240,417	$156,960	117,607	279,770	108,662
Comp. Absences	109,124	155,312	144,713	119,723	119,723
Net Pension Liability	0	2,918,831		2,918,831	-
Net OPEB Liability	55,157	25,047		80,204	-
Total	$646,718	$3,256,150	$289,771	$3,613,097	$257,202

Interest and related costs during the year amounted to $34,090 of which $22,042 was charged to the road & bridge program and $12,048 was charged to the solid waste program. *Due to the implementation of GASB No. 87 *Leases*, beginning balances on this schedule were restated – see Note H.

E. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is funded with employee contributions only.

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, 2022 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 $352,498 for the year ended September 30, 2022.

Pension asset/liabilities, pension revenue (expense), and deferred outflows of resources and deferred inflows of resources related to pensions

At September 30, 2022, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2022, the County's proportion was 0.0741054 percent.

For the year ended September 30, 2022, the County recognized pension revenue (expense) of ($691,592). At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$320,965	$13,028
Changes in assumptions or other inputs	475,857	
Net difference between projected and actual earnings on pension plan investments	671,588	
Employer contributions subsequent to the measurement date	88,125	
Total	$1,556,535	$13,028

$88,125 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, 2023.

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, 2022 the beginning of the measurement period ended June 30, 2021 is 4.6 and 4.6 for the measurement period June 30, 2022.

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

Year Ended	
9/30/23	($348,035)
9/30/24	(377,825)
9/30/25	(174,744)
9/30/26	(554,778)
Total	($1,455,382)

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 liability in the June 30, 2022 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, net of investment expenses	6.35%
Cost-of-living adjustments	1.00%

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% 5% of Fire & Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
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 liability as of June 30, 2022 is based on the results of an actuarial valuation date of July 1, 2022.

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 2022.

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

Discount rate

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

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

The following presents the County's proportionate share of the net pension liability 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 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	$5,151,451	$2,918,831	$1,091,489

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.

Impact on the County's net position

Depending on the annual performance of the Base Plan and the various non-financial factors that affect the collective Base Plan net pension liability (as described above), the County may periodically experience a deficit in its net position. This can occur as a result of recording the County's allocable portion of the net pension liability which is an estimated liability that changes substantially from year to year depending on the factors described above but does not currently require cash outflows. As the net pension liability of the Base Plan is closely monitored by PERSI's board (who makes changes to the contribution rates and other terms of the Base Plan when deemed necessary), such deficits are not deemed to be of substantial concern.

G. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The County's Other Post-Employment Benefit Plan (the County's OPEB Plan) is a single-employer defined benefit healthcare plan administered by GemPlan. The County's OPEB plan does not include the PERSI pension benefits otherwise discussed in these financial statements and does not issue a publicly available financial report.

Benefits Provided

GemPlan, as administrator of the County's OPEB Plan, contracts with Blue Cross/Blue Shield of Idaho to provide health insurance benefits to eligible retirees and their eligible dependents. A retiree who retires while participating in the Public Employee Retirement System of Idaho (PERSI) is eligible to keep the County's health insurance until age 65 or until the retiree is eligible for coverage under Medicare. Eligibility for the County's OPEB Plan is further determined by employees having obtained a minimum age of 55 with at least 20 years of service with the County for general employees and obtaining a minimum 5 years of service with the County for elected officials. Retirees are on the same medical plan as the County's active employees.

Contributions & Implicit Rate Subsidy

OPEB benefits have historically been funded on a pay-as-you-go basis. Under government accounting standards, plan sponsors may set up a trust and pre-fund the benefits. There is no requirement to pre-fund benefits under government accounting standards. However, if benefits are not pre-funded, OPEB liabilities are created and will grow over time. The County has not pre-funded these benefits.

Government accounting standards require employers recognize the implicit rate subsidy that exists in most post-employment benefit plans. The implicit rate subsidy refers to the concept that retirees under the age of 65 (those not Medicare eligible) generate higher claims on average than active participants.

When a medical plan is self-insured through a third-party administrator or fully insured, a premium is usually determined by analyzing the claims of the entire population in that plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired participants. Since individuals generally have more and higher claims as they get older, the blended premium paid for retirees is lower than their expected claims. Another way of considering this is that if the retirees were removed from the plan, the premium for the active group would be lower. Therefore, the retirees' premiums are being subsidized by the active group. The difference between the expected claims for the retiree group and the blended premium is called the implicit rate subsidy.

Accordingly, the County's implicit subsidy contributions were $8,516 for the year ended September 30, 2022.

Net OPEB Liability of the County

The components of the net OPEB liability of the County at yearend were as follows:

Total OPEB Liability	$80,204
OPEB Plan Fiduciary Net Position	0
Net OPEB Liability	$80,204
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%

OPEB Revenue (Expense) and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the County recognized OPEB revenue (expense) of ($14,200). At September 30, 2022, the County reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Liability losses	$8,415	
Liability gains		$605
Assumption changes	3,318	181
Estimated employer contributions subsequent to the measurement date	8,516	
Total	$20,249	$786

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2021 with a measurement date of October 1, 2021. The following actuarial assumptions applied to all periods included in the measurement:

Actuarial cost method	Entry age, level percentage of pay
Inflation	2.00%
Salary increases	Service graded table
Medical trend rate	6.50% as of October 1, 2021 grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Mortality	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale

Discount Rate

The discount rate used to measure the total OPEB liability was 2.30%. Since the County's OPEB plan is not pre-funded, the discount rate is equal to the 20-Year Municipal Bond Yield of 2.30%.

Changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability**
Beginning of Year	$55,157	$0	$55,157
Changes for Year			
Service Cost	9,732		9,732
Interest Cost	1,928		1,928
Assumption Changes	4,148		4,148
Differences Between Expected/Actual Experience	10,519		10,519
Benefit Payments	(1,280)		(1,280)
Net Change in Total OPEB Liability	25,047	0	25,047
End of Year	$80,204	$0	$80,204

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.30%)	**Current Discount Rate (2.30%)**	**1% Increase (3.30%)**
Net OPEB Liability	$88,428	$80,204	$72,710

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease (5.50% Decreasing to 4.00%)	**Current Healthcare Cost Trend Rate (6.50% Decreasing to 5.00%)**	**1% Increase (7.50% Decreasing to 6.00%)**
Net OPEB Liability	$69,049	$80,204	$93,901

H. PRIOR PERIOD ADJUSTMENT

During the year, the County implemented GASB No. 87 *Leases*. As required by GASB 87, the County's net position was restated by ($242,146) to reflect the implementation of this new standard which now requires reporting lease assets and liabilities on the government wide financial statements for long-term leases.

I. 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 after closure. Based upon the portion of the landfill used, closure and post-closure costs are estimated at $705,000 as of the end of the fiscal year. The County does not assure this obligation through a financial test, but instead, follows 40 CRF 258.74(f)(4)(i) which allows the County to provide this assurance by confirming these costs do not exceed 43% of the County's total annual revenue.

J. 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.

ADAMS COUNTY, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2022

General (Current Expense) Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Property Taxes	$906,758	$906,758	$895,809	($10,949)	
Intergovernmental Revenue	31,750	31,750	77,068	45,318	
Investment Return	5,000	5,000	19,024	14,024	
Charges for Services	136,870	136,870	298,064	161,194	
Grants & Other	215,209	295,559	25,025	(270,534)	
Total Revenues	1,295,587	1,375,937	1,314,990	(60,947)	
Expenditures					
Current Expenditures					
Assessor	195,588	195,588	185,358	10,230	
Buildings & Grounds	269,765	269,765	168,723	101,042	
Capital Projects	0	0	0	0	
Clerk / Auditor	135,336	135,336	131,396	3,940	
Commissioners	111,600	111,600	110,211	1,389	
Prosecuting Attorney	0	0	0	0	
Road & Bridge	0	0	0	0	
Sheriff & Jail	0	0	0	0	
Solid Waste	0	0	0	0	
Treasurer / Tax Collector	136,976	143,522	134,269	9,253	
Other General Fund Functions	874,038	947,842	680,642	267,200	
Other Justice Fund Functions	0	0	0	0	
Other Nonmajor Fund Functions	0	0	0	0	
Other PILT Fund Functions	0	0	0	0	
Total Expenditures	1,723,303	1,803,653	1,410,599	393,054	*
Excess (Deficiency) of Revenues Over Expenditures	(427,716)	(427,716)	(95,609)	332,107	
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	(427,716)	(427,716)	(95,609)	332,107	
Fund Balances - Beginning	427,716	427,716	1,270,889	843,173	
Fund Balances - Ending	$0	$0	$1,175,280	$1,175,280	
	**Total expenditures (over) under appropriations are:*			$393,054	

ADAMS COUNTY, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2022

Road & Bridge Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Property Taxes	$0	$0	$0	$0	
Intergovernmental Revenue	1,821,513	1,821,513	2,147,096	325,583	
Investment Return	0	0	0	0	
Charges for Services	0	0	0	0	
Grants & Other	1,100	1,100	113,941	112,841	
Total Revenues	1,822,613	1,822,613	2,261,037	438,424	
Expenditures					
Current Expenditures					
Assessor	0	0	0	0	
Buildings & Grounds	0	0	0	0	
Capital Projects	0	0	0	0	
Clerk / Auditor	0	0	0	0	
Commissioners	0	0	0	0	
Prosecuting Attorney	0	0	0	0	
Road & Bridge	2,012,092	2,012,092	2,085,038	(72,946)	
Sheriff & Jail	0	0	0	0	
Solid Waste	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	
Other PILT Fund Functions	0	0	0	0	
Total Expenditures	2,012,092	2,012,092	2,085,038	(72,946)	*
Excess (Deficiency) of Revenues Over Expenditures	(189,479)	(189,479)	175,999	365,478	
Other Financing Sources (Uses)					
Proceeds from Lease	0	0	156,960	156,960	
Transfers In	0	0	0	0	
Transfers Out	0	0	0	0	*
Total Other Financing Sources (Uses)	0	0	156,960	156,960	
Net Change in Fund Balances	(189,479)	(189,479)	332,959	522,438	
Fund Balances - Beginning	189,479	189,479	707,809	518,330	
Fund Balances - Ending	$0	$0	$1,040,768	$1,040,768	
	**Total expenditures (over) under appropriations are:*			($72,946)	

ADAMS COUNTY, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2022

Justice Fund	Budgeted Amounts (GAAP Basis) Original	Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Property Taxes	$1,095,794	$1,095,794	$1,103,193	$7,399	
Intergovernmental Revenue	405,000	405,000	542,646	137,646	
Investment Return	0	0	0	0	
Charges for Services	615,850	615,850	247,568	(368,282)	
Grants & Other	158,600	158,600	67,974	(90,626)	
Total Revenues	2,275,244	2,275,244	1,961,381	(313,863)	
Expenditures					
Current Expenditures					
Assessor	0	0	0	0	
Buildings & Grounds	0	0	0	0	
Capital Projects	0	0	0	0	
Clerk / Auditor	0	0	0	0	
Commissioners	0	0	0	0	
Prosecuting Attorney	209,781	209,781	204,490	5,291	
Road & Bridge	0	0	0	0	
Sheriff & Jail	1,776,974	1,776,974	1,405,355	371,619	
Solid Waste	0	0	0	0	
Treasurer / Tax Collector	0	0	0	0	
Other General Fund Functions	0	0	0	0	
Other Justice Fund Functions	721,970	721,970	555,755	166,215	
Other Nonmajor Fund Functions	0	0	0	0	
Other PILT Fund Functions	0	0	0	0	
Total Expenditures	2,708,725	2,708,725	2,165,600	543,125	*
Excess (Deficiency) of Revenues Over Expenditures	(433,481)	(433,481)	(204,219)	229,262	
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	(433,481)	(433,481)	(204,219)	229,262	
Fund Balances - Beginning	433,481	433,481	850,183	416,702	
Fund Balances - Ending	$0	$0	$645,964	$645,964	
	**Total expenditures (over) under appropriations are:*			$543,125	

ADAMS COUNTY, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2022

Solid Waste Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Property Taxes	$381,000	$381,000	$392,438	$11,438	
Intergovernmental Revenue	0	0	0	0	
Investment Return	0	0	0	0	
Charges for Services	184,220	184,220	303,964	119,744	
Grants & Other	2,100	2,100	360	(1,740)	
Total Revenues	567,320	567,320	696,762	129,442	
Expenditures					
Current Expenditures					
Assessor	0	0	0	0	
Buildings & Grounds	0	0	0	0	
Capital Projects	0	0	0	0	
Clerk / Auditor	0	0	0	0	
Commissioners	0	0	0	0	
Prosecuting Attorney	0	0	0	0	
Road & Bridge	0	0	0	0	
Sheriff & Jail	0	0	0	0	
Solid Waste	623,270	623,270	548,684	74,586	
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	
Other PILT Fund Functions	0	0	0	0	
Total Expenditures	623,270	623,270	548,684	74,586	*
Excess (Deficiency) of Revenues Over Expenditures	(55,950)	(55,950)	148,078	204,028	
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	(55,950)	(55,950)	148,078	204,028	
Fund Balances - Beginning	55,950	55,950	392,999	337,049	
Fund Balances - Ending	$0	$0	$541,077	$541,077	
	**Total expenditures (over) under appropriations are:*			$74,586	

ADAMS COUNTY, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2022

PILT Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Property Taxes	$0	$0	$0	$0	
Intergovernmental Revenue	0	0	0	0	
Investment Return	0	0	0	0	
Charges for Services	0	0	0	0	
Grants & Other	0	0	466,577	466,577	
Total Revenues	0	0	466,577	466,577	
Expenditures					
Current Expenditures					
Assessor	0	0	0	0	
Buildings & Grounds	0	0	0	0	
Capital Projects	0	0	0	0	
Clerk / Auditor	0	0	0	0	
Commissioners	0	0	0	0	
Prosecuting Attorney	0	0	0	0	
Road & Bridge	0	0	0	0	
Sheriff & Jail	0	0	0	0	
Solid Waste	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	
Other PILT Fund Functions	0	0	0	0	
Total Expenditures	0	0	0	0	*
Excess (Deficiency) of Revenues Over Expenditures	0	0	466,577	466,577	
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	0	0	466,577	466,577	
Fund Balances - Beginning	0	0	1,727,744	1,727,744	
Fund Balances - Ending	$0	$0	$2,194,321	$2,194,321	
	**Total expenditures (over) under appropriations are:*			$0	

ADAMS COUNTY, IDAHO

Schedule of Employer's Share of Net Pension Asset and Liability
and Schedule of Employer Contributions
PERSI - Base Plan

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

Fiscal Year Ended June 30	Employer's Portion of the Net Pension (Asset) Liability	Employer's Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Employer's Proportional Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability
2015	0.0779868%	$1,026,959	$2,210,848	46.45%	91.38%
2016	0.0837672%	$1,698,090	$2,574,717	65.95%	87.26%
2017	0.0835606%	$1,313,429	$2,595,336	50.61%	90.68%
2018	0.0829553%	$1,223,605	$2,668,975	45.85%	91.69%
2019	0.0802577%	$916,119	$2,725,875	33.61%	93.79%
2020	0.0789516%	$1,833,361	$2,811,374	65.21%	88.22%
2021	0.0786629%	($62,126)	$2,935,595	-2.12%	100.36%
2022	0.0741054%	$2,918,831	$2,922,303	99.88%	83.09%

*As of the measurement date of the net pension (asset) liability.

Schedule of Employer Contributions

Fiscal Year Ended September 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$250,268	$250,268	$0	$2,210,848	11.32%
2016	$291,458	$291,458	$0	$2,574,717	11.32%
2017	$298,952	$298,952	$0	$2,640,919	11.32%
2018	$306,271	$306,271	$0	$2,705,574	11.32%
2019	$308,238	$308,238	$0	$2,687,602	11.47%
2020	$344,851	$344,851	$0	$2,888,199	11.94%
2021	$348,446	$348,446	$0	$2,918,308	11.94%
2022	$352,498	$352,498	$0	$2,952,245	11.94%

Schedules above intended to show information for 10 years. Information for additional years will be presented as it becomes available.

ADAMS COUNTY, IDAHO

Schedule of Changes in Net OPEB Liability and Related Ratios
Other Post-Employment Benefit Plan
Last 10 - Fiscal Years*

Fiscal Year	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	$9,732	$7,666	$7,425	$6,030	$5,854
Interest Cost	1,928	1,616	1,646	1,346	1,100
Assumption Changes	4,148		(454)		
Differences Between Expected/Actual Experience	10,519		(1,514)		
Benefit Payments	(1,280)	(665)	(302)	(108)	(108)
Net Change in Total OPEB Liability	25,047	8,617	6,801	7,268	6,846
Total OPEB Liability - Beginning	55,157	46,540	39,739	32,471	25,625
Total OPEB Liability - Ending (a)	$80,204	$55,157	$46,540	$39,739	$32,471
Plan Fiduciary Net Position - Beginning	0	0	0	0	0
Plan Fiduciary Net Position - Ending (b)	$0	$0	$0	$0	$0
County's Net OPEB Liability - Ending (a) - (b)	$80,204	$55,157	$46,540	$39,739	$32,471
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	$2,637,023	$2,607,227	$2,525,159	$2,457,234	$2,385,664
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.04%	2.12%	1.84%	1.62%	1.36%

*GASB 75 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.

NOTES:

A. The net OPEB liability amount presented for each fiscal year was determined as of the fiscal year end.

B. The County has not presented a schedule of employer contributions or schedule of investment returns since the County does not prefund the County's OPEB Plan with contributions, and accordingly, actuarially determined contributions have not been calculated and there are no contractually or statutorily determined contributions applicable to the employer.

ADAMS COUNTY, IDAHO
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2022

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Agriculture			
Direct Program:			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	None	$490,944
Total Forest Service Schools and Roads Cluster			490,944
Total US Dept of Agriculture			490,944
US Dept of Housing and Urban Development			
Passed Through Idaho Dept of Commerce:			
COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CARES1-III-03-PS	370,000
Total US Dept of Housing and Urban Development			370,000
US Dept of Justice			
Passed Through Idaho State Police:			
Support for Adam Walsh Act Implementation Grant Program	16.750	2019-AW-BX-0007	17,207
Total US Dept of Justice			17,207
US Dept of Transportation			
Passed Through Idaho Dept of Transportation:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	None	1,085
National Priority Safety Programs	20.616	None	4,311
Total Highway Safety Cluster			5,396
Total US Dept of Transportation			5,396
US Dept of Homeland Security			
Passed Through Idaho Dept of Parks and Recreation:			
Boating Safety Financial Assistance	97.012	14.01.16	13,515
Passed Through Idaho Dept of Military Division:			
COVID-19 - Emergency Management Performance Grants	97.042	EMS2020EP00003	15,755
Homeland Security Grant Program	97.067	EMW2020SS00070	2,495
Total US Dept of Homeland Security			31,765
Total Expenditures of Federal Awards			$915,312

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, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of 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.

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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
Adams 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Adams County, Idaho (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 24, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.

Report on 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 provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

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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
January 24, 2023

Quest CPAs PLLC
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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
Adams County, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

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

The purpose of this report 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
January 24, 2023

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued:	Unmodified
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. Forest Service Schools and Roads Cluster – AL #10.665	
Dollar threshold used to distinguish between type A and B programs:	$750,000
Auditee qualified as a low-risk auditee?	No