NEZ PERCE COUNTY, STATE OF IDAHO

FINANCIAL STATEMENTS

Year Ended September 30, 2023

NEZ PERCE COUNTY, STATE OF IDAHO

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PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nez Perce County, State of Idaho, as of and for the year ended September 30, 2023, 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, each major fund, and the aggregate remaining fund information of Nez Perce County, State of Idaho, as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Nez Perce County, State of Idaho, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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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 Nez Perce County, State of Idaho's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of pension funding, and budgetary comparison information on pages 6 through 12 and 42 through 46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Reports on Summarized Comparative Information

We have previously audited Nez Perce County, State of Idaho's 2022 and 2021 financial statements, and we expressed unmodified audit opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our reports dated May 31, 2023, and May 25, 2022. In our opinion, the summarized comparative information presented herein is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 17, 2024, on our consideration of Nez Perce County, State of Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Nez Perce County, State of Idaho's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Nez Perce County, State of Idaho's internal control over financial reporting and compliance.

Presnell Gage, PLLC

June 17, 2024
Lewiston, Idaho

Our discussion and analysis of the County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2023.

USING THIS ANNUAL REPORT

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

- The statement of net position and the statement of activities (pages 13 through 15) provide information about the activities of the County as a whole and present a longer-term view of the County's finances.

- The fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements (pages 16 to 19) also report the County's operations in more detail than the County-wide statements by providing information about the County's most significant funds.

- The fiduciary funds (pages 20 and 21) provide information about activities for which the County acts solely as a trustee or agent for the benefit of other governmental districts, County employees, and as an agent of the District Court.

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

The Statement of Net Position and the Statement of Activities

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

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

Financial Highlights

- The County's net position amounted to $72,627,039 at year-end. This includes $46,304,357 in capital assets, net of related debt.

- The County's net position changed by $(13,277,097) as a result of this year's operations (compared to a change of $2,048,715 in 2022 and $6,505,080 in 2021).

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

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

	2023	2022	Change
Current/other assets	$ 40,289,263	$ 38,979,493	
Capital assets (net)	90,705,128	60,599,565	
Total assets	$ 130,994,391	$ 99,579,058	$ 31,415,333
Deferred outflows of resources	$ 5,049,081	$ 6,915,316	$ (1,866,235)
Current liabilities	6,023,422	5,946,307	
Noncurrent liabilities	57,393,011	14,586,021	
Total liabilities	$ 63,416,433	$ 20,532,328	$ 42,884,105
Deferred inflows of resources	$ 0	$ 57,910	$ (57,910)
Net position			
Invested in capital assets	46,304,357	60,158,346	
Unrestricted	26,322,682	25,745,790	
Net position	$ 72,627,039	$ 85,904,136	$(13,277,097)

The total cost of County operations amounted to $42,219,333 of which $5,303,388 was generated from charges for services, and $35,918,905 was generated from program revenues. General revenues amounted to $27,172,917. Transfer activity from the General fund to the Courthouse Project fiduciary fund amounted to $39,452,974.

Revenues are generally derived from the following sources:

	2023	2022	Change
Program Revenues			
Charges for services	$ 5,303,388	$ 4,477,037	
E-911 telephone line charges	721,838	704,266	
Highway user's revenue	2,458,148	2,342,219	
Other grants	32,738,919	10,161,924	
Total program revenues	$ 41,222,293	$ 17,685,446	$ 23,536,847
General Revenues			
Property taxes	$ 20,101,962	$ 20,170,260	
State of Idaho sales tax	4,334,344	3,812,000	
State liquor and tobacco taxes	885,027	869,324	
Investment earnings	1,316,716	178,173	
Other	534,868	677,810	
Total general revenues	$ 27,172,917	$ 25,707,567	$ 1,465,350

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

Some of the significant changes in expenses for 2023 were:

- Fire department purchased a water tender for totaling $22,500.
- Sheriff's department purchased, and fully equipped eight patrol vehicles totaling $458,094.
- Road department purchased a KW Truck, dump box, CAT soil compactor, and wing ripper totaling $305,644.
- Road department:
  - Lenore Bridge – Mitigation to keep the bridge open while pursuing grants for replacement.
  - Flood Repairs – Reubens Gifford, Webb Road, and Southwick required flood repairs totaling $3,402,321.
  - Initial improvements for Waha and Lapwai Road curves.
  - Cherry Lane Bridge – Replacement should be finalized in fiscal year 2024.
- Construction for the Courthouse Project had expenses for fiscal year 2023 in the amount of $5,848,775. The County also made two bond payments totaling $2,839,702.
- ARPA funds were used on the following during fiscal year 2023:
  - Idaho Department of Lands – Water tender for Fire department- $22,500.
  - Day Management Corporation – Relocating repeater system- $49,584.

    Total of the ARPA funds used was $72,084.

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

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

	Functional Expenses		Increase
	2023	2022	(Decrease)
GENERAL GOVERNMENT			
GENERAL SERVICES			
General government	$ 4,593,678	$ 1,108,525	$ 3,485,153
Treasurer/tax collector	325,844	333,175	(7,331)
Assessor	669,958	655,938	14,020
Elections	269,503	313,571	(44,068)
Information services	1,139,905	1,123,165	16,740
Payroll burden and insurance	1,439,745	1,227,230	212,515
LICENSING AND PUBLIC SERVICES			
Auditor/recorder	553,338	479,049	74,289
Motor vehicle licenses	641,651	638,150	3,501
Planning and building	186,533	193,521	(6,988)
LEGAL SYSTEM			
District and drug court	1,641,845	1,616,319	25,526
Prosecuting attorney	1,606,805	1,571,360	35,445
PUBLIC SAFETY			
E-911	857,321	823,997	33,324
Coroner	168,803	176,130	(7,327)
Fire	33,448	16,326	17,122
Emergency services	151,526	129,707	21,819
Sheriff	3,098,799	3,192,810	(94,011)
Public defender		1,272,710	(1,272,710)
County jail	3,999,333	3,829,743	169,590
Detention and probation programs	2,479,459	1,436,066	1,043,393
Payroll burden and insurance	3,294,838	2,814,900	479,938
PUBLIC WORKS			
Transportation-roads, bridges, and airport	8,978,784	7,192,678	1,786,106
Noxious weeds	71,084	67,274	3,810
HEALTH AND WELFARE			
Solid waste	1,378,867	985,402	393,465
Charity/indigent assistance	576,988	6,726,003	(6,149,015)
North Idaho Health District	689,433	433,959	255,474
Junior College Tuition	7,850	7,750	100
CULTURE AND RECREATION			
Recreation-boat, snowmobile, and fair	1,589,151	1,176,954	412,197
County agent	192,993	155,627	37,366
PERSI RETIREMENT ACTUARIAL CHANGES	1,581,851	1,646,259	(64,408)
	$ 42,219,333	$ 41,344,298	$ 875,035

Fund Financial Statements

The fund financial statements begin on page 16 and provide detailed information about the most significant funds—not the County as a whole. Some funds are required to be established by state law. However, the County establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

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

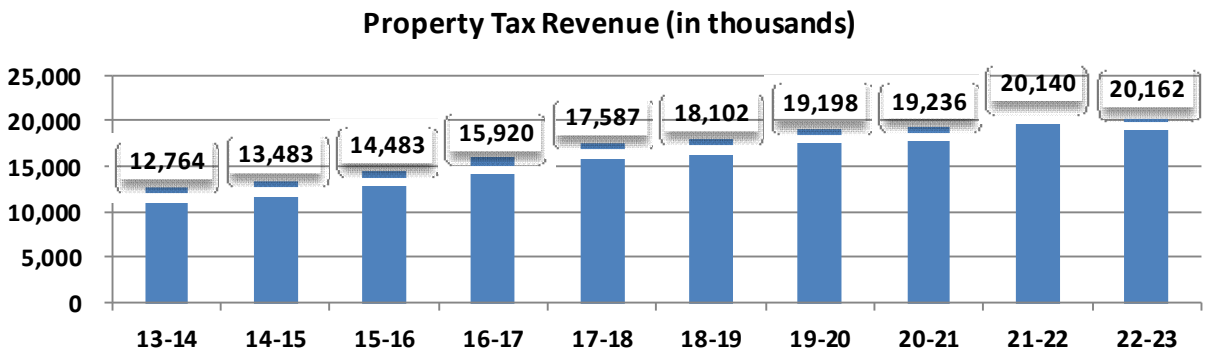
Fiduciary funds—The County is the fiduciary for licenses and fines collected for the State of Idaho and for property taxes and intergovernmental revenue collected for other taxing districts. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position on page 20. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Financial Highlights

The governmental fund balances of the County increased by $2,386,299 (compared to an increase of $2,261,012 in 2022 and an increase of $3,560,438 in 2021). Fund balances are the part of net position that can be used to finance day-to-day operations. The increase is partially due to saving for the future Courthouse.

Approximately 23 percent of total County revenue is provided by the property taxes, which are based upon property valuations and requested tax levies, which are subject to budget hearings. This is down from 48 percent in 2022.

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



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the County had $90,705,128 net of accumulated depreciation invested in capital assets, including buildings, bridges, roads, and major equipment. This amount represents a net increase of $30,105,563. Current year capital outlay of $33,169,455 was more than depreciation of $2,943,390. Capital outlay in 2022 totaled $4,978,806. More detailed information about the County's capital assets is presented in Notes 1 and 6 to the financial statements.

The largest portion of the County's net position represents its investment in County roads and bridges. Capitalized road costs amount to $141,321,107, or $10,923,616 net of accumulated depreciation. The County uses these capital assets for the benefit of its citizens; consequently, these assets are not available for future spending.

The County jointly owns with the City of Lewiston and the Lewiston-Nez Perce County Regional Airport, which is managed by the Lewiston Nez Perce County Airport Authority. The County's 50 percent share of the capital assets of the airport is recorded on the County's financial statements. The County uses the modified approach to account for airport infrastructure assets and cost basis for all other infrastructure. The target condition level for airport infrastructure is 60 percent. The most current reported condition level was 80 percent.

Long-Term Debt. The County currently has two long-term debts outstanding for the purchase of two road graders in the amount of $416,978. The County paid $24,241 in principal in 2023.

The County also has one bond and related debt premium outstanding for courthouse construction in the amount of $43,983,793. The County paid $1,200,000 in principal and amortized $39,441 in debt premium.

Net Pension Liability. The County recognized a net pension liability of $12,748,191 for its share of PERSI's net pension liability. PERSI is one of the strongest retirement systems in the nation, with funding at 84 percent of the pension obligation. The County recognized deferred outflows of $5,049,081 and deferred inflows of $0 for the County's share of earnings in excess of the minimum expectation by PERSI and for payments made towards the net pension liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected officials considered many factors when setting the fiscal year 2024 budget, tax rates, and fees that will be charged. For fiscal year 2024, the County anticipates a 3 percent increase in property taxes. The County has seen continued increases in the amount of new construction from fiscal year 2019 through fiscal year 2023.

2023	$ 53,441,592
2022	32,245,273
2021	26,175,650
2020	30,543,779 + 37,643,926 for the closing of URA, Area #3
2019	26,619,650

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office at 208-799-3020, located in Lewiston, Idaho.

NEZ PERCE COUNTY, STATE OF IDAHO

STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities	Prior Year 2022	Prior Year 2021
ASSETS			
Current assets			
Cash	$ 3,991,108	$ 6,263,230	$ 8,076,804
Investments	31,399,339	29,654,337	24,943,879
Property taxes receivable	865,567	887,594	691,979
Intergovernmental receivable	3,802,163	1,996,407	1,907,291
Other receivables	231,086	177,925	204,519
Total current assets	40,289,263	38,979,493	35,824,472
Noncurrent assets			
Net pension asset			269,000
Capital assets	255,775,576	223,123,213	218,788,549
Less accumulated depreciation	(165,070,448)	(162,523,648)	(159,957,354)
Total noncurrent assets	90,705,128	60,599,565	59,100,195
Total assets	130,994,391	99,579,058	94,924,667
DEFERRED OUTFLOWS OF RESOURCES			
Defined benefit pension	5,049,081	6,915,316	3,861,000
LIABILITIES			
Current liabilities			
Warrants payable	1,379,207	2,407,704	1,155,079
Accounts payable	555	11,407	4,042
Accrued expenses	4,655	468	1,827
Unearned revenue	3,532,586	3,502,487	3,924,390
Current portion of bond and long term debt	1,106,419	24,241	
Total current liabilities	6,023,422	5,946,307	5,085,338
Noncurrent liabilities			
Net pension liability	12,748,191	12,974,665	
Compensated absences	1,350,468	1,194,378	1,243,908
Courthouse bond payable	42,190,000		
Bond debt premium	1,104,352		
Long-term debt		416,978	
Total noncurrent liabilities	57,393,011	14,586,021	1,243,908
Total liabilities	63,416,433	20,532,328	6,329,246
DEFERRED INFLOWS OF RESOURCES			
Defined benefit pension	0	57,910	8,601,000
NET POSITION			
Invested in capital assets, net of related debt	46,304,357	60,158,346	58,831,195
Unrestricted	26,322,682	25,745,790	25,024,226
Total net position	$ 72,627,039	$ 85,904,136	$ 83,855,421

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Prior Year 2022	Prior Year 2021
GENERAL GOVERNMENT						
GENERAL SERVICES						
General government	$ 4,593,678	$ 281,732	$ 1,858,646	$ (2,453,300)	$ 3,674,587	$ (483,876)
Treasurer/tax collector	325,844			(325,844)	(333,175)	(291,568)
Assessor	669,958	1,699		(668,259)	(653,591)	(556,786)
Elections	269,503		208,744	(60,759)	(121,677)	(18,765)
Information services	1,139,905			(1,139,905)	(1,123,165)	(935,682)
Payroll burden and insurance	1,439,745			(1,439,745)	(1,227,230)	(1,163,534)
LICENSING AND PUBLIC SERVICES						
Auditor/recorder	553,338	178,175		(375,163)	(243,533)	(213,832)
Motor vehicle licenses	641,651	286,453		(355,198)	(252,226)	(216,004)
Planning and building	186,533	204,618		18,085	127,924	155,653
LEGAL SYSTEM						
District and drug court	1,641,845	381,154	21,304	(1,239,387)	(1,199,878)	(1,040,023)
Prosecuting attorney	1,606,805	113,800	71,087	(1,421,918)	(1,403,847)	(965,952)
PUBLIC SAFETY						
E-911	857,321		721,838	(135,483)	145,854	19,485
Coroner	168,803			(168,803)	(176,130)	(173,489)
Fire	33,448			(33,448)	(16,326)	(9,946)
Emergency services	151,526		72,036	(79,490)	(2,115)	(105,074)
Sheriff	3,098,799	646,446	39,580	(2,412,773)	(2,673,775)	(2,545,883)
Public defender					(1,272,710)	(1,242,831)
County jail	3,999,333	1,358,411		(2,640,922)	(2,950,837)	(3,180,173)
Detention and probation programs	2,479,459	220,429	172,511	(2,086,519)	(1,072,368)	(767,214)
Payroll burden and insurance	3,294,838			(3,294,838)	(2,814,900)	(2,699,375)
PUBLIC WORKS						
Transportation-roads, bridges, airport	8,978,784		32,327,778	23,348,994	(478,111)	53,039
Noxious weeds	71,084		40,000	(31,084)	(27,274)	(11,156)
Balance forward	36,202,200	3,672,917	35,533,524	3,004,241	(14,094,503)	(16,392,986)

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Prior year 2022	Prior year 2021
Balance forward	$ 36,202,200	$ 3,672,917	$ 35,533,524	$ 3,004,241	$ (14,094,503)	$ (16,392,986)
HEALTH AND WELFARE						
Solid waste	1,378,867	1,191,542		(187,325)	(17,483)	(38,413)
Charity/indigent assistance	576,988		87,106	(489,882)	(6,645,983)	(1,538,985)
North Idaho Health District	689,433			(689,433)	(433,959)	(314,749)
Junior College Tuition	7,850		15,000	7,150	7,250	58,733
CULTURE AND RECREATION						
Recreation - boat, snowmobile, and fair	1,589,151	437,424	272,659	(879,068)	(684,666)	(915,975)
County agent	192,993	1,505	10,616	(180,872)	(143,249)	(133,735)
PERSI RETIREMENT ACTUARIAL CHANGES	1,581,851			(1,581,851)	(1,646,259)	1,746,000
Total governmental activities	$ 42,219,333	$ 5,303,388	$ 35,918,905	(997,040)	(23,658,852)	(17,530,110)
General revenues:						
Property taxes, levied for general purposes				20,101,962	20,170,260	19,105,852
State sales tax not restricted to specific programs				4,334,344	3,812,000	3,442,333
State liquor and tobacco taxes				885,027	869,324	834,556
Other state and federal funding not restricted to specific programs				217,325	235,251	218,401
Interest and investment earnings				1,316,716	178,173	72,257
Transfers				(39,452,974)		
Other				317,543	442,559	361,791
				(12,280,057)	25,707,567	24,035,190
Change in net position				(13,277,097)	2,048,715	6,505,080
Net position, beginning				85,904,136	83,855,421	77,350,341
Net position, ending				$ 72,627,039	$ 85,904,136	$ 83,855,421

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2023

	General	General Road	Federal and State Matching	Justice	Capital Project	Other Governmental Funds	Total Governmental Funds	Prior Year 2022	Prior Year 2021
ASSETS									
Cash and investments	$ 7,889,118	$ 3,119,869	$ 3,654,486	$ 5,341,356	$ 6,681,635	$ 8,703,983	$ 35,390,447	$ 35,917,567	$ 33,020,683
Property taxes receivable	169,167	8,418	4,429	115,560		567,993	865,567	887,594	691,979
Intergovernmental receivable	497,936	2,214,243	53,096	993,690		43,198	3,802,163	1,996,407	1,907,291
Other receivables						231,086	231,086	177,925	204,519
Total assets	$ 8,556,221	$ 5,342,530	$ 3,712,011	$ 6,450,606	$ 6,681,635	$ 9,546,260	$ 40,289,263	$ 38,979,493	$ 35,824,472
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Warrants payable	$ 365,829	$ 414,220	$ 33,139	$ 311,508		$ 254,511	$ 1,379,207	$ 2,407,704	$ 1,155,079
Claims payable						555	555	11,407	4,042
Accrued expenses						4,655	4,655	468	1,827
Total liabilities	365,829	414,220	33,139	311,508	$ 0	259,721	1,384,417	2,419,579	1,160,948
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	3,701,753	8,418	4,429	115,560		419,461	4,249,621	4,290,988	4,655,610
Total deferred inflows of resources	3,701,753	8,418	4,429	115,560	0	419,461	4,249,621	4,290,988	4,655,610
FUND BALANCES									
Assigned for accounting accruals	497,936	2,214,243	53,096	993,690		154,284	3,913,249	2,054,332	1,991,810
Assigned for bridge construction			3,621,347				3,621,347	3,802,391	3,991,898
Assigned for E-911 wireless						1,435,427	1,435,427	1,392,650	1,170,041
Assigned for mandated appraisals						300,000	300,000	300,000	300,000
Assigned for juvenile detention									1,500,000
Assigned for justice								339,000	
Assigned for indigent						1,059,691	1,059,691	1,042,763	1,180,374
Assigned for fairgrounds						15,833	15,833	10,014	37,304
Assigned for solid waste						531,000	531,000	531,000	531,000
Assigned for courthouse	2,500,000					262,895	2,762,895	2,749,485	2,738,393
Assigned for airport						393,855	393,855	389,865	305,043
Assigned for special revenue		2,705,649		5,029,848	6,681,635	4,714,093	19,131,225	19,262,315	16,119,734
Unassigned, reported in:									
General funds	1,490,703						1,490,703	395,111	142,317
Total fund balances	4,488,639	4,919,892	3,674,443	6,023,538	6,681,635	8,867,078	34,655,225	32,268,926	30,007,914
Total liabilities and fund balances	$ 8,556,221	$ 5,342,530	$ 3,712,011	$ 6,450,606	$ 6,681,635	$ 9,546,260	$ 40,289,263	$ 38,979,493	$ 35,824,472

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2023

	2023	Prior year 2022	Prior year 2021
Total fund balances - Governmental Funds	$ 34,655,225	$ 32,268,926	$ 30,007,914
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:			
Cost of capital assets	255,775,576	223,123,213	218,788,549
Accumulated depreciation	(165,070,448)	(162,523,648)	(159,957,354)
Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Deferred outflows	5,049,081	6,915,316	3,861,000
Deferred inflows		(57,910)	(8,601,000)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Bonds and long-term debt payable	(44,400,771)	(441,219)	
Compensated absences to employees	(1,350,468)	(1,194,378)	(1,243,908)
Net pension (liability) asset	(12,748,191)	(12,974,665)	269,000
Property taxes receivable to be collected this year; but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the future.	597,035	668,501	611,220
Other accounts receivable to be collected; but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds:			
Indigent notes receivable	120,000	120,000	120,000
Total net position - Governmental Activities	$ 72,627,039	$ 85,904,136	$ 83,855,421

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended September 30, 2023

	General	General Road	Federal and State Matching	Justice	Capital Project	Other Governmental Funds	Total Governmental Funds	Prior year 2022	Prior year 2021
REVENUES									
Property taxes	$ 9,257,615	$ 141,824	$ 298,943	$ 6,350,943		$ 4,113,040	$ 20,162,365	$ 20,139,621	$ 19,235,626
Licenses and permits	384,797	6,700		267,419		94,088	753,004	930,015	919,159
Intergovernmental revenue	2,357,252	6,515,533	307,541	4,166,028		958,959	14,305,313	14,032,799	9,676,390
Charges for services	321,151	998,936	20,000	1,969,322		2,575,505	5,884,914	5,508,645	3,921,485
Interest and rent	591,253			722,642		115,346	1,429,241	271,162	120,245
Fines and penalties				42,872		294,953	337,825	336,304	290,039
Other revenue	301,160	502,966	1,228	61,688	$ 101,217	250,496	1,218,755	537,736	638,231
Total revenues	13,213,228	8,165,959	627,712	13,580,914	101,217	8,402,387	44,091,417	41,756,282	34,801,175
EXPENDITURES									
General government	13,877,908			2,517,282		1,463,601	17,858,791	15,284,443	10,008,927
Public safety	341,104			10,192,423		3,149,062	13,682,589	14,141,683	13,602,941
Public works		8,193,134	755,660			69,493	9,018,287	7,251,058	4,781,021
Health and welfare						2,110,289	2,110,289	1,840,594	1,608,496
Culture and recreation						1,556,938	1,556,938	1,279,551	1,102,305
Debt service	3,052,535	36,896					3,089,431	36,896	
Other	154,053					5,000	159,053	139,160	137,047
Total expenditures	17,425,600	8,230,030	755,660	12,709,705	0	8,354,383	47,475,378	39,973,385	31,240,737
EXCESS OF REVENUES OVER EXPENDITURES	(4,212,372)	(64,071)	(127,948)	871,209	101,217	48,004	(3,383,961)	1,782,897	3,560,438
OTHER FINANCING SOURCES (USES)									
Proceeds from long term debt	44,040,000						44,040,000	478,115	
Original issue premium	1,399,317						1,399,317		
Transfers in	5,554,178					6,000	5,560,178	1,256,000	1,756,000
Transfers out	(45,223,235)					(6,000)	(45,229,235)	(1,256,000)	(1,756,000)
Total other financing sources (uses)	5,770,260	0	0	0	0	0	5,770,260	478,115	0
NET CHANGE IN FUND BALANCES	1,557,888	(64,071)	(127,948)	871,209	101,217	48,004	2,386,299	2,261,012	3,560,438
FUND BALANCES AT BEGINNING OF YEAR	2,930,751	4,983,963	3,802,391	5,152,329	6,580,418	8,819,074	32,268,926	30,007,914	26,447,476
FUND BALANCES AT END OF YEAR	$ 4,488,639	$ 4,919,892	$ 3,674,443	$ 6,023,538	$ 6,681,635	$ 8,867,078	$ 34,655,225	$ 32,268,926	$ 30,007,914

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

	2023	Prior Year 2022	Prior Year 2021
Net change in fund balances - Governmental Funds	$ 2,386,299	$ 2,261,012	$ 3,560,438
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays used to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation:			
Current year capital outlay	33,169,455	4,978,806	3,972,443
Current year depreciation	(2,943,390)	(2,920,786)	(2,606,276)
Loss on disposal of non-fully depreciated capital assets	(120,502)	(289,650)	(4,795)
Amounts borrowed on long-term debt are reported in the governmental funds as other financing sources. Amounts repaid on long-term debt are reported in the governmental funds as expenditures. However, for governmental activities, the borrowing and repayment of funds is reflected as outstanding long-term debt:			
Borrowed under bonds and long-term debt	(45,223,234)	(478,115)	
Current year repayment of long-term debt	1,263,682	36,896	
Current year compensated absences	(1,350,468)	(1,194,378)	(1,243,908)
Prior year compensated absences	1,194,378	1,243,908	1,204,847
Net pension liability and the related deferred outflows and deferred inflows are not considered available for the governmental funds in the current year.			
Current year net pension liability, deferred outflows, and deferred inflows	(1,581,851)	(1,646,259)	1,746,000
Some amounts receivable will not be collected for several months after the fiscal year-ends, and they are not considered available revenues in the governmental funds. Instead, they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities:			
Current year taxes receivable	597,035	668,501	611,220
County services reimbursements receivable	120,000	120,000	120,000
Prior year taxes receivable	(668,501)	(611,220)	(734,889)
Prior year County services reimbursements receivable	(120,000)	(120,000)	(120,000)
Change in net position - Governmental Activities	$ (13,277,097)	$ 2,048,715	$ 6,505,080

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
September 30, 2023

	Private-Purpose Trusts	Custodial Funds
ASSETS		
Current assets		
Cash and investments	$ 25,295	$ 45,624,567
Property taxes receivable		1,185,798
Intergovernmental receivable		68,212
Other receivables		5,520,633
Total current assets	$ 25,295	$ 52,399,210
LIABILITIES		
Current liabilities		
Warrants payable	$ 1,835	$ 631,140
Claims payable	23,220	
Held in trust for Nez Perce County for courthouse construction		41,214,011
Held in trust for other governments		3,127,288
Held in trust for employees	240	
Held in trust for individuals		7,426,771
Total current liabilities	$ 25,295	$ 52,399,210

See accompanying notes

NEZ PERCE COUNTY, STATE OF IDAHO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
Year Ended September 30, 2023

	Private-Purpose Trusts	Custodial Funds
ADDITIONS		
Employee deductions	$ 113,045	
Property taxes		$ 55,483,497
Licenses and permits		2,623,152
Intergovernmental revenue		5,229,227
Charges for services		263,167
Interest and rent		1,544,954
Fines and penalties		1,074,834
Other receipts		50,042,622
Total additions	113,045	116,261,453
DEDUCTIONS		
Allocated to beneficiaries	113,045	116,261,453
Total deductions	113,045	116,261,453
Change in net position		
Net position at beginning of year	0	0
NET POSITION AT END OF YEAR	$ 0	$ 0

See accompanying notes

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. Nez Perce County was formed February 4, 1864, by an Act of Congress of the United States. The County operates under a commissioner form of government, with supervision of various departments by elected officials. Nez Perce County provides the following services: public safety, sanitation, health and welfare, road and bridges, planning and zoning, and tax assessment and collection.

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

In conformity with GAAP, the financial statements of the Nez Perce County Fair Board (Fair Board) have been included in these financial statements as a blended component unit of Nez Perce County. Blended component units, although legally separate entities, are, in substance, part of the County's operations. These financial statements include the activity for the Fair Board for the year ended December 31, 2022.

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

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

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

Economic Resources Measurement Focus and Accrual Basis of Accounting

Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales tax, grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued).

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

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

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

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Resources (Continued).

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

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

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

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

Program Revenue
The statement of activities reflects all restricted grants as program revenue, as well as the County allocation of administrative receipts from patrons for fees, licenses, solid waste, and driver's licenses.

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

Governmental Funds The County reports the following major governmental funds:

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued).

Governmental Funds (Continued)

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

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

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

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Statutes authorize the County to invest in obligations of the State of Idaho and its agencies, U.S. Treasury and U.S. agencies, local improvement district bonds, repurchase agreements, and tax and revenue anticipation bonds and notes.

Deposits in the State Treasurer's Local Government Investment Pool are stated at cost, which approximates market. The state treasurer combines deposits from all governmental entities in the state, which participate in the pool, and purchases the following types of investments:

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

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

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

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

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

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

The County capitalizes equipment with an original unit cost of $5,000 or more and an expected life of more than 3 years. The County capitalizes property improvements with an original cost of $10,000 or more that is expected to extend the property life by 10 years or more. Equipment with an original unit cost of between $500 and $5,000 is not capitalized for depreciation purposes, but is recorded for inventory tracking purposes only.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: roads and bridges – 30 to 50 years; buildings - 30 years; vehicles - 7 years; machinery and equipment - 10 years; computer equipment - 3 years.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

2. LEGAL COMPLIANCE - BUDGETS

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

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

The County budgets revenue on a comprehensive basis other than United States Generally accepted accounting principles (GAAP). Property tax revenues are budgeted when levied. Intergovernmental revenue is recognized only when the cash is received. Homeland Security grants where the expenditures are made through the State of Idaho purchasing system are not budgeted.

Expenditures may not exceed appropriations at the fund level. The budget is further broken down into the classifications of (1) salaries and wages and (2) all other expenditures. For the year ended September 30, 2023, no fund expenditures exceed appropriations.

Supplemental Appropriations. The County Commissioners may adjust the budget during the year to reflect the receipt of unscheduled revenue provided that there shall be no increase in anticipated property taxes. The annual budget procedure shall be complied with as nearly as practical before the budget may be adjusted.

The County adopted Resolution 2023-10-173 to amend the budget and provide an additional $3,401,117 to the General Road Fund.

2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Fund Transfers. The County budgeted for and transferred $6,000 from the district court to the drug court. There were also transfers to and from the general fund and the courthouse project fiduciary fund for the activity related to the building of the new courthouse.

Deficit Fund Balance. There were no funds with a deficit fund balance at September 30, 2023.

3. CASH AND INVESTMENTS

Cash and investment policies are disclosed in Note 1.

Cash. At year-end, the carrying amount of the County's deposits was $3,991,108 for governmental activities and $45,649,862 for fiduciary funds. The bank balances amounted to $49,360,519. Of the bank balance, $864,676 was considered covered by Federal Depository Insurance. The remainder of the bank balance is considered uninsured and uncollateralized.

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

Idaho State Treasurer's Local Government Investment Pool	$ 24,310,972
Multi-Bank Securities, Inc. - U.S. Treasury Securities	7,088,367
	$ 31,399,339

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

	Fair Value
State Investment Pool	$ 24,310,972
Maturity of other investments	
Less than 1 year	$ 7,088,367

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

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

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

4. PROPERTY TAXES

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

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

County Assessed Market Value for Tax Purposes

	Total Market Valuation	All County Levy	Tax Charge
2022	$5,022,375,889	0.3950780%	$19,508,313
2021	4,094,567,964	0.4859531%	18,365,929
2020	3,612,666,106	0.5305980%	18,671,897
2019	3,435,600,919	0.5472993%	18,315,592
2018	3,310,577,411	0.5486252%	17,636,990
2017	3,256,293,018	0.5421997%	16,906,797
2016	2,957,056,235	0.5437024%	15,602,939
2015	2,818,376,280	0.5159378%	14,046,267
2014	2,679,805,076	0.4966748%	12,814,764
2013	2,619,839,711	0.5001985%	12,549,651

5. ACCOUNTS RECEIVABLE

Details of intergovernmental receivables at September 30, 2023, are as follows:

	Governmental Funds	Fiduciary Funds
State of Idaho sales tax	$ 1,219,919	$ 68,212
State of Idaho federal grants pass through	1,737,872	
Other	844,372	
	$ 3,802,163	$ 68,212

Details of accounts receivable at September 30, 2023, are as follows:

	Governmental Funds	Fiduciary Funds
E-911 fees due from telephone companies	$ 55,374	
County services indigent reimbursement	6,810,091	
Allowance for uncollectible indigent reimbursements	(6,690,091)	
District court fines and penalties		$ 5,520,633
Other	55,712	
	$ 231,086	$ 5,520,633

6. CAPITAL ASSETS

A summary of changes in capital assets follows:

	10/1/2022	Additions	Deletions	9/30/2023
CAPITALIZED LISTING				
Capital assets, not being depreciated				
Land	$ 479,805			$ 479,805
Airport land and improvements	5,688,341			5,688,341
Airport runways	15,386,946	$ 1,739,087		17,126,033
Airport construction in progress	1,956,019			1,956,019
Capital assets, being depreciated				
Buildings	33,982,713	6,192,438	$ 179,326	39,995,825
Bridges	8,794,714	23,552,279	90,489	32,256,504
Roads	140,945,211	375,896		141,321,107
Water and sewer	226,858			226,858
Boat ramps	884,177			884,177
Equipment	14,778,429	1,309,755	247,277	15,840,907
	$223,123,213	$ 33,169,455	$ 517,092	255,775,576
ACCUMULATED DEPRECIATION				
Buildings	$ 16,714,482	$ 950,210	$ 164,322	17,500,370
Bridges	5,267,502	215,551	90,489	5,392,564
Roads	129,639,558	757,933		130,397,491
Water and sewer	140,239	3,869		144,108
Boat ramps	456,948	42,169		499,117
Equipment	10,304,919	973,658	141,779	11,136,798
	$162,523,648	$ 2,943,390	$ 396,590	165,070,448
Governmental activities, net capital assets				$ 90,705,128

Depreciation of $2,943,390 was charged to the following functions in the statement of activities:

Transportation	$ 1,319,475
Jail	704,527
Sheriff	214,916
E-911 Program	156,400
Airport Authority	207,701
All other functions	340,371

The Joint-Powers Agreement between the City of Lewiston, Airport Authority, and Nez Perce County states that the capital assets are equally owned by the City and the County. Accordingly, $7,477,495 of capital assets and $3,326,785 of accumulated depreciation have been added to the County's general fixed asset fund under buildings and equipment.

7. LONG-TERM DEBT

Courthouse Bond Payable. The County has issued Certificates of Participation, Series 2022 in the original amount of $44,044,000 to finance the construction of a new courthouse. The debt is due in annual principal installments, with a variable interest rate from 2.50 to 5.12 percent payable in February and August of each year.

Equipment Loan. The County purchased through long-term debt two Motor Graders in the original amount of $478,115. The debt is payable in annual principal installments of $36,896 for two years with a final payment of $430,000 in the third year, with an interest rate of 2.989 percent.

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

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

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

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

	Balance 10/01/2022	Additions	Repayment	Balance 9/30/2023
Compensated absences				
Vacation time	$ 653,759	$ 78,687		$ 732,446
Sick leave	383,662	42,678		426,340
Compensatory time	129,808	40,790		170,598
Other	6,215	3,935		10,150
Airport	7,522	1,427		8,949
Fair Board absences	13,412		$ 11,427	1,985
Total compensated absences	1,194,378	167,517	11,427	1,350,468
Equipment loan	441,219		24,241	416,978
Courthouse Certificates		44,040,000	1,200,000	42,840,000
Debt Premium		1,183,234	39,441	1,143,793
	$ 1,635,597	$ 45,390,751	$ 1,275,109	45,751,239
Less current portion				(1,106,419)
				$ 44,644,820

7. LONG-TERM DEBT (CONTINUED)

Sick Leave (Continued). The noncurrent payables are schedules to mature on the following schedule:

Fiscal Year	Principal	Interest
2024	$ 1,106,419	$ 2,205,047
2025	724,441	2,158,650
2026	759,441	2,123,525
2027	794,441	2,086,650
2028	834,441	2,047,900
2029-2033	4,832,205	9,581,688
2034-2038	6,242,205	8,161,138
2039-2043	8,152,205	6,251,838
2044-2048	10,497,205	3,913,750
2049-2052	10,457,768	1,061,996
Total noncurrent payables	$ 44,400,771	$ 39,592,182

8. BUDGETARY REPORTING BASIS RECONCILIATION TO GAAP

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

9. FUND BALANCE AND DESIGNATIONS

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

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

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

  Approximately 23 percent of County revenue is received through property tax collections, which are available to the County in January and July. A substantial portion of the unreserved, undesignated fund balances are used to finance operations between property tax collections. In addition, the Commissioners have made the following designations for specific projects that are being planned by the County.

9. FUND BALANCE AND DESIGNATIONS (CONTINUED)

Assigned Fund Balance (Continued).

- ***Bridge Construction.*** The County is developing plans for required construction work on the Southway Bridge, Lenore Bridge, Pine Creek Bridge LILBP, McIntyre Street Bridge LILBP, Little Canyon Bridge LILBP, Spiral Highway Guardrail LHSIP, Gun Club Road LHSIP, Waha Road Curve, Lapwai Road LHSIP, Big Canyon Creek Bridge, and Webb Road phase II(A). The commissioners have designated the entire balance of the federal and state matching funds balance for these projects, as the County's share of these expenditures is currently expected to exceed the fund balance available.

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

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

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

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

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

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

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

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

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

10. RISK MANAGEMENT

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

The general insurance limits are as follows:

General liability	$500,000 per claim
Property damage (includes flood and earthquake)	Replacement cost coverage with a $2,500 deductible
Automobile liability	$500,000 per claim
Errors and omissions liability	$500,000 per claim
Crime insurance and bonding	$500,000 per claim
Machinery	Replacement cost coverage with a $2,500 deductible

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

11. ECONOMIC DEPENDENCY

Approximately 23 percent of total County revenues are derived from local property taxes. Potlatch Forest Products Corp is a major property taxpayer in Nez Perce County, whose property assessment is approximately 8 percent of the total County property assessment. The largest ten property owners amount to 19 percent of the total County property assessment.

12. DEFERRED COMPENSATION PLAN

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

13. DEFINED BENEFIT PENSION PLAN

Plan Description. The County contributes to the Base Plan, which is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

The contribution rates for employees are set by statute at 60 percent of the employer rate for general employees and 74 percent for police and firefighters. As of September 30, 2023, it was 6.71 percent for general employees and 9.83 percent for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18 percent for general employees and 13.26 percent for police and firefighters. The County contributions required and paid were $1,653,149, $1,613,000 and $1,528,187 for the three years ended September 30, 2023, 2022, and 2021, respectively.

Pension Liabilities, Assets, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2023, the County reported a liability of $12,748,191 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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 employers. At June 30, 2023, the County's proportion was 0.31944984 percent.

13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Assets, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued). For the year ended September 30, 2023, the County recognized a net change in pension expense of $1,581,851. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	$ 405,000	
Differences between expected and actual experience	$ 2,185,137	
Changes in assumptions or other inputs	$ 1,262,339	
Net difference between projected and actual earnings on pension plan investments	$ 1,196,605	

Deferred out flows of resources in the amount of $405,000 related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending September 30, 2024.

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, 2023, the beginning of the measurement period ended June 30, 2023, is 4.4 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 expense (revenues) as follows:

2024	$ 1,651,536
2025	776,102
2026	2,414,336
2027	(197,893)

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

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued). Several different sets of mortality rates are used in the valuation for contributing members, service retirement members, and beneficiaries. These rates were adopted for the valuation dated July 1, 2023.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries – Male	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Female	Pub-2010 General Tables, increased 21%
Fire & Police – Male	Pub-2010 Safety Tables, increased 21%
Fire & Police – Female	Pub-2010 Safety Tables, increased 26%
Disabled Members – Male	Pub-2010 Disabled Tables, increased 38%
Disabled Members – Female	Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020, which reviewed all economic and demographic assumptions including mortality. The total pension liability as of June 30, 2023, is based on the results of an actuarial valuation date of July 1, 2023.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2023.

13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued).

CAPITAL MARKET ASSUMPTIONS

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
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 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the County's Proportionate Share of the Net Pension 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 (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
County's proportionate share of the net pension liability (asset)	$22,928,146	$12,748,191	$4,427,986

13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

14. OTHER POST-EMPLOYMENT BENEFITS

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

Retired employees must pay the full medical insurance premium. This arrangement is considered to include an implicit subsidy under accounting standards as the retired employee medical insurance premium is considered to be less than the actuarially determined premium for a retired individual in those circumstances. There are currently 2 retired employees taking advantage of this benefit. The estimated amount of this implicit subsidy is considered immaterial to these financial statements.

15. CONTINGENT LIABILITIES

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

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable in the opinion of the County's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 17, 2024, the date the financial statements were available to be issued.

17. TAX ABATEMENTS

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

17. TAX ABATEMENTS (CONTINUED)

Details of all property tax abatements that the County has entered into as of September 30, 2023, are as follows:

- A 75 percent reduction in assessed value to a pulp and paper product manufacturer for specified plant improvements not to exceed $61 million of assessed value in the first year and $81 million of assessed value for the next 4 years starting in tax year 2018. The abatement amounted to $840,448 for the year ended September 30, 2023.

- A 50 percent reduction in additional assessed value in the first year and 75 percent in the next four years to a bullet manufacturer for plant improvements effective for 5 years starting in tax year 2018. The abatement amounted to $429,451 for the year ended September 30, 2023.

- A 75 percent reduction in assessed value to a lumber manufacturer for specified plant improvements not to exceed $15 million of assessed value for the next 5 years starting in tax year 2020. The abatement amounted to $143,81

- 9 for the year ended September 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

NEZ PERCE COUNTY, STATE OF IDAHO

SCHEDULE OF PENSION FUNDING

SCHEDULE OF THE DISTRICT'S SHARE OF NET PENSION ASSET AND LIABILITY - PERSI BASE PLAN
Data reported is measured as of June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's portion of the net pension (asset) liability	0.31944984%	0.32941004%	0.34044306%	0.34447850%	0.34736290%	0.34632820%	0.35215540%	0.34467310%	0.35056460%	0.35298380%
Employer's proportionate share of the net pension (asset) liability	$ 12,748,191	$ 12,974,665	$ (269,000)	$ 7,999,000	$ 3,965,000	$ 5,108,000	$ 5,535,000	$ 6,987,000	$ 4,616,400	$ 2,598,500
Employer's covered payroll	13,755,280	13,476,584	12,700,451	12,288,962	12,101,900	11,260,000	10,625,000	10,183,600	9,914,700	9,635,500
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	93%	96%	-2%	65%	33%	45%	52%	69%	47%	27%
Plan fiduciary net position as a percentage of the total pension liability	84%	83%	100%	88%	94%	92%	91%	87%	91%	95%

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO PENSION PLANS - PERSI BASE PLAN
Data reported is measured as of September 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 1,653,149	$ 1,613,000	$ 1,528,187	$ 1,477,958	$ 1,369,934	$ 1,274,631	$ 1,202,750	$ 1,152,783	$ 1,122,344	$ 1,090,739
Contributions in relation to the statutorily required contribution	1,653,149	1,613,000	1,528,187	1,477,958	1,369,934	1,274,631	1,202,750	1,152,783	1,122,344	1,090,739
Contribution (deficiency) excess	0	0	0	0	0	0	0	0	0	0
Employer's covered payroll	13,755,280	13,476,584	12,700,451	12,288,962	12,101,900	11,260,000	10,625,000	10,183,600	9,914,700	9,635,500
Contributions as a percentage of covered payroll	12.02%	11.97%	12.03%	12.03%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%

NEZ PERCE COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2023

GENERAL	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	$ 9,367,852	$ 9,367,852	$ 9,257,615	$ (110,237)
Other revenues	4,619,113	4,619,113	3,493,317	(1,125,796)
Total revenues	13,986,965	13,986,965	12,750,932	(1,236,033)
EXPENDITURES				
Salaries and wages	3,734,808	3,734,808	3,148,746	586,062
Other expenditures	14,044,534	14,044,534	14,276,854	(232,320)
Total expenditures	17,779,342	17,779,342	17,425,600	353,742
EXCESS OF REVENUES OVER EXPENDITURES	(3,792,377)	(3,792,377)	(4,674,668)	(882,291)
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease			44,040,000	44,040,000
Original issue premium			1,399,317	1,399,317
Transfers in			5,554,178	5,554,178
Transfers out			(45,223,235)	(45,223,235)
Total other financing sources (uses)	0	0	5,770,260	5,770,260
NET CHANGE IN FUND BALANCE	(3,792,377)	(3,792,377)	1,095,592	4,887,969
FUND BALANCE AT BEGINNING OF YEAR	3,792,377	3,792,377	2,895,111	(897,266)
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 3,990,703	$ 3,990,703

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

Revenues on GAAP basis	$ 13,213,228
Accrued intergovernmental revenue	(497,936)
Prior year accrued revenue	35,640
Revenues of budgetary basis	$ 12,750,932

NEZ PERCE COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2023

GENERAL ROAD	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	$ 127,475	$ 127,475	$ 141,824	$ 14,349
Other revenues	3,390,832	3,390,832	6,654,649	3,263,817
Total revenues	3,518,307	3,518,307	6,796,473	3,278,166
EXPENDITURES				
Salaries and wages	1,407,501	1,407,501	1,283,767	123,734
Other expenditures	4,538,042	7,939,159	6,946,263	992,896
Total expenditures	5,945,543	9,346,660	8,230,030	1,116,630
NET CHANGE IN FUND BALANCE	(2,427,236)	(5,828,353)	(1,433,557)	4,394,796
FUND BALANCE AT BEGINNING OF YEAR	2,427,236	5,828,353	4,139,206	(1,689,147)
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 2,705,649	$ 2,705,649

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

Revenues on GAAP basis	$ 8,165,959
Accrued intergovernmental revenue	(2,214,243)
Prior year accrued revenue	844,757
Revenues of budgetary basis	$ 6,796,473

NEZ PERCE COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2023

FEDERAL AND STATE MATCHING	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	$ 303,326	$ 303,326	$ 298,943	$ (4,383)
Other revenues			275,673	275,673
Total revenues	303,326	303,326	574,616	271,290
EXPENDITURES				
Other expenditures	1,951,000	1,951,000	755,660	1,195,340
Total expenditures	1,951,000	1,951,000	755,660	1,195,340
NET CHANGE IN FUND BALANCE	(1,647,674)	(1,647,674)	(181,044)	1,466,630
FUND BALANCE AT BEGINNING OF YEAR	1,647,674	1,647,674	3,802,391	2,154,717
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 3,621,347	$ 3,621,347

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

Revenues on GAAP basis	$ 627,712
Accrued intergovernmental revenue	(53,096)
Prior year accrued revenue	
Revenues of budgetary basis	$ 574,616

NEZ PERCE COUNTY, STATE OF IDAHO

BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2023

JUSTICE	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	$ 6,322,909	$ 6,322,909	$ 6,350,943	$ 28,034
Other revenues	5,547,901	5,547,901	7,316,702	1,768,801
Total revenues	11,870,810	11,870,810	13,667,645	1,796,835
EXPENDITURES				
Salaries and wages	7,880,463	7,880,463	7,267,854	612,609
Other expenditures	6,919,686	6,919,686	5,441,851	1,477,835
Total expenditures	14,800,149	14,800,149	12,709,705	2,090,444
NET CHANGE IN FUND BALANCE	(2,929,339)	(2,929,339)	957,940	3,887,279
FUND BALANCE AT BEGINNING OF YEAR	2,929,339	2,929,339	4,071,908	1,142,569
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 5,029,848	$ 5,029,848

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

Revenues on GAAP basis	$ 13,580,914
Accrued intergovernmental revenue	(993,690)
Prior year accrued revenue	1,080,421
Revenues of budgetary basis	$ 13,667,645

Effective October 1, 2010, a Joint Airport Authority was formed to manage all airport activities and operations. The Lewiston-Nez Perce County Regional Airport has approximately 3,700,000 square feet of airfield pavement. The airport has implemented a pavement management system, which inventories the pavement network, identifies the pavement condition on a periodic basis, and compiles the pavement condition in a pavement maintenance management software *PAVER™*. The U.S. Army Corps of Engineers originally developed the Pavement Condition Index (*PCI)* reporting method as an airfield pavement rating system. The *PCI* is established by visually inspecting sample units of the airport's pavement sections and assessing the type and severity of the pavement's surface distresses, such as cracking, depressions, patching, raveling, rutting, and shoving. The software uses this information to assign a *PCI* for each pavement segment, with a numerical rating scale with a possible range from 0 to 100 that provides a measure of the pavement's functional surface condition. Using the *PCI*, the Pavement Condition Rating (PCR) is assigned to each segment, ranging from "Poor to Failing" to "Good." The rating system is broken down as follows:

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

The 2002 *Pavement Condition Index Report* is used as a reference for the GASB No. 34 reporting requirements for airfield pavements using the Modified Approach. The Lewiston-Nez Perce Regional Airport intends to preserve its infrastructure at an index rating greater than 65. In July 2022, an inspection was performed resulting in *PCI* report dated February 2023. The overall area weighted *PCI* for the Lewiston-Nez Perce County Regional Airport pavement network was 80, representing a "satisfactory" rating. No *PCI* report was conducted during 2023 fiscal year.

Visual pavement inspections were conducted in July 2022 using the *PCI*

Year Ended	Original Estimated Maintenance Expense	Actual Maintenance Expense	PCI Rating	Assessment Date
9/30/14	$ 355,000	$ 0		
9/30/15	355,000	4,734,682		
9/30/16	355,000	2,249,777	72	July 2016
9/30/17	355,000	1,067,713		
9/30/18	355,000	3,678,012		
9/30/19	355,000	3,180,451		
9/30/20	355,000	6,521,147		
9/30/21	355,000	2,548,696		
9/30/22	355,000	3,796,555	80	July 2022
9/30/23	355,000	3,337,710		

SUPPLEMENTARY INFORMATION

NEZ PERCE COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - GAAP BASIS
September 30, 2023

	General	Charity	Indigent Revolving	General Road	Federal and State Matching	Justice	District Court
ASSETS							
Cash and investments	$ 7,889,118	$ 1,059,691	$ 512,249	$ 3,119,869	$ 3,654,486	$ 5,341,356	$ 607,623
Property taxes receivable	169,167	8,426		8,418	4,429	115,560	985
Intergovernmental receivable	497,936			2,214,243	53,096	993,690	
Other receivables			120,000				
Total assets	$ 8,556,221	$ 1,068,117	$ 632,249	$ 5,342,530	$ 3,712,011	$ 6,450,606	$ 608,608
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Warrants payable	$ 365,829		$ 825	$ 414,220	$ 33,139	$ 311,508	$ 15,400
Claims payable							
Accrued expenses							
Total liabilities	365,829	$ 0	825	414,220	33,139	311,508	15,400
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	3,701,753	8,426	120,000	8,418	4,429	115,560	984
Total deferred inflows of resources	3,701,753	8,426	120,000	8,418	4,429	115,560	984
FUND BALANCES							
Assigned for accounting accruals	497,936			2,214,243	53,096	993,690	
Assigned for bridge construction					3,621,347		
Assigned for E-911 wireless							
Assigned for mandated appraisals							
Assigned for indigent		1,059,691					
Assigned for fairgrounds							
Assigned for solid waste							
Assigned for courthouse	2,500,000						
Assigned for airport							
Assigned for special revenue			511,424	2,705,649		5,029,848	592,224
Unassigned	1,490,703						
Total fund balances	4,488,639	1,059,691	511,424	4,919,892	3,674,443	6,023,538	592,224
Total liabilities and fund balances	$ 8,556,221	$ 1,068,117	$ 632,249	$ 5,342,530	$ 3,712,011	$ 6,450,606	$ 608,608

NEZ PERCE COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - GAAP BASIS
September 30, 2023

	Ad Valorem	Health District	Noxious Weed	Noxious Weed Revolving	Airport	Fairgrounds and Buildings	Fair Board
ASSETS							
Cash and investments	$ 728,240	$ 36,239	$ 82,171	$ 3,666	$ 393,856	$ 33,140	$ 495,253
Property taxes receivable	11,776	11,722	59		682	8,546	442,743
Intergovernmental receivable							
Other receivables							
Total assets	$ 740,016	$ 47,961	$ 82,230	$ 3,666	$ 394,538	$ 41,686	$ 937,996
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Warrants payable	$ 8,564		$ 2,863	$ 167		$ 17,307	
Claims payable							$ 555
Accrued expenses							4,655
Total liabilities	8,564	$ 0	2,863	$ 167	$ 0	17,307	5,210
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	11,775	11,722	59	0	683	8,546	174,214
Total deferred inflows of resources	11,775	11,722	59	0	683	8,546	174,214
FUND BALANCES							
Assigned for accounting accruals							
Assigned for bridge construction							
Assigned for E-911 wireless							
Assigned for mandated appraisals	300,000						
Assigned for indigent							
Assigned for fairgrounds						15,833	
Assigned for solid waste							
Assigned for courthouse							
Assigned for airport					393,855		
Assigned for special revenue	419,677	36,239	79,308	3,499			758,572
Unassigned							
Total fund balances	719,677	36,239	79,308	3,499	393,855	15,833	758,572
Total liabilities and fund balances	$ 740,016	$ 47,961	$ 82,230	$ 3,666	$ 394,538	$ 41,686	$ 937,996

NEZ PERCE COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - GAAP BASIS
September 30, 2023

	Election Consolidation	Junior College Tuition	Solid Waste	Court Interlocking	Court Facilities	Juvenile Detention	Juvenile Probation
ASSETS							
Cash and investments	$ 489,885	$ 58,059	$ 692,736	$ 52,099	$ 262,895	$ 312,687	$ 259,506
Property taxes receivable			46,008			14,110	10,999
Intergovernmental receivable						7,760	35,203
Other receivables							
Total assets	$ 489,885	$ 58,059	$ 738,744	$ 52,099	$ 262,895	$ 334,557	$ 305,708
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Warrants payable	$ 25		$ 72,934			$ 18,476	$ 14,951
Claims payable							
Accrued expenses							
Total liabilities	25	$ 0	72,934	$ 0	$ 0	18,476	14,951
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue			46,006			14,109	11,000
Total deferred inflows of resources	0	0	46,006	0	0	14,109	11,000
FUND BALANCES							
Assigned for accounting accruals						7,760	35,203
Assigned for bridge construction							
Assigned for E-911 wireless							
Assigned for mandated appraisals							
Assigned for indigent							
Assigned for fairgrounds							
Assigned for solid waste			531,000				
Assigned for courthouse					262,895		
Assigned for airport							
Assigned for special revenue	489,860	58,059	88,804	52,099		294,212	244,554
Unassigned							
Total fund balances	489,860	58,059	619,804	52,099	262,895	301,972	279,757
Total liabilities and fund balances	$ 489,885	$ 58,059	$ 738,744	$ 52,099	$ 262,895	$ 334,557	$ 305,708

NEZ PERCE COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - GAAP BASIS
September 30, 2023

	Adult Probation	Drug Court	Drug Prosecution	Parks and Recreation	County Vessel	Snowmobile
ASSETS						
Cash and investments	$ 276,936	$ 144,150	$ 51,394	$ 83,087	$ 82,806	$ 77,196
Property taxes receivable	11,455			482		
Intergovernmental receivable	235					
Other receivables					55,712	
Total assets	$ 288,626	$ 144,150	$ 51,394	$ 83,569	$ 138,518	$ 77,196
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Warrants payable	$ 12,865	$ 10,870	$ 20,457		$ 2,468	$ 48
Claims payable						
Accrued expenses						
Total liabilities	12,865	10,870	20,457	$ 0	2,468	48
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	11,455			482		
Total deferred inflows of resources	11,455	0	0	482	0	0
FUND BALANCES						
Assigned for accounting accruals	235				55,712	
Assigned for bridge construction						
Assigned for E-911 wireless						
Assigned for mandated appraisals						
Assigned for indigent						
Assigned for fairgrounds						
Assigned for solid waste						
Assigned for courthouse						
Assigned for airport						
Assigned for special revenue	264,071	133,280	30,937	83,087	80,338	77,148
Unassigned						
Total fund balances	264,306	133,280	30,937	83,087	136,050	77,148
Total liabilities and fund balances	$ 288,626	$ 144,150	$ 51,394	$ 83,569	$ 138,518	$ 77,196

NEZ PERCE COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - GAAP BASIS
September 30, 2023

	Emergency Communications	Employer Cafeteria	Capital Project	Current Expense Contingency	Total
ASSETS					
Cash and investments	$ 1,491,718	$ 312,945	$ 6,681,635	$ 103,756	$ 35,390,447
Property taxes receivable					865,567
Intergovernmental receivable					3,802,163
Other receivables	55,374				231,086
Total assets	$ 1,547,092	$ 312,945	$ 6,681,635	$ 103,756	$ 40,289,263
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Warrants payable	$ 56,291				$ 1,379,207
Claims payable					555
Accrued expenses					4,655
Total liabilities	56,291	$ 0	$ 0	$ 0	1,384,417
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue					4,249,621
Total deferred inflows of resources	0	0	0	0	4,249,621
FUND BALANCES					
Assigned for accounting accruals	55,374				3,913,249
Assigned for bridge construction					3,621,347
Assigned for E-911 wireless	1,435,427				1,435,427
Assigned for mandated appraisals					300,000
Assigned for indigent					1,059,691
Assigned for fairgrounds					15,833
Assigned for solid waste					531,000
Assigned for courthouse					2,762,895
Assigned for airport					393,855
Assigned for special revenue		312,945	6,681,635	103,756	19,131,225
Unassigned					1,490,703
Total fund balances	1,490,801	312,945	6,681,635	103,756	34,655,225
Total liabilities and fund balances	$ 1,547,092	$ 312,945	$ 6,681,635	$ 103,756	$ 40,289,263

NEZ PERCE COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GAAP BASIS
Year Ended September 30, 2023

	General	Charity	Indigent Revolving	General Road	Federal and State Matching	Justice	District Court
REVENUES							
Property taxes	$ 9,257,615	$ 16,903		$ 141,824	$ 298,943	$ 6,350,943	$ 2,959
Licenses and permits	384,797			6,700		267,419	
Intergovernmental revenue	2,357,252			6,515,533	307,541	4,166,028	250,749
Charges for services	321,151			998,936	20,000	1,969,322	72,950
Interest and rent	591,253					722,642	
Fines and penalties						42,872	246,797
Other revenue	301,160	25	$ 87,106	502,966	1,228	61,688	587
Total revenues	13,213,228	16,928	87,106	8,165,959	627,712	13,580,914	574,042
EXPENDITURES							
General government	13,877,908					2,517,282	542,539
Public safety	341,104					10,192,423	
Public works				8,193,134	755,660		
Health and welfare			34,139				
Culture and recreation							
Debt service	3,052,535			36,896			
Other	154,053						
Total expenditures	17,425,600	0	34,139	8,230,030	755,660	12,709,705	542,539
OTHER FINANCING SOURCES (USES)							
Proceeds from long term debt	44,040,000						
Original issue premium	1,399,317						
Transfers in	5,554,178						
Transfers out	(45,223,235)						(6,000)
Total other financing sources (uses)	5,770,260	0	0	0	0	0	(6,000)
NET CHANGE IN FUND BALANCES	1,557,888	16,928	52,967	(64,071)	(127,948)	871,209	25,503
FUND BALANCES AT BEGINNING OF YEAR	2,930,751	1,042,763	458,457	4,983,963	3,802,391	5,152,329	566,721
FUND BALANCES AT END OF YEAR	$ 4,488,639	$ 1,059,691	$ 511,424	$ 4,919,892	$ 3,674,443	$ 6,023,538	$ 592,224

NEZ PERCE COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GAAP BASIS
Year Ended September 30, 2023

	Ad Valorem	Health District	Noxious Weed	Noxious Weed Revolving	Airport	Fairgrounds and Buildings	Fair Board
REVENUES							
Property taxes	$ 493,364	$ 682,530	$ 122		$ 3,989	$ 464,620	$ 472,142
Licenses and permits							
Intergovernmental revenue							
Charges for services				$ 40,000			294,303
Interest and rent							112,525
Fines and penalties							
Other revenue	3,742	2,849	1		1	1,939	20,808
Total revenues	497,106	685,379	123	40,000	3,990	466,559	899,778
EXPENDITURES							
General government	629,149						
Public safety							
Public works			32,178	37,315			
Health and welfare		689,433					
Culture and recreation						460,740	705,472
Debt service							
Other							
Total expenditures	629,149	689,433	32,178	37,315	0	460,740	705,472
OTHER FINANCING SOURCES (USES)							
Proceeds from long term debt							
Original issue premium							
Transfers in							
Transfers out							
Total other financing sources (uses)	0	0	0	0	0	0	0
NET CHANGE IN FUND BALANCES	(132,043)	(4,054)	(32,055)	2,685	3,990	5,819	194,306
FUND BALANCES AT BEGINNING OF YEAR	851,720	40,293	111,363	814	389,865	10,014	564,266
FUND BALANCES AT END OF YEAR	$ 719,677	$ 36,239	$ 79,308	$ 3,499	$ 393,855	$ 15,833	$ 758,572

NEZ PERCE COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GAAP BASIS
Year Ended September 30, 2023

	Election Consolidation	Junior College Tuition	Solid Waste	Court Interlocking	Court Facilities	Juvenile Detention	Juvenile Probation
REVENUES							
Property taxes						$ 745,789	$ 591,694
Licenses and permits							
Intergovernmental revenue	$ 125,044	$ 15,000				98,418	152,118
Charges for services			1,191,542			70,329	17,072
Interest and rent							
Fines and penalties				4,162	13,410		9,280
Other revenue						11,455	3,231
Total revenues	125,044	15,000	1,191,542	4,162	13,410	925,991	773,395
EXPENDITURES							
General government	128,988						
Public safety				4,780		928,951	753,036
Public works							
Health and welfare		7,850	1,378,867				
Culture and recreation							
Debt service							
Other							
Total expenditures	128,988	7,850	1,378,867	4,780	0	928,951	753,036
OTHER FINANCING SOURCES (USES)							
Proceeds from long term debt							
Original issue premium							
Transfers in							
Transfers out							
Total other financing sources (uses)	0	0	0	0	0	0	0
NET CHANGE IN FUND BALANCES	(3,944)	7,150	(187,325)	(618)	13,410	(2,960)	20,359
FUND BALANCES AT BEGINNING OF YEAR	493,804	50,909	807,129	52,717	249,485	304,932	259,398
FUND BALANCES AT END OF YEAR	$ 489,860	$ 58,059	$ 619,804	$ 52,099	$ 262,895	$ 301,972	$ 279,757

NEZ PERCE COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GAAP BASIS
Year Ended September 30, 2023

	Adult Probation	Drug Court	Drug Prosecution	Parks and Recreation	County Vessel	Snowmobile
REVENUES						
Property taxes	$ 612,036			$ 26,892		
Licenses and permits					$ 85,845	$ 8,243
Intergovernmental revenue		$ 100,825	$ 38,234		178,571	
Charges for services	128,721					
Interest and rent						
Fines and penalties		21,304				
Other revenue	2,371	12,270		111	9,790	
Total revenues	743,128	134,399	38,234	27,003	274,206	8,243
EXPENDITURES						
General government		162,925				
Public safety	705,364		29,936			
Public works						
Health and welfare						
Culture and recreation				20,140	357,966	12,620
Debt service						
Other						
Total expenditures	705,364	162,925	29,936	20,140	357,966	12,620
OTHER FINANCING SOURCES (USES)						
Proceeds from long term debt						
Original issue premium						
Transfers in		6,000				
Transfers out						
Total other financing sources (uses)	0	6,000	0	0	0	0
NET CHANGE IN FUND BALANCES	37,764	(22,526)	8,298	6,863	(83,760)	(4,377)
FUND BALANCES AT BEGINNING OF YEAR	226,542	155,806	22,639	76,224	219,810	81,525
FUND BALANCES AT END OF YEAR	$ 264,306	$ 133,280	$ 30,937	$ 83,087	$ 136,050	$ 77,148

NEZ PERCE COUNTY, STATE OF IDAHO

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GAAP BASIS
Year Ended September 30, 2023

	Emergency Communications	Employer Cafeteria	Capital Project	Current Expense Contingency	Total
REVENUES					
Property taxes					$20,162,365
Licenses and permits					753,004
Intergovernmental revenue					14,305,313
Charges for services	$ 721,838			$ 38,750	5,884,914
Interest and rent		$ 2,821			1,429,241
Fines and penalties					337,825
Other revenue	50,161	19,049	$ 101,217	25,000	1,218,755
Total revenues	771,999	21,870	101,217	$ 63,750	44,091,417
EXPENDITURES					
General government					17,858,791
Public safety	726,995				13,682,589
Public works					9,018,287
Health and welfare					2,110,289
Culture and recreation					1,556,938
Debt service					3,089,431
Other		5,000			159,053
Total expenditures	726,995	5,000	0	0	47,475,378
OTHER FINANCING SOURCES (USES)					
Proceeds from long term debt					44,040,000
Original issue premium					1,399,317
Transfers in					5,560,178
Transfers out					(45,229,235)
Total other financing sources (uses)	0	0	0	0	5,770,260
NET CHANGE IN FUND BALANCES	45,004	16,870	101,217	63,750	2,386,299
FUND BALANCES AT BEGINNING OF YEAR	1,445,797	296,075	6,580,418	40,006	32,268,926
FUND BALANCES AT END OF YEAR	$ 1,490,801	$ 312,945	$ 6,681,635	$ 103,756	$34,655,225

NEZ PERCE COUNTY, STATE OF IDAHO

FIDUCIARY FUNDS
COMBINING BALANCE SHEET - GAAP BASIS
September 30, 2023

	State of Idaho	Employees Trust	Taxing Districts	Treasurer's Trust	Auditor's Trust	Sheriff's Trust	District Court's Trust	Courthouse Project	Total
ASSETS									
Cash and investments	$ 505,351	$ 25,295	$ 1,627,903	$ 489,443	$ 1,066,802	$ 376,032	$ 345,025	$ 41,214,011	$ 45,649,862
Property taxes receivable			1,185,798						1,185,798
Intergovernmental receivable			68,212						68,212
Other receivables							5,520,633		5,520,633
Total assets	$ 505,351	$ 25,295	$ 2,881,913	$ 489,443	$ 1,066,802	$ 376,032	$ 5,865,658	$ 41,214,011	$ 52,424,505
LIABILITIES									
Warrants payable	$ 502,052	$ 1,835	$ 128,127		$ 687	$ 274			$ 632,975
Claims payable		23,220							23,220
Due to Nez Perce County								$ 41,214,011	41,214,011
Due to other governments	3,299		2,753,786	$ 370,203					3,127,288
Due to employees		240							240
Due to individuals				119,240	1,066,115	375,758	$ 5,865,658		7,426,771
Total liabilities	$ 505,351	$ 25,295	$ 2,881,913	$ 489,443	$ 1,066,802	$ 376,032	$ 5,865,658	$ 41,214,011	$ 52,424,505

NEZ PERCE COUNTY, STATE OF IDAHO

FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended September 30, 2023

	State of Idaho	Employees Trust	Taxing Districts	Treasurer's Trust	Auditor's Trust	Sheriff's Trust	District Court's Trust	Courthouse Project Trust	Total
ADDITIONS									
Property taxes			$ 55,483,497						$ 55,483,497
Licenses and permits	$ 2,620,382		2,770						2,623,152
Intergovernmental revenue	3,490,416		1,738,811						5,229,227
Charges for services	89		259,868	$ 3,210					263,167
Interest and rent								$ 1,544,954	1,544,954
Fines and penalties	893,485		181,349						1,074,834
Other receipts		$ 113,045	326		$ 1,148,757	$ 1,717,182	$ 1,953,122	45,223,235	50,155,667
Total additions	$ 7,004,372	$ 113,045	$ 57,666,621	$ 3,210	$ 1,148,757	$ 1,717,182	$ 1,953,122	$ 46,768,189	$ 116,374,498
DEDUCTIONS									
Disbursed to beneficiaries	$ 7,001,073	$ 112,805	$ 56,412,611	$ 102,919	$ (190,885)	$ 1,452,244	$ 1,937,404		$ 66,828,171
Disbursed for General fund								$ 5,554,178	5,554,178
Allocated to beneficiaries	3,299	240	1,254,010	(99,709)	1,339,642	264,938	15,718	41,214,011	43,992,149
Total deductions	$ 7,004,372	$ 113,045	$ 57,666,621	$ 3,210	$ 1,148,757	$ 1,717,182	$ 1,953,122	$ 46,768,189	$ 116,374,498

SINGLE AUDIT SECTION

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT - *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nez Perce County, State of Idaho, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Nez Perce County, State of Idaho's basic financial statements, and have issued our report thereon dated June 17, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

Report on Compliance and Other Matters

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

Purpose of this Report

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

Presnell Gage, PLLC

June 17, 2024
Lewiston, Idaho

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT – *UNIFORM GUIDANCE*

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Nez Perce County, State of Idaho's compliance with the types of compliance requirements identified as subject to audit in the OMB's *Compliance Supplement*, that could have a direct and material effect on each of the Nez Perce County, State of Idaho's major federal programs for the year ended September 30, 2023. The Nez Perce County, State of Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Nez Perce County, State of Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

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

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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 Nez Perce County, State of Idaho's federal programs.

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Presnell Gage, PLLC

June 17, 2024
Lewiston, Idaho

NEZ PERCE COUNTY, STATE OF IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2023

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
* Material weakness(es) identified?	_____ yes	_X_ no
* Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes	_X_ none reported
Noncompliance material to financial statements noted?	_____ yes	_X_ no

Federal Awards

Internal control over major programs:		
* Material weakness(es) identified	_____ yes	_X_ no
* Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes	_X_ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance:	_____ yes	_X_ no

Identification of major programs:

CFDA Numbers	Name of federal program or cluster
21.205	Highway Planning and Construction

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

NEZ PERCE COUNTY, STATE OF IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2023

Section II -- Financial Statement Findings

No matters were reported.

Section III -- Federal Award Findings and Questioned Costs

No matters were reported.

NEZ PERCE COUNTY, STATE OF IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended September 30, 2023

	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
DEPARTMENT OF AGRICULTURE				
Passed through the State of Idaho -				
Department of Lands				
Cooperative Forestry Assistance	10.664		None	$ 149,243
Schools and Roads Grants to States -				
Federal Forest Receipts	10.665		$ 2,846	2,846
				152,089
DEPARTMENT OF JUSTICE				
Passed through the State of Idaho -				
Department of Juvenile Corrections				
Bulletproof Vest Partnership Program	16.607		None	4,116
Idaho State Police				
NICS Act Record Improvement Program	16.813	2020-NS-BX-K017	None	14,280
				18,396
DEPARTMENT OF TRANSPORTATION				
Passed through the State of Idaho -				
Department of Transportation				
Highway Planning and Construction	20.205		None	3,595,468 *
Highway Safety cluster				
State and Community Highway Safety	20.600		None	14,106
Alcohol Traffic Safety & Drunk Driving Prevention	20.601		None	9,168
National Priority Safety Programs	20.616		None	18,112
Subtotal Highway Safety cluster				41,386
				3,636,854
DEPARTMENT OF THE TREASURY				
Passed through the State of Idaho -				
Office of the Governor				
Coronavirus State and Local Fiscal Recovery Funds	21.027		None	72,084
				72,084
DEPARTMENT OF HOMELAND SECURITY				
Passed through the State of Idaho -				
Department of Parks and Recreation				
Boating Safety Financial Assistance	97.012		None	28,460
Military Division				
Emergency Management Performance Grant	97.042	EMS2021EP00005	None	39,522
Homeland Security Grant Program	97.067	EMW2021SS00070	None	9,836
				77,818
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 3,957,241

NOTE 1: BASIS OF PRESENTATION
The schedule includes federal award activity of the County under programs of the federal government for the year ended September 30, 2023. The information in this schedule is presented in compliance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* . Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance* , wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: DE MINIMIS INDIRECT COST RATE
The County did not elect to use the 10 percent de minimis cost rate.

NOTE 4: MAJOR PROGRAMS
Programs indicated with "*" are major programs as reported on the schedule of findings and questioned costs.