SHOSHONE COUNTY, IDAHO

Wallace, Idaho

Audited Financial Statements
For the Year Ended
September 30, 2023

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

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FINANCIAL SECTION

HAYDEN ROSS

INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
Shoshone County, Idaho
Wallace, Idaho 83873

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shoshone County, Idaho, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Shoshone County, Idaho's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shoshone County, Idaho as of September 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Shoshone County, 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.

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 Shoshone County, 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 Shoshone County, 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 Shoshone County, 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.

Emphasis of Matter

The County has recorded a prior period adjustment for a correction of an estimate, other post-employment benefits liabilities, and capital assets and related debt, as further described in Note 17.

Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, the budgetary comparison schedules on pages 49 through 52, the net pension (asset) liability related schedules on page 53, and the other post-employment benefits liability schedule on page 54 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 inquires, 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 Shoshone County, Idaho's basis financial statements. The accompanying supplementary information and 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 the 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 supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 21, 2024 on our consideration of Shoshone County, 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 Shoshone County, 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 Standard* in considering Shoshone County, Idaho's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
June 21, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023

As management of Shoshone County, Idaho (County), we offer readers of the County's financial statements this narrative discussion, overview, and analysis of the financial activities of the County for the fiscal year ending September 30, 2023.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements have three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also contains supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The statements present an aggregate view of the County's finances. They contain useful long-term information for the just completed fiscal year.

The Statement of Net Position presents information on all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the County, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the net position of the County changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. In the statements, the County's activities are all classified as government activities or business-type activities.

Fund Financial Statements: A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements.

Some funds are required by state law and bond covenants. The County establishes other funds to control and manage money for particular purposes (i.e. repaying long-term debt.) The County has three types of funds: Governmental, Proprietary, and Fiduciary.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds: Proprietary funds are used to report activities where user fees and charges are intended to cover the cost of providing a service. Proprietary net position and activities are reported separately in the fund financials.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs.

Notes to the Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information: The budgetary comparison schedules, the net pension (asset) liability schedules, the other post-employment benefit plan schedule provide additional information required by GASB.

Supplementary Information: The supplementary information includes budgetary and financial information for the combining statements for nonmajor governmental funds (which are shown in the fund financial statements in a single column). This information is provided to address certain specific needs of various uses of the report.

Basis of Accounting

The County's government-wide financial statements are presented on the accrual basis of accounting. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and related assets and liabilities. Under the accrual basis of accounting, receipts and disbursements and related assets and liabilities are recorded when revenues are earned and obligations incurred. Also, infrastructure asset amounts (roads and bridges) are capitalized and the related depreciation are recorded.

Financial Analysis of the County as Whole

The tables below have been updated to include the FY2022 Shoshone County Ambulance Service District. The District was presented as a discretely presented component unit in the FY2022 audit and has been reported as a blended component unit in the FY2023 audit.

Statement of Net Position

For the fiscal year ended September 30, 2023, net position of the County increased by $2,281,192:

	2023	2022	Change
Assets			
Current assets	28,165,808	19,100,693	9,065,115
Capital assets	22,993,510	22,800,670	192,840
Total Assets	**51,159,318**	**41,901,363**	**9,257,955**
Deferred Outflows of Resources	**2,672,067**	**3,042,962**	**(370,895)**
Liabilities			
Current liabilities	2,040,883	2,305,928	(265,045)
Noncurrent liabilities	8,051,401	7,311,310	740,091
Total Liabilities	**10,092,284**	**9,617,238**	**475,046**
Deferred Inflows of Resources	**14,131,720**	**8,000,898**	**6,130,822**
Net Position			
Net investment in capital assets	21,222,311	20,612,335	609,976
Restricted	7,512,859	5,085,900	2,426,959
Unrestricted	872,211	1,627,954	(755,743)
Total Net Position	**$29,607,381**	**$27,326,189**	**$ 2,281,192**

Statement of Activities

Receipts for the County's activities increased by $5,795,503 and expenses increased by $3,388,858.

Government- Wide Financial Analysis
Changes in Net Position

	2022-2023	2021-2022	Change
Revenues			
Charges for services	2,708,837	2,668,949	39,888
Operating grants and contributions	4,505,486	3,120,024	1,385,462
Capital grants and contributions	1,866,330	443,438	1,422,892
Taxes	6,336,785	6,143,168	193,617
Intergovernmental revenues	4,808,913	4,598,077	210,836
Licenses and permits	330,098	382,534	(52,436)
Fines	132,373	118,401	13,972
Contributions to self-funded insurance	118,672	112,061	6,611
Miscellaneous	483,002	423,300	59,702
Donations	256,459	155,000	101,459
Donated assets	-	210,275	(210,275)
Gain (loss) on disposal of capital asset	2,251,169	172,582	2,078,587
Interest earnings	627,032	81,844	545,188
Total Revenues	24,425,156	18,629,653	5,795,503
Expenses			
Program Expenses:			
Governmental activities:			
General government	6,295,146	5,063,596	1,231,550
Public safety	6,728,293	5,134,622	1,593,671
Public works	4,943,704	4,496,221	447,483
Culture and recreation	157,683	132,265	25,418
Health and welfare	211,556	755,194	(543,638)
Education	31,751	20,000	11,751
Emergency medical service	1,243,261	1,029,055	214,206
Capital outlay	470,906	218,699	252,207
Debt service	81,807	107,959	(26,152)
Amortization expense	24,804	25,501	(697)
Business-type activities:			
Solid waste	1,643,326	1,460,267	183,059
Total Expenses	21,832,237	18,443,379	3,388,858
Change in Net Position	2,592,919	186,274	2,406,645
Net Position – Beginning	27,326,189	26,969,710	356,479
Prior Period Adjustment	(311,727)	170,205	(481,932)
Net Position – Ending	$29,607,381	$27,326,189	$ 2,281,192

Governmental Activities

Property taxes and Intergovernmental revenues were the largest sources of revenue, making up 23.4% and 21.3% of total governmental revenues, respectively.

The County's grant revenues from federal, state and local sources made up $6,342,144 or 28.1% of total governmental revenues.

The general government function accounted for $6,295,146 of the $20,188,911, or 31.2% of total expenses for governmental activities. The main components of the expenses under this function are related to salaries and benefits. The public safety function accounted for $6,728,293 and representing 33.3% of total governmental expenses.

Overall, the net position for governmental activities increased by $2,350,482.

Business-Type Activities

The net position for business-type activities increased by $242,437 during the year, with the major revenue source being taxes at $1,061,012.

The major category of expenses are related to solid waste operations of $1,643,326, which accounts for all of the expenses.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Certain funds experienced changes from the prior year and are highlighted as follows.

1. Grant Management - The Grant Management Policy requires reports from the Grant Administrators and the BOC to the Auditor within 30 days of Quarter end. The Auditors review and reconcile with the accounting system on all revenue and expenditures. The policy as added addition step for auditors to secure all paperwork prior to checks written as to make sure all steps have been followed on Procurement Policy as well and scanned in for easily retrieved for public or other purposes.

2. Current Expense - Several grants were given to the County for capital improvements from the Federal government which would increase the county fund balance.

    a. The Sheriff's, Jail, Safety Building and Public Defenders were moved to the Justice Fund #19.
    b. Sale of county property which brough in $2,150,281.00 which also increased fund balance,
    c. Indigent budget through legislative changes have been moving slowly to current expense with Public Defender moving towards the Justice Fund #19.
    d. Planning & zoning has increased their fees this year in the amount of $32,972.00.

e. Inflation is still hitting all budget expenses.

3. Road Department - SRS and Highways users fee down. Still in income the Road Department increased revenue of $11,000.00. Inflation is still hitting purchases and gas expenditures.

4. Indigent & Public defense moved to the following Funds. Indigent-rents, burials, gas moved to Current Expense and Public Defense moved to Justice Fund.

5. Airport - Increase of fuel but reflected by increase of revenue.

6. Solid Waste - Fees collection was under budgeted in the amount of $1,309,033.00 which increased the cash flow for Solid Waste.

7. Snowmobile Fund had spent more than budgeted for but was able to cover with their cash.

8. 911 Funds are collected by the State of Idaho and passed down to counties. Seems to have gone down.

Fund Budgetary Highlights

1. General Fund - Sale of property-increase of revenue. Split Sheriff's, Public Defenders, Jail and Safety building to Justice Fund.

2. Road and Bridge Fund - Many grants for bridges continuing into the fund account.

3. Indigent Fund - Continue to close and move to Current expense with Public Defender to Justice Fund.

4. Weed Control - Still using a sub-contractor for spraying right-ways.

5. Snowmobile & Waterways continue to be fee-based fund and meeting their expenditures.

6. Airport - Looking more to increase fuel sale for increase of revenue.

7. 911 - Fee-based fund.

Economic Conditions and Outlook

Shoshone County is primarily supported by the mining industry and tourism. It is in the Panhandle of Idaho. It is home to the fabled Coeur d'Alene Mining District, one of the richest mining districts in the world once upon a time. It has two ski areas along with extensive trails and roads for snowmobile and ATV riding. Tourists come from all over to bike on the famous Hiawatha Bike Trail. The county continues to see outdoor recreation sites as people come to enjoy the trails for bike riding, ATV riding and snowmobile.

Shoshone County continues to offer a benefit package to its employees. The county is a member of PERSI, Public Employee Retirement System of Idaho. A plan is also offered to employee elective #457. The county pays for medical, dental, vision and term life insurance for benefited employees.

There are 10 paid holidays, ½ day sick leave per month and a sick leave bank. Workman's Compensation is covered through State Insurance Fund. When an employee is terminated, they receive accrued vacation and accrued compensation pay. Any unused sick leave is forfeited.

Capital Assets and Debt Administration

Capital Assets

Significant acquisitions made during the year consisted of the following purchases: a Midsota wide body trailer, two 2023 Chevy 3500HD's, 2006 Silverado 3500, 2023 Cat excavator, CCTV system, two 2022 Jeep Compass', server upgrade, two 2023 Dodge Chargers, new chiller, two generators, reconditioned Skyjack, super mini stinger trailer, skid steer, and transfer station bin and lid.

	2022-2023	2021-2022	Change
Land	643,919	623,919	20,000
Construction in progress	726,499	306,260	420,239
Buildings	1,261,050	921,738	339,312
Equipment	3,575,971	3,546,773	29,198
Infrastructure	5,025	5,295	(270)
Roads and bridges	15,548,529	16,272,505	(723,976)
Airport runway	838,980	949,940	(110,960)
Ambulance District	362,157	131,928	230,229
Right-of-use equipment	31,380	42,312	(10,932)
Total Net Capital Assets	$22,993,510	$22,800,670	$ 192,840

Long-Term Debt

Long-term liabilities are the debt incurred by the County. The debt typically has a maturity date that extends beyond a single annual reporting cycle. Additional information on long-term debt can be found in Note 9.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances. Any questions or request for additional information should be directed to the County Clerk, Peggy White, at the Shoshone County Courthouse, Auditor's Office, 700 Bank Street, Suite 120, Wallace ID, 83873, by phone at (208) 752-1264 or by email at clerk@co.shoshone.is.us.

FINANCIAL STATEMENTS

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

STATEMENT OF NET POSITION
September 30, 2023

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	16,103,123	1,452,687	17,555,810
Receivables:			
Taxes	303,392	29,170	332,562
Unbilled taxes	5,702,036	78,092	5,780,128
Accounts	2,451,963	63,342	2,515,305
Leases	13,245	-	13,245
Fee receivable	-	48,997	48,997
Prepaid items	4,234	-	4,234
Due from other governments	1,885,855	29,672	1,915,527
Total current assets	26,463,848	1,701,960	28,165,808
Noncurrent assets:			
Non-depreciable assets	1,320,418	50,000	1,370,418
Depreciable assets	385,925,848	2,937,973	388,863,821
Less: accumulated depreciation	(365,643,873)	(1,628,236)	(367,272,109)
Right-of-use equipment	74,290	-	74,290
Less: accumulated amortization	(42,910)	-	(42,910)
Total noncurrent assets	21,633,773	1,359,737	22,993,510
Total assets	48,097,621	3,061,697	51,159,318
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	2,517,889	154,178	2,672,067
LIABILITIES			
Current liabilities:			
Warrants payable	1,089,586	141,207	1,230,793
Non-warrants payable	279,578	106	279,684
Accrued wages payable	101,258	8,212	109,470
Accrued interest	35,110	872	35,982
IBNR claims liability	2,830	-	2,830
Right-of-use liability, due within one year	16,892	-	16,892
Long-term financing payable, due within one year	317,068	48,164	365,232
Total current liabilities	1,842,322	198,561	2,040,883
Noncurrent liabilities:			
Accrued compensated absences	204,331	13,302	217,633
OPEB liability	283,092	17,335	300,427
Net pension liability	5,789,742	354,524	6,144,266
Right-of-use liability, due after one year	14,770	-	14,770
Long-term financing payable, due after one year	1,274,089	100,216	1,374,305
Total noncurrent liabilities	7,566,024	485,377	8,051,401
Total liabilities	9,408,346	683,938	10,092,284
DEFERRED INFLOWS OF RESOURCES			
Unavailable tax revenue	5,702,036	78,092	5,780,128
Leases	13,225	-	13,225
Deferred grant revenue	8,338,367	-	8,338,367
Total deferred inflows of resources	14,053,628	78,092	14,131,720
NET POSITION			
Net investment in capital assets	20,010,954	1,211,357	21,222,311
Restricted for:			
General government	1,608,841	-	1,608,841
Public safety	1,021,816	-	1,021,816
Public works	3,581,220	-	3,581,220
Culture and recreation	149,025	-	149,025
Health and welfare	67,346	-	67,346
Education	100,699	-	100,699
Emergency medical service	818,942	-	818,942
Self funded insurance	164,970	-	164,970
Unrestricted	(370,277)	1,242,488	872,211
Total net position	$ 27,153,536	$ 2,453,845	$ 29,607,381

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental activities:							
General government	6,295,146	710,735	2,606,371	1,106,544	(1,871,496)	-	(1,871,496)
Public safety	6,728,293	577,486	70,886	-	(6,079,921)	-	(6,079,921)
Public works	4,943,704	-	1,588,559	730,114	(2,625,031)	-	(2,625,031)
Culture and recreation	157,683	6,250	-	-	(151,433)	-	(151,433)
Health and welfare	211,556	-	600	-	(210,956)	-	(210,956)
Education	31,751	-	-	-	(31,751)	-	(31,751)
Emergency medical service	1,243,261	674,787	239,070	-	(329,404)	-	(329,404)
Capital outlay	470,906	-	-	-	(470,906)	-	(470,906)
Debt service	81,807	-	-	-	(81,807)	-	(81,807)
Amortization expense	24,804	-	-	-	(24,804)	-	(24,804)
Total governmental activities	20,188,911	1,969,258	4,505,486	1,836,658	(11,877,509)	-	(11,877,509)
Business-type activities:							
Solid waste	1,643,326	739,579	-	29,672	-	(874,075)	(874,075)
Total business-type activities	1,643,326	739,579	-	29,672	-	(874,075)	(874,075)
Total primary government	$ 21,832,237	$ 2,708,837	$ 4,505,486	$ 1,866,330	(11,877,509)	(874,075)	(12,751,584)
		General revenues					
		Taxes			5,275,773	1,061,012	6,336,785
		Intergovernmental			4,808,913	-	4,808,913
		Licenses and permits			330,098	-	330,098
		Fines			132,373	-	132,373
		Contributions to self-funded insurance			118,672	-	118,672
		Miscellaneous			475,680	7,322	483,002
		Donations			256,459	-	256,459
		Interest earnings			578,854	48,178	627,032
		Gain (loss) on disposal of capital asset			2,251,169	-	2,251,169
		Total general revenues			14,227,991	1,116,512	15,344,503
		Change in net position			2,350,482	242,437	2,592,919
		Total net position - beginning of year			25,097,762	2,228,427	27,326,189
		Prior period adjustment (Note 17)			(294,708)	(17,019)	(311,727)
		Total net position - end of year			$ 27,153,536	$ 2,453,845	$ 29,607,381

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2023

	General	Road	Justice	Local Assistance and Tribal Consistency	ARPA	Shoshone County Ambulance Service District	Nonmajor Governmental	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
Assets:								
Cash and investments	645,576	3,185,835	615,878	7,395,946	1,239,616	794,383	2,058,089	15,935,323
Receivables:								
Taxes	88,064	706	110,991	-	-	25,440	78,191	303,392
Unbilled taxes	433,155	-	3,406,578	-	-	505,797	1,356,506	5,702,036
Accounts, net of allowance	2,285,424	4,413	21,543	-	8,445	130,000	2,138	2,451,963
Leases	13,245	-	-	-	-	-	-	13,245
Prepaid items	-	-	-	-	-	4,234	-	4,234
Due from other governments	290,492	803,296	353,263	-	-	1,132	437,672	1,885,855
Due from other funds	351,606	-	-	-	-	-	-	351,606
Total assets	4,107,562	3,994,250	4,508,253	7,395,946	1,248,061	1,460,986	3,932,596	26,647,654
Deferred outflows of resources	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 4,107,562	$ 3,994,250	$ 4,508,253	$ 7,395,946	$ 1,248,061	$ 1,460,986	$ 3,932,596	$ 26,647,654
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE								
Liabilities:								
Warrants payable	173,247	411,829	261,275	7,305	108,386	-	127,544	1,089,586
Non-warrants payable	-	24,553	-	105,335	-	136,247	13,443	279,578
Accrued wages payable	63,826	24,506	253	-	-	-	12,673	101,258
Due to other funds	-	-	-	-	-	-	351,606	351,606
Total liabilities	237,073	460,888	261,528	112,640	108,386	136,247	505,266	1,822,028
Deferred inflows of resources:								
Deferred revenue	80,014	581	102,759	-	-	24,213	71,401	278,968
Deferred grant revenue	-	-	-	7,283,306	1,055,061	-	-	8,338,367
Leases	13,225	-	-	-	-	-	-	13,225
Unavailable tax revenue	433,155	-	3,406,578	-	-	505,797	1,356,506	5,702,036
Total deferred inflows of resources	526,394	581	3,509,337	7,283,306	1,055,061	530,010	1,427,907	14,332,596
Fund balances:								
Nonspendable	-	-	-	-	-	4,234	-	4,234
Assigned	609,953	2,831,116	737,388	-	-	46,822	636,692	4,861,971
Restricted for:								
General government	-	-	-	-	84,614	-	1,033,534	1,118,148
Public safety	-	-	-	-	-	-	72,373	72,373
Public works	-	701,665	-	-	-	-	29,998	731,663
Culture and recreation	-	-	-	-	-	-	145,229	145,229
Health and welfare	-	-	-	-	-	-	29,149	29,149
Education	-	-	-	-	-	-	52,448	52,448
Emergency medical service	-	-	-	-	-	743,673	-	743,673
Unassigned	2,734,142	-	-	-	-	-	-	2,734,142
Total fund balance	3,344,095	3,532,781	737,388	-	84,614	794,729	1,999,423	10,493,030
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 4,107,562	$ 3,994,250	$ 4,508,253	$ 7,395,946	$ 1,248,061	$ 1,460,986	$ 3,932,596	$ 26,647,654

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2023

Total fund balances - governmental funds		10,493,030
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	387,246,266	
Accumulated depreciation	(365,643,873)	
		21,602,393
Right-of-use lease assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds.		
Cost of right-of-use lease assets	74,290	
Accumulated amortization	(42,910)	
		31,380
Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures, and therefore are deferred in the funds.		278,968
Net position of internal service funds are included in government-wide Statement of Net Position		164,970
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in future periods for governmental activities:		
Deferred outflow of resources		2,517,889
Deferred inflow of resources		-
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.		(35,110)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Long-term financing payable	(1,591,157)	
Right-of-use lease liability	(31,662)	
Compensated absences	(204,331)	
OPEB liability	(283,092)	
Net pension liability	(5,789,742)	
		(7,899,984)
Total net position - governmental activities		$ 27,153,536

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

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

	General	Road	Justice	Local Assistance and Tribal Consistency	ARPA	Shoshone County Ambulance Service District	Nonmajor Governmental	Total Governmental Funds
REVENUES								
Taxes	615,180	(1,021)	2,868,248	-	-	475,220	1,267,846	5,225,473
Intergovernmental	1,387,254	4,567,834	1,499,714	883,894	1,146,664	239,070	1,426,627	11,151,057
Donation income	-	-	-	-	-	256,459	-	256,459
Licenses and permits	253,236	3,700	60,937	-	-	-	12,225	330,098
Charges for services	710,112	-	382,841	-	-	674,787	201,518	1,969,258
Fines	-	-	-	-	-	-	132,373	132,373
Miscellaneous	224,615	14,586	132,306	-	-	6,429	97,744	475,680
Interest earnings	176,742	125,572	179,915	-	84,474	44	12,107	578,854
Total revenues	3,367,139	4,710,671	5,123,961	883,894	1,231,138	1,652,009	3,150,440	20,119,252
EXPENDITURES								
General government	2,792,839	-	-	-	1,144,112	-	1,774,835	5,711,786
Public safety	374,647	-	5,403,471	124,800	-	-	241,727	6,144,645
Public works	-	3,493,584	-	-	-	-	157,529	3,651,113
Culture and recreation	-	-	-	-	-	-	142,099	142,099
Health and welfare	-	-	-	-	-	-	203,741	203,741
Education	-	-	-	-	-	-	31,751	31,751
Emergency medical service	-	-	-	-	-	1,165,569	-	1,165,569
Capital outlay	107,884	501,939	74,380	759,094	2,552	309,330	439,760	2,194,939
Debt service:								
Principal	8,854	128,341	94,161	-	-	-	10,442	241,798
Interest	104	73,347	19,446	-	-	-	393	93,290
Total expenditures	3,284,328	4,197,211	5,591,458	883,894	1,146,664	1,474,899	3,002,277	19,580,731
Excess (deficiency) of revenues over (under) expenditures	82,811	513,460	(467,497)	-	84,474	177,110	148,163	538,521
Other financing sources (uses)								
Operating transfers in (out)	(1,188,553)	-	1,188,553	-	-	-	-	-
Proceeds from lease financings	-	-	16,332	-	-	-	-	16,332
Proceeds from sale of capital assets	2,150,281	-	-	-	-	-	-	2,150,281
Total other financing sources (uses)	961,728	-	1,204,885	-	-	-	-	2,166,613
Net change in fund balance	1,044,539	513,460	737,388	-	84,474	177,110	148,163	2,705,134
Fund balances - beginning of year	2,299,556	3,049,002	-	-	140	617,619	1,851,260	7,817,577
Prior period adjustment (Note 17)	-	(29,681)	-	-	-	-	-	(29,681)
Fund balances - end of year	$ 3,344,095	$ 3,532,781	$ 737,388	$ -	$ 84,614	$ 794,729	$ 1,999,423	$ 10,493,030

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

Net change in fund balances - governmental funds		2,705,134
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital additions	1,707,203	
Depreciation expense	(1,535,346)	
		171,857
Capital outlays used to lease right-of-use lease assets are related in 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 amortization expense.		
Right-of-use lease asset additions	16,830	
Amortization expense	(24,804)	
		(7,974)
Some property taxes will not be collected for several months after the County's fiscal year end, and are not considered as "available" revenues in the governmental funds. Instead, they are recorded as deferred revenues. They are however, recorded as revenues in the Statement of Activities.		50,300
Proceeds from the issuance of long-term debt are recorded as revenues for governmental funds, but the issuance increases long-term debt in the Statement of Net Position. Repayment of the principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:		
Long-term financing principal payments	217,158	
Lease financing proceeds	(16,332)	
Right-of-use principal payments	24,640	
		225,466
Proceeds from the disposal of capital assets are recorded as gain for governmental funds, however, in the Statement of Activities, the gain is reduced by the remaining net depreciable basis associated with the disposed assets		(82,379)
Gain on return of financed equipment		183,753
Proceeds from the disposal of ROU assets are recorded as gain for governmental funds, however, in the Statement of Activities, the gain is reduced by the remaining net amortizable basis associated with the disposed assets		(486)
Change in net OPEB liability and related item adjustments		(15,031)
Net pension liability adjustments:		
Fiscal year 2022 employer PERSI contributions recognized as pension expense in the current year	(167,680)	
Fiscal year 2023 employer PERSI contributions deferred to subsequent year	186,300	
Pension related amortization expense	(924,038)	
		(905,418)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when due.		11,483
Net change of internal service funds not reflected in governmental funds are included in the Statement of Activities		45,839
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This is the amount by which compensated absences incurred was less (greater) than the amount paid during the year.		(32,062)
Total change in net position - governmental activities		$ 2,350,482

SOLID WASTE FUND
STATEMENT OF NET POSITION
September 30, 2023

ASSETS		
Current assets:		
Cash and cash equivalents	1,452,687	
Receivables:		
Taxes	29,170	
Unbilled taxes	78,092	
Accounts receivable	63,342	
Fee receivable	48,997	
Due from other governments	29,672	
Total current assets		1,701,960
Noncurrent assets:		
Land	50,000	
Buildings	915,407	
Equipment	2,022,566	
Less: accumulated depreciation	(1,628,236)	
Total noncurrent assets		1,359,737
Total assets		3,061,697
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items		154,178
LIABILITIES		
Current liabilities:		
Warrants payable	141,207	
Non-warrants payable	106	
Accrued wages payable	8,212	
Accrued interest	872	
Long-term financing payable, due with in one year	48,164	
Total current liabilities		198,561
Noncurrent liabilities:		
Accrued compensated absences	13,302	
Long-term financing payable, due after one year	100,216	
OPEB liability	17,335	
Net pension liability	354,524	
Total noncurrent liabilities		485,377
Total liabilities		683,938
DEFERRED INFLOWS OF RESOURCES		
Unavailable tax revenue	78,092	
Total deferred inflows of resources		78,092
NET POSITION		
Net investment in capital assets	1,211,357	
Unrestricted	1,242,488	
Total net position		$ 2,453,845

SOLID WASTE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2023

OPERATING REVENUES		
Charges for services	739,579	
Miscellaneous income	7,322	
Total operating revenues		746,901
OPERATING EXPENSES		
Salaries and benefits	656,800	
Collection expense	848,383	
Depreciation expense	138,143	
Total operating expenses		1,643,326
Operating loss		(896,425)
NON-OPERATING REVENUES		
Taxes	1,061,012	
Grant income	29,672	
Interest earnings	48,178	
Total non-operating revenues		1,138,862
Change in net position		242,437
Net position - beginning of year		2,228,427
Prior period adjustment (Note 17)		(17,019)
Net position - end of year		$ 2,453,845

SOLID WASTE FUND
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	743,257	
Cash paid to suppliers	(801,411)	
Cash paid for salaries and benefits	(608,001)	
Net cash provided by (used in) operating activities		(666,155)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	48,178	
Net cash provided by (used in) investment activities		48,178
CASH FLOWS FROM CAPITAL FINANCING AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(208,448)	
Cash received from grants	164,835	
Principal payments on long-term financing	(46,400)	
Net cash provided by (used in) capital financing activities		(90,013)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes received	1,054,205	
Net cash provided by (used in) noncapital financing activities		1,054,205
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		346,215
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		1,106,472
CASH AND CASH EQUIVALENTS - END OF YEAR		$ 1,452,687
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)		(896,425)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation		138,143
Change in pension related items:		
Deferred outflow of resources	27,487	
Deferred inflow of resources	(1,475)	
Decrease (increase) in assets:		
Receivables	(3,644)	
Increase (decrease) in liabilities:		
Warrants/non-warrants payable	47,884	
Accrued wages payable	(554)	
Accrued compensated absences	(1,617)	
Accrued interest payable	(358)	
OPEB liability	316	
Net pension liability	24,088	
Total adjustments		92,127
Net cash provided by (used in) operating activities		$ (666,155)

SELF INSURANCE FUND
STATEMENT OF NET POSITION
September 30, 2023

ASSETS		
Cash and cash equivalents	167,800	
Total assets		167,800
DEFERRED OUTFLOWS OF RESOURCES		-
LIABILITIES		
IBNR claims liability	2,830	
Total liabilities		2,830
DEFERRED INFLOWS OF RESOURCES		-
NET POSITION		
Restricted:		
Self funded insurance	164,970	
Total net position		$ 164,970

SELF INSURANCE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2023

REVENUE		
Contributions - employer	102,851	
Contributions - employee	15,821	
Total revenues		118,672
EXPENSES		
Claims	72,833	
Total expenses		72,833
Change in net position		45,839
Net position - beginning of year		119,131
Net position - end of year		$ 164,970

SELF INSURANCE FUND
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions	118,672	
Cash paid for benefits	(84,068)	
Net cash provided by (used in) operating activities		34,604
CASH FLOWS FROM INVESTING ACTIVITIES		-
CASH FLOWS FROM CAPITAL FINANCING AND RELATED FINANCING ACTIVITIES		-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		34,604
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		133,196
CASH AND CASH EQUIVALENTS - END OF YEAR		$ 167,800
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Change in net position		45,839
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:		
Increase (decrease) in liabilities:		
Warrants payable	(6,649)	
IBNR claims liability	(4,586)	
Total adjustments		(11,235)
Net cash provided by (used in) operating activities		$ 34,604

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2023

		Total Custodial Funds
ASSETS		
Current assets:		
Cash and cash equivalents	1,287,265	
Taxes receivable	981,760	
Due from other governments	17,422	
Total assets		2,286,447
DEFERRED OUTFLOW OF RESOURCES		-
LIABILITIES		
Current liabilities:		
Warrants payable	40,274	
Due to other governments	1,246,991	
Total liabilities		1,287,265
DEFERRED INFLOW OF RESOURCES		-
NET POSITION		
Restricted		$ 999,182

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

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

		Total Custodial Funds
ADDITIONS		
Property tax	13,868,814	
Non-property taxes collected for other governments	1,070,337	
Fees collected for other governments	2,607,623	
Tax parcel sale proceeds	20,569	
Court fees	671,124	
Miscellaneous	328,466	
Catastrophic collections	524,561	
Total additions		19,091,494
DEDUCTIONS		
Payments to other governments	15,197,148	
Payments of excess parcel sales	20,569	
Payments to miscellaneous	2,633,383	
Payments for catastrophic health	524,561	
Payments to vendors	702,329	
Total deductions		19,077,990
Change in net position		13,504
Net position - beginning of year		985,678
Net position - end of year		$ 999,182

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 1 Summary of Significant Accounting Policies

Shoshone County, Idaho (the "County") was incorporated in January 1861 and operates under a commissioner form of government, with supervision of various departments by elected officials as provided by the State Constitution. Shoshone County, Idaho provides the following services: public safety (sheriff), sanitation, health and social services, welfare, culture-recreation, public works, planning and zoning and general administrative services. The County grants credit to individuals and businesses utilizing utility and solid waste services, substantially all of whom are residents in the County.

The financial statements of Shoshone County, Idaho have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

Reporting Entity

Shoshone County, Idaho is governed by a three-member Board of County Commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body, and the chief administrators of public services for the County. For financial reporting purposes, management has considered all potential component units which are controlled by, or whose boards are appointed by, the Board of County Commissioners. Control by the County was determined on the basis of budget adoption; the selection of management; the ability to significantly influence operations; accountability for fiscal matters; and other factors. Based on these criteria, there was one component unit, the Ambulance District, included in the County's report, which is presented within the special revenue funds and is reported as a major fund.

Shoshone County Ambulance Service District (Ambulance District) – is a blended component unit and is responsible for providing emergency medical services and medical transportation to the residents of the County. The Ambulance District's governing body is the same as that of Shoshone County's governing body, the Board of County Commissioners. The County has the ability to significantly impose its will over the Ambulance District. Management of the Ambulance District consists of those individuals responsible for the day-to-day operations of the County; and the Ambulance District provides services wholly within the boundaries of the County with the intention of providing medical services to the residents of the County. Therefore, the Ambulance District is presented as a blended component unit and is presented as a major special revenue fund.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Government-Wide Statements – The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall County government, except for fiduciary activities. Both governmental activities, which are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues, and business-type activities, which are financed in whole or in part by fees charged to external parties for goods or services, are included.

The Statement of Net Position presents the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of net capital assets reduced by the outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets or the related debt obligations.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed through enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) is offset by program revenues.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable with a particular function.

- Program revenues include (1) charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported, instead, as general revenues.

- Indirect expenses have been allocated to the programs which best represent the nature of the expenditures as determined by management.

Fund Financial Statements – The fund financial statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category (governmental, business-type and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

NOTE 1 Summary of Significant Accounting Policies (Continued)

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 general government, except those required to be accounted for in another fund.

- Road Fund: This fund accounts for the maintenance of County roads.

- Justice Fund: This fund accounts for the services and equipment used to provide for the public safety of the County.

- Local Assistance and Tribal Consistency Fund: This fund accounts for the federal allocations received through the Local Assistance and Tribal Consistency Fund.

- ARPA Fund: This fund accounts for the federal allocations received under the American Rescue Plan Act (ARPA).

- Shoshone County Ambulance Service District Fund: This fund accounts for the revenues earned and services provided for medical care by the District.

The County reports the following proprietary funds:

- Solid Waste Fund: This fund accounts for the services and equipment used to provide solid waste management to the County.

- Self Insurance Fund: This fund accounts for revenues and expenses that are related to providing self-funded insurance expenses.

Additionally, the County reports the following fiduciary funds:

- Custodial Funds. These funds report resources held for other governmental agencies, taxing districts and special purpose trusts on a short-term basis in a purely custodial capacity.

Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. State support and grant revenues are susceptible to accrual.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenue available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Claims, judgments, and compensated absences are recognized as expenditures only to the extent they are normally expected to be paid from existing unrestricted fund balance.

General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under long-term financing are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the County's policy to first apply restricted resources to such programs, followed by unrestricted resources.

Budgets – Budgets are adopted on a basis consistent with governmental accounting principles. Annual appropriated budgets are adopted for the general, special revenue and proprietary funds. All annual appropriations lapse at year-end. The budget may be amended after a public hearing is held.

The County Commissioners follow these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the first Monday in August, the County Clerk submits to the County Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed revenues and expenditures. It is published publicly on or before the third week in August.
2. Public hearings are conducted at the Courthouse to obtain taxpayer comments.
3. Prior to the first Tuesday after the first Monday of September, the budget is legally adopted by the Commission.

Cash and Cash Equivalents – Cash includes amounts in demand deposits and short-term investments that do not meet the definition of an investment per GASB 72. State statute and commission investment policy authorizes the County to invest in obligations of the U.S. Treasury, the State of Idaho or county, city, or other taxing districts of the State of Idaho. Commercial paper, corporate bonds, repurchase agreements, and investments are stated at cost. Interest income is defined as non-operating revenue.

Statement of Cash Flows – For the purposes of the statement of cash flows, proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Allowance for Uncollectible Amounts – The County believes that no allowance for uncollectible accounts is needed based on past collection experience, except for the Ambulance District that recorded an allowance of $199,875.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Encumbrances – The County does not follow the practice of encumbering funds at year-end.

Inventory – Inventory is valued at zero. All costs of expendable supplies are expensed when supplies are purchased.

Short Term Interfund Receivables/Payables – During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These short-term receivables and payables are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet. To the extent possible, these balances have been eliminated on the statement of net position.

Capital Assets – Capital assets are reported at actual or estimated historical cost based on appraisals of deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

The Board of Commissioners has set a capitalization threshold of $5,000. All purchases and improvement to facilities that are not considered repairs are capitalized and depreciated using the straight-line method in the governmental and proprietary funds. Useful lives are as follows:

Buildings	20 - 40 years
Improvements other than buildings	10 - 50 years
Equipment	5 - 25 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized.

Compensated Absences – It is the County's policy to permit hourly employees to accumulate comp time. It is the County's policy to permit employees to earn and carry forward unused vacation and sick pay benefits. In the event of separation, an employee is reimbursed for accumulated vacation days up to a maximum of fifteen days. In the event of separation, an employee is reimbursed for accumulated comp time. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. The balance of accumulated vacation and comp time payable is reported on the statement of net position as accrued compensated absences.

Long Term Obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type of Statement of Net Position.

Restricted Resources – The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Deferred Revenue – Deferred revenue in the governmental funds represents property taxes receivable recorded but not collected within 60 days of the end of the accounting period.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Unavailable Tax Revenue – Unavailable tax revenue represents the property taxes levied for 2023 that are measurable but unavailable to the County, therefore recorded as a deferred inflow of resources in both governmental fund and government-wide financial statements.

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

Leases – The County leases various personal property. The County evaluates the term of the lease at inception. Leases that met the definition of a right-of-use (ROU) lease are included as ROU lease assets and ROU lease liabilities on the government-wide financial statements.

ROU assets represent the County's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the County's incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option(s) will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Leases with a maximum term of 12 months or less are excluded from the ROU asset and liability amounts.

Fund Balance – In the fund financial statements, *nonspendable* fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants or lenders) or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Commissioners are the body authorized to assign amounts to a specific purpose, and typically do so when a specific revenue source is received, and a special revenue fund is thereby established. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. The County applies committed resources, then assigned resources, then unassigned resources when an expense is incurred for purposes for which all fund balances classifications are available.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Restricted balances are as follows:

- The County levies for, and received, restricted funds for various governmental services. These services have been segregated into the following functions/programs: general government, public safety, public works, culture and recreation, health and welfare, education, and emergency medical service (Ambulance District).

Assigned balances are as follows:

- The County has assigned funds consisting of the use of fund balance to balance the 2023-24 budget in the amount of $4,861,971.

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

NOTE 2 Recently Adopted Accounting Guidance

For the year ended September 30, 2023, there were four new GASB statements that became effective. The adoption of the statement has the following effect for the County:

GASB Statement No. 91, *Conduit Debt Obligations* - The County is not involved in debt issuance activity that meets the definition of conduit debt. This Statement did not have an effect on the financial reporting of the County.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (PPP) - The County is not involved in any arrangements that meet the definition of a PPP. This Statement did not have an effect on the financial reporting of the County.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) – As a result of the adoption of the Statement, the County concluded there were no SBITA contracts as of September 30, 2023. This Statement did not have an effect on the financial reporting of the County.

GASB Statement No. 99, *Omnibus 2022* - The Statement provides updates to various previously issued GASB Statements. As a result of the adoption of this Statement, the County has reviewed the accounting applied to the right-of-use lease/SBITA assets and liabilities. The adoption did not have an effect on the financial reporting of the County.

NOTE 3 Cash and Investments

Deposits

Cash On Hand

Cash on hand totaled $3,350 at September 30, 2023.

NOTE 3 Cash and Investments (Continued)

	Carrying Amount	Bank Balance
Checking and Savings Accounts	3,455,188	3,369,254
Shoshone County Ambulance Service District	794,383	867,964
Total	**$4,249,571**	**$4,237,218**

Checking and savings accounts were held at various banking institutions. At each bank, FDIC insures up to $250,000 for the combined amount of all time and savings accounts, plus an additional $250,000 for the combined amount of all interest-bearing and noninterest-bearing demand deposit accounts. The remaining balance of $1,556,291 at Umpqua Bank and $501,392 at Mountain West Bank are in excess of the FDIC insured limit and uncollateralized. The Ambulance District had $617,964 in excess of FDIC insurance.

Investments

Detail of investments at September 30, 2023 are as follows:

	Rate	County Funds	Fiduciary Funds	Total
State Investment Pool	Variable	13,651,542	-	13,651,542
Multibank Securities	Variable	745,292	-	745,292
Retirement Solutions	Variable	-	193,320	193,320
Total		$ 14,396,834	$ 193,320	$ 14,590,154

Investment Maturities

	Cost Basis	Market Value	Less Than One Year	Greater Than One Year
State Investment Pool	13,651,542	13,651,542	13,651,542	-
Multibank Securities	747,022	745,292	747,022	-
Retirement Solutions	193,320	193,320	193,320	-
Total	$ 14,591,884	$ 14,590,154	$ 14,591,884	$ -

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho Treasurer's office. All funds are invested in accordance with Section 67-1210 and 67-1210A of Idaho Code. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of Idaho or other local governments within the state of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the state of Idaho, repurchase agreements covered by any legal investment for the state of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the state of Idaho, revenue bonds of institutions of higher education of the state of Idaho, and time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

NOTE 3 Cash and Investments (Continued)

Participants have overnight availability to their funds, up to $10 million. Withdrawals of $10 million or more require three business days' notification.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the County will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County's policy is that deposit accounts will be covered by FDIC or NCUA insurance, except for highly-liquid accounts.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The County does not have a policy related to credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year end, the County is not subject to interest rate risk for investments held in the State Treasurer's Local Government Investment Pool, which has a maturity of 101 days. The County's policy is to hold investments covered by the FDIC or to invest in US Government-backed securities. In addition, it is the intent of management to hold the securities to maturity thereby reducing the interest rate risk.

Concentration of credit risk is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The County does not have a policy limiting the amount it may invest in any one issuer.

NOTE 4 Property Tax

The County's property tax is recognized as an asset at the time the County has an enforceable legal claim to the resources (January 1st of each year) and the revenue is recognized in the period for which the taxes are levied. For FY2023, the County has recognized the 2022 levy as revenue and the tax year 2023 levy as an asset.

Tax Year 2022 Levy (FY2023 Revenue)

The market value upon which the 2022 levy was based was $1,831,785,269 for the County and the Ambulance District. The property tax was levied in October 2022 and was due in two equal installments on December 20th and June 20th.

NOTE 4 Property Tax (Continued)

The total tax levy (per $100 of value) for the year was as follows:

	Percentage	Amount
County	28.29855%	$5,160,243
Ambulance District	2.6736%	$487,463

Tax Year 2023 Levy (FY2024 Asset)

The property tax levy for 2023 has been recorded as an asset in the amount of $5,780,128. This levy is for the FY2024 operations and has been presented as unavailable property tax revenue.

Deferred Revenue

To the extent property taxes are not collected within 60 days of the end of the accounting period, a deferred revenue amount has been recorded in the governmental funds.

Total taxes receivable as of September 30, 2023	332,562
Less: Taxes collected by November 30, 2023	(53,594)
Total deferred tax revenue	$ 278,968

NOTE 5 Capital Assets

Capital asset activity for the year ended September 30, 2023 was as follows:

Governmental Activities:

	Beginning Balance	Prior Period Adjustment (See Note 17)	Additions	Disposals	Transfers	Ending Balance
Capital assets, depreciated						
Buildings	3,027,399	-	71,610	-	341,790	3,440,799
Equipment	13,405,386	45,506	545,643	(274,598)	-	13,721,937
Infrastructure	5,408	-	-	-	-	5,408
Roads and bridges	365,165,621	-	-	-	-	365,165,621
Airport runway	2,937,794	-	-	-	-	2,937,794
Ambulance District	346,368	-	307,921	-	-	654,289
Total capital assets, depreciated	384,887,976	45,506	925,174	(274,598)	341,790	385,925,848
Less: accumulated depreciation						
Buildings	(2,411,349)	-	(51,203)	-	-	(2,462,552)
Equipment	(10,792,357)	(1,517)	(571,245)	192,219	-	(11,172,900)
Infrastructure	(113)	-	(270)	-	-	(383)
Roads and bridges	(348,893,116)	-	(723,976)	-	-	(349,617,092)
Airport runway	(1,987,854)	-	(110,960)	-	-	(2,098,814)
Ambulance District	(214,440)	-	(77,692)	-	-	(292,132)
Total accumulated depreciation	(364,299,229)	(1,517)	########	192,219	-	(365,643,873)
Net capital assets, depreciated	20,588,747	43,989	(610,172)	(82,379)	341,790	20,281,975
Capital assets, not depreciated						
Land	573,919	-	-	-	20,000	593,919
Construction in progress	306,260	-	782,029	-	(361,790)	726,499
Total capital assets, not depreciated	880,179	-	782,029	-	(341,790)	1,320,418
Total capital assets, net	$ 21,468,926	$ 43,989	$ 171,857	$ (82,379)	$ -	$ 21,602,393

NOTE 5 Capital Assets (Continued)

During 2023, depreciation expense was charged to functions as follows:

General government	222,517
Public safety	120,089
Public works	1,106,789
Culture and recreation	8,259
Ambulance District	77,692
Total	$1,535,346

Business-Type Activities:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, depreciated					
Buildings	915,407	-	-	-	915,407
Equipment	1,840,640	208,448	(26,522)	-	2,022,566
Total capital assets, depreciated	2,756,047	208,448	(26,522)	-	2,937,973
Less: accumulated depreciation					
Buildings	(609,719)	(22,885)	-	-	(632,604)
Equipment	(906,896)	(115,258)	26,522	-	(995,632)
Total accumulated depreciation	(1,516,615)	(138,143)	26,522	-	(1,628,236)
Net capital assets, depreciated	1,239,432	70,305	-	-	1,309,737
Capital assets, not depreciated					
Land	50,000	-	-	-	50,000
Total capital assets, not depreciated	50,000	-	-	-	50,000
Total capital assets, net	$ 1,289,432	$ 70,305	$ -	$ -	$ 1,359,737

During 2023, $138,143 of depreciation expense was charged to the business-type activities.

NOTE 6 Defined Benefit Pension Plan

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended September 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2023. All amounts are as of June 30, 2023 unless otherwise noted.

Plan Description

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

NOTE 6 Defined Benefit Pension Plan (Continued)

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

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

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months. Amounts in parenthesis represent police/firefighters. The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. 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) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of September 30, 2023 it was 6.71% (9.83%). The employer contribution rate is set by the Retirement Board and was 11.18% (13.26%) of covered compensation. Shoshone County's employer contributions required and paid was $800,747 for the year ended September 30, 2023.

NOTE 6 Defined Benefit Pension Plan (Continued)

Pension Liabilities, 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 $6,144,266 for its proportionate share of the net pension (asset) liability as of June 30, 2023. The net pension (asset) liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension (asset) liability was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2023, the County's proportion was 0.1539658%.

The County's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. The pension expense (revenue) for the year ending June 30, 2023 was calculated at $1,647,053.

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
Differences between expected and actual experience	1,053,174	-
Changes in assumptions or other inputs	608,412	-
Net difference between projected and actual earning on pension plan investments	576,730	-
Change in proportionate Share	236,043	-
Employer contributions subsequent to the measurement date	197,708	-
Total	$2,672,067	$-

$197,708 reported as deferred outflow of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the year ended September 30, 2024.

NOTE 6 Defined Benefit Pension Plan (Continued)

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

For the Year Ending September 30:	Amount to be Recognized
2024	795,993
2025	374,059
2026	1,163,641
2027	(95,379)
2028	236,045

Actuarial Assumptions

The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return-net of investment fees	6.35%
Cost of living (COLA) adjustments	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%.
Teachers - Males	Pub-2010 Teacher Tables, increased 12%.
Teachers - Females	Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%. 5% of Fire and Police active member deaths are assumed to be duty related. This Assumption was adopted July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

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

NOTE 6 Defined Benefit Pension Plan (Continued)

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.

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 PERSI'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.

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

Discount Rate

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

Sensitivity of the Employer's proportionate share of the net pension (asset) liability to changes in the discount rate.

The following presents the net pension (asset) liability of PERSI employer's calculated using the discount rate of 6.35% as well as what the employer's (asset) liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension (asset) liability	$11,050,716	$6,144,266	$2,134,164

NOTE 6 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.

Payables to the pension plan

At September 30, 2023, the County reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 7 Right-of-use Lease Asset/Liability

During the year ended September 30, 2023, the following changes occurred in right-of-use lease assets:

Right-of-Use Lease Assets	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year
Copy Machine	61,624	-	(10,353)	-	51,271
Equipment	6,189	16,830	-	-	23,019
Total Right-of-Use Lease Assets	67,813	16,830	(10,353)	-	74,290
Less: Accumulated Amortization					
Copy Machine	(24,198)	(19,761)	7,395	-	(36,564)
Equipment	(1,303)	(5,043)	-	-	(6,346)
Total Accumulated Amortization	(25,501)	(24,804)	7,395	-	(42,910)
Total Right-of-Use Lease Assets, net	$ 42,312	$ (7,974)	$ (2,958)	$ -	$ 31,380

Total lease expense for the year ended September 30, 2023 is as follows:

Lease expense	
Amortization expense by class of underlying asset	
Copy Machine	19,761
Equipment	5,043
Total amortization expense	$ 24,804

During the year ended September 30, 2023, the following changes occurred in the right-of-use lease liability:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Right-of-Use Lease Liabilities	$ 42,442	$ 16,332	$ (2,472)	$ (24,640)	$ 31,662	$ 16,892

NOTE 7 Right-of-use Lease Asset/Liability (Continued)

Future minimum annual payments as of September 30, 2023 are as follows:

FY Ending September 30,	Principal	Interest	Total Payments
2024	16,892	575	17,467
2025	11,804	255	12,059
2026	2,966	22	2,988
Total Future Payments	$ 31,662	$ 852	$ 32,514

NOTE 8 Lease Receivable

The County entered into a lease agreement to lease a building to Dave Kriedeman (Recycling Center) on July 1, 2021 for 24 months ending on June 30, 2023, with a discount rate of 0.27% based on the estimated incremental borrowing rate determined by the County. The lease requires monthly payments to be received of $500.

The County entered into a lease agreement to lease a building to KP Auto Salvage on August 23, 2023 for 31 months ending on February 23, 2026, with a discount rate of 4.64% based on the estimated incremental borrowing rate determined by the County. The lease requires monthly payments to be received of $500.

Total lease revenue for the year ended September 30, 2023 is as follows:

Lease Revenue	
Building	5,402
Interest Revenue	112
Total	$ 5,514

Future minimum annual receipts as of September 30, 2023 are as follows:

FY Ending September 30,	Principal	Interest	Total Receipts
2024	5,501	499	6,000
2025	5,762	238	6,000
2026	1,982	18	2,000
Total Future Receipts	$ 13,245	$ 755	$ 14,000

NOTE 9 Long-term Obligations

The County leases various vehicles through long-term financing arrangements all of which contain purchase options throughout the lease term and are payable for from governmental funds. The long-term financing arrangements are arranged through agreements with various banks and financing institutions.

	Interest Rates	Issue Date	Maturaity	Indebtedness September 30, 2023
Governmental Activities				
Vehicles	3.75%-3.90%	Varies	Varies	173,844
Heavy Equipment	2.52%-5.48%	Varies	Varies	1,417,313
Business-Type Activities				
Heavy Equipment	3.75%-3.95%	Varies	Varies	148,380

The following is a summary of changes in long-term debt obligations of the County for the year ended September 30, 2023:

	Long-Term Obligations October 1, 2022	Prior Period Adjustment (See Note 17)	Long-Term Obligations Incurred	Long-Term Obligations Paid	Long-Term Obligations September 30, 2023	Due Within One Year	Remaining Balance
Governmental Activities							
Vehicles	226,582	40,955	-	(93,693)	173,844	70,762	103,082
Heavy Equipment	1,724,531	-	-	(307,218)	1,417,313	246,306	1,171,007
Compensated absences	172,269	-	32,062	-	204,331	-	204,331
Total governmental activities	2,123,382	40,955	32,062	(400,911)	1,795,488	317,068	1,478,420
Business-Type Activities							
Heavy Equipment	194,780	-	-	(46,400)	148,380	48,164	100,216
Compensated absences	14,919	-	-	(1,617)	13,302	-	13,302
Total business-type activities	209,699	-	-	(48,017)	161,682	48,164	113,518
Total primary government	$ 2,333,081	$ 40,955	$ 32,062	$ (448,928)	$ 1,957,170	$ 365,232	$ 1,591,938

NOTE 10 Other Post-Employment Benefits

Summary of Significant Accounting Policies

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Shoshone County, Idaho Employee Group Benefit Plan have been determined based the requirements of GASB 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. The Plan has been calculated using the entry age normal funding method.

General Information about the OPEB Plan

The Shoshone County, Idaho Employee Group Benefit Plan is a single employer defined benefit OPEB plan that provides benefits to current and future retirees.

NOTE 10 Other Post-Employment Benefits (Continued)

Retirement and Dependent Medical Benefit Eligibility

Upon separation from County employment by retirement, a retiree may continue to pay premiums for the retiree and the retiree's dependents at the rate for the active employee's group medical insurance programs as maintained by the employer for the active employees until the retiree and/or the retiree's spouse becomes eligible for Medicare.

Funding

The County's OPEB plan is funded under a pay-as-you-go funding method. Under this method, the County has not set aside any assets (nor accumulated any assets in a trust) that meet the definition of plan assets under GASB 74 or 75 to offset the OPEB liability. Therefore, the Net OPEB liability is equal to the Total OPEB liability.

OPEB Benefits

The health care benefits are contracted by the County through group medical plans. The medical plans include an annual deductible, coinsurance payment requirements, and an annual out-of-pocket maximum for the member/family. The prescription drug benefit is provided through a tiered system comprising of the type of prescription (generic, preferred brand, and non-preferred brand) and the method of purchase.

Census Data

As of October 1, 2021, the valuation date, the County had 124 total participants.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2023, the Employer reported a liability of $300,427 of the net OPEB liability. The net OPEB liability was measured as of October 1, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2021.

Actuarial assumptions

Valuation Date	October 1, 2021
Measurement Date	October 1, 2021 and 2022
Interest/Discount Rate	2.30%
Projected Payroll Increases	3.00%
Health Care Cost Trend Rate	Medical: between 4.0% and 6.5%
Retiree Contributions	Retiree contributions are assumed to increase to match the health care cost trends

NOTE 10 Other Post-Employment Benefits (Continued)

Participation

For future retirees, participation rates were assumed to be 30.0% for medical. Actual spouse information is used for current retirees. Future retired members who elect to participate in the plan are assumed to be married at a rate of 85% for males and 65% for females. 25% of the future retirees who elect medical coverage and married are assumed to elect spousal coverage as well. Males are assumed to be three years older than females.

Mortality

For active members, inactive members and healthy retirees, mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

Interest/Discount rate

The interest/discount rate is based on the 20-year municipal bond yield.

Sensitivity Disclosures

The following presents the net OPEB liability of the Plan as of September 30, 2023, calculated using the discount rate of 2.3%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.3%) or 1-percentage-point higher (3.3%) than the current rate:

	1% Decrease (1.3%)	Current Discount Rate (2.3%)	1% Increase (3.3%)
Net OPEB liability	$325,447	$300,427	$277,360

The following presents the net OPEB liability of the Plan as of September 30, 2023, calculated using the assumed heath care cost trend rate, as well as what the net OPEB liability would be if it were calculated using a heath care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	$264,023	$300,427	$344,961

Summary of the Change in OPEB Liability

Total OPEB Liability – Beginning of Year	$285,080
Service Cost	29,925
Interest	6,998
Plan Design Changes	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	-
Benefit Payments (Estimated)	(21,576)
Total OPEB Liability – End of Year	$300,427

NOTE 11 Transfers Between Funds

The composition of interfund receivables and payables as of September 30, 2023 was as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	351,606	-
STOP Grant Fund	-	35,525
West Terror 19 HFR Fund	-	6,686
IDL WFM North Kellogg Fund	-	153,522
ITD Express Bus Fund	-	39,087
West Terror II 21 HRF1 Fund	-	93,150
Market Value Evaluation Fund	-	23,636
Total	$351,606	$351,606

The primary purpose of interfund transfers is to redistribute money as deemed appropriate by management. Operating transfers between funds occurred as follows:

Fund	Out	In
General Fund	1,188,553	-
Justice Fund	-	1,188,553
Title III (New)	1,577	-
IDL - Fire MIT - 17 SFA Fund	-	1,577
Total	$1,190,130	$1,190,130

NOTE 12 Excess of Actual Expenditures over Budget in Individual Funds

The following funds had an excess of actual expenditures over budget for the year ended September 30, 2023:

Fund	Excess
Road Fund	267,120
Ambulance District	103,862

NOTE 13 Deficit Fund Balance

The following fund had a deficit balance at September 30, 2023:

Fund	Balance
Market Value Evaluation	23,636

It is the County's intent to eliminate the deficit fund balance through the budgeting process.

NOTE 14 Risk Management and Contingencies

ICRMP provides insurance to pay total claims to an aggregate maximum of $5 Million for all liability claims filed against Shoshone County per policy year. Each claim bears a maximum liability to Shoshone County of the amount of their deductible and any amount incurred over the maximum policy limits of $500,000 for claims brought under the Idaho Tort Claims Act and a total of $3,000,000 for claims brought outside of the Idaho Tort Claims Act.

NOTE 15 Self-Funded Insurance Plan

Dental Insurance - The County self-insures the cost of employee dental benefits. The County self-insures the first $1,000 in claims per eligible participant. The claim liability is re-evaluated periodically to take into consideration recently settled claims, frequency of claims, and other economic and social factors.

Changes in the County's claim liability amounts are as follows:

IBNR claims liability, beginning of year	7,416
Current year claims and changes in estimates	72,833
Claims payments	(77,419)
IBNR claims liability, end of year	$2,830

NOTE 16 Contingent Liabilities

The County participates in several federal financial assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. There is then the possibility of potential County liability as determined by a sponsoring organization audit, if such an audit would occur.

NOTE 17 Prior Period Adjustment

The County made prior period adjustments for the items as noted below:

- It was determined an estimated receivable as of September 30, 2022 in the road fund would not materialize. To account for this correction, beginning fund balance was decreased and due from other governments was decreased in the road fund, and beginning net position for governmental activities was decreased by $29,681, respectively.

- A prior period adjustment was recorded to account for the beginning of the year OPEB liability based on an actuarial report obtained during fiscal year 2023. The correction increased the beginning net OPEB liability and decreased net position for governmental activities by $268,061, respectively and increased beginning net OPEB liability and decreased net position for solid waste by $17,019, respectively.

NOTE 17 Prior Period Adjustment (Continued)

- It was determined that a capital asset and its related debt were that were acquired as of September 30, 2022 were excluded from the financial statements. The correction increased beginning net capital assets by $43,989, increased long-term financing liability by $40,955, and increased net position for governmental activities by $3,034.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Variances Favorable (Unfavorable) Final to Actual
Revenues					
Taxes	477,964	477,964	615,180	137,216	137,216
Intergovernmental	1,863,368	1,863,368	1,387,254	(476,114)	(476,114)
Licenses and permits	199,500	199,500	253,236	53,736	53,736
Charges for services	736,233	736,233	710,112	(26,121)	(26,121)
Miscellaneous	154,200	154,200	224,615	70,415	70,415
Interest earnings	12,200	12,200	176,742	164,542	164,542
Total revenues	3,443,465	3,443,465	3,367,139	(76,326)	(76,326)
Expenditures					
General government	3,058,167	3,058,167	2,792,839	265,328	265,328
Public safety	391,860	391,860	374,647	17,213	17,213
Capital outlay	106,052	106,052	107,884	(1,832)	(1,832)
Debt service:					
Principal	2,651	2,651	8,854	(6,203)	(6,203)
Interest	-	-	104	(104)	(104)
Total expenditures	3,558,730	3,558,730	3,284,328	274,402	274,402
Excess (deficiency) of revenues over (under) expenditures	(115,265)	(115,265)	82,811	198,076	198,076
Other financing sources (uses)					
Operating transfers in (out)	-	-	(1,188,553)	(1,188,553)	(1,188,553)
Proceeds from sale of capital assets	-	-	2,150,281	2,150,281	2,150,281
Total other financing sources (uses)	-	-	961,728	961,728	961,728
Net change in fund balance	$ (115,265)	$ (115,265)	1,044,539	$ 1,159,804	$ 1,159,804
Fund balance - beginning of year			2,299,556		
Fund balance - end of year			$ 3,344,095		

ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Final to Actual
Revenues					
Taxes	-	-	(1,021)	(1,021)	(1,021)
Intergovernmental	4,212,543	4,212,543	4,567,834	355,291	355,291
Licenses and permits	3,000	3,000	3,700	700	700
Miscellaneous	5,480	5,480	14,586	9,106	9,106
Interest earnings	6,000	6,000	125,572	119,572	119,572
Total revenues	4,227,023	4,227,023	4,710,671	483,648	483,648
Expenditures					
Pubic works	3,462,208	3,462,208	3,493,584	(31,376)	(31,376)
Capital outlay	166,500	166,500	501,939	(335,439)	(335,439)
Debt service:					
Principal	128,341	128,341	128,341	-	-
Interest	173,042	173,042	73,347	99,695	99,695
Total expenditures	3,930,091	3,930,091	4,197,211	(267,120)	(267,120)
Net change in fund balance	$ 296,932	$ 296,932	513,460	$ 216,528	$ 216,528
Fund balance - beginning of year			3,049,002		
Prior period adjustment (Note 17)			(29,681)		
Fund balance - end of year			$ 3,532,781		

JUSTICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Variances Favorable (Unfavorable) Final to Actual
Revenues					
Taxes	2,972,483	2,972,483	2,868,248	(104,235)	(104,235)
Intergovernmental	660,859	660,859	1,499,714	838,855	838,855
Licenses and permits	34,375	34,375	60,937	26,562	26,562
Charges for services	313,808	313,808	382,841	69,033	69,033
Miscellaneous	433,997	433,997	132,306	(301,691)	(301,691)
Interest earnings	-	-	179,915	179,915	179,915
Total revenues	4,415,522	4,415,522	5,123,961	708,439	708,439
Expenditures					
Public safety	5,512,522	5,512,522	5,403,471	109,051	109,051
Capital outlay	87,550	87,550	74,380	13,170	13,170
Debt service:					
Principal	81,374	81,374	94,161	(12,787)	(12,787)
Interest	-	-	19,446	(19,446)	(19,446)
Total expenditures	5,681,446	5,681,446	5,591,458	89,988	89,988
Excess (deficiency) of revenues over (under) expenditures	(1,265,924)	(1,265,924)	(467,497)	798,427	798,427
Other financing sources (uses)					
Transfer in (out)	1,188,553	1,188,553	1,188,553	-	-
Proceeds from lease financing	-	-	16,332	16,332	16,332
Total other financing sources (uses)	1,188,553	1,188,553	1,204,885	16,332	16,332
Net change in fund balance	$ (77,371)	$ (77,371)	737,388	$ 814,759	$ 814,759
Fund balance - beginning of year			-		
Fund balance - end of year			$ 737,388		

SHOSHONE COUNTY AMBULANCE SERVICE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Variances Favorable (Unfavorable) Final to Actual
Revenues					
Patient revenue	807,054	807,054	674,787	(132,267)	(132,267)
Donation income	-	-	256,459	256,459	256,459
Property taxes	489,746	489,746	475,220	(14,526)	(14,526)
Grant	74,237	74,237	239,070	164,833	164,833
Interest earnings	-	-	44	44	44
Miscellaneous	-	-	6,429	6,429	6,429
Total revenues	1,371,037	1,371,037	1,652,009	280,972	280,972
Expenditures					
Emergency medicine service	1,089,787	1,089,787	1,165,569	(75,782)	(75,782)
Capital outlay	281,250	281,250	309,330	(28,080)	(28,080)
Total expenditures	1,371,037	1,371,037	1,474,899	(103,862)	(103,862)
Excess (deficiency) of revenues over (under) expenditures	-	-	177,110	177,110	177,110
Net change in fund balance	$ -	$ -	177,110	$ 177,110	$ 177,110
Fund balance - beginning of year			617,619		
Fund balance - end of year			$ 794,729		

NET PENSION (ASSET) LIABILITY RELATED SCHEDULES

Schedule of the County's Share of Net Pension (Asset) Liability
PERSI - Base Plan
As of June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's portion of the net pension (asset) liability	0.1539658%	0.1450250%	0.1387626%	0.1379853%	0.1327861%	0.1231598%	0.1431793%	0.1370831%	0.1415763%	0.1503407%
Employer's proportionate share of the net pension (asset) liability	6,144,266	5,534,939	(109,592)	3,204,201	1,515,716	1,816,629	2,250,533	2,778,885	1,864,330	1,106,743
Employer's covered employee payroll	6,502,138	5,503,980	5,143,350	4,880,204	4,477,776	3,934,226	4,415,318	3,979,514	3,955,849	4,043,838
Employer's proportional share of the net pension (asset) liability as a percentage of its covered employee payroll	94.50%	100.56%	-2.13%	65.66%	33.85%	46.18%	50.97%	69.83%	47.13%	27.37%
Plan fiduciary net position as a percentage of the total	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

Schedule of the County's Contributions
PERSI - Base Plan
As of June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution - Class 1 Employees	590,383	499,752	467,007	443,114	385,602	338,794	380,223	337,664	338,961	348,143
Statutorily required contribution - Class 2 Employees	191,268	161,906	151,298	143,557	124,925	109,761	123,183	116,185	109,935	112,912
Total statutorily required contributions - All Employees	781,651	661,658	618,305	586,671	510,527	448,555	503,406	453,849	448,896	461,055
Contributions in relation to the statutorily required contribution	(781,651)	(661,658)	(618,305)	(586,671)	(510,527)	(448,555)	(503,406)	(453,849)	(448,896)	(461,055)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Employer's covered employee payroll - Class 1 Employees	4,944,581	4,185,528	3,911,281	3,711,173	3,406,378	2,992,880	3,358,860	2,983,023	2,994,355	3,075,468
Employer's covered employee payroll - Class 2 Employees	1,557,557	1,318,453	1,232,068	1,169,031	1,071,398	941,346	1,056,458	996,514	942,839	968,370
Contributions as a percentage of covered employee payroll - Class 1	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%
Contributions as a percentage of covered employee payroll - Class 2	12.28%	12.28%	12.28%	12.28%	11.66%	11.66%	11.66%	11.66%	11.66%	11.66%

Data is reported is measured as of June 30, 2023.

NOTES TO THE NET PENSION (ASSET) LIABILITY SCHEDULES
As of June 30, 2023

Change of Assumptions. There were no change of assumptions as of June 30, 2023.

OTHER POST EMPLOYMENT BENEFIT LIABILITY SCHEDULE
As of September 30,

	2023	2022
Service Cost	29,925	29,053
Interest	6,998	6,638
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	-	-
Benefit payments	(21,576)	(20,259)
Net change in total OPEB Liability	15,347	15,432
Total OPEB liability - beginning	285,080	269,648
Total OPEB liability-ending	$ 300,427	$ 285,080
Covered payroll	4,937,186	4,793,384
Total OPEB liability as a percentage of covered-employee payroll	6.08%	5.95%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those use for which information is available.

NOTES TO THE OTHER POST EMPLOYMENT BENEFITS LIABILITY SCHEDULE
As of September 30, 2023

Change of Assumptions. Change of assumptions include state, trend, discount and other inputs.

SUPPLEMENTARY INFORMATION

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2023

	Ambulance	District Court	Liability Insurance	Health District	Historical Society	Indigent	Junior College Tuition	Parks and Recreation	Revaluation	Noxious Weed	Snowmobile
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES											
Assets:											
Cash and investments	27,269	634,456	71,562	8,878	5,937	51,079	98,407	10,810	88,946	55,365	46,156
Receivables:											
Taxes	1,729	20,153	14,991	5,416	331	3,110	2,292	2,732	23,742	2,693	-
Unbilled taxes	-	459,833	221,637	101,463	6,280	-	2,974	68,178	415,909	48,449	-
Accounts	-	535	-	-	-	-	-	-	-	-	-
Due from other governments	-	23,052	-	-	-	-	-	-	-	-	41,541
Total assets	28,998	1,138,029	308,190	115,757	12,548	54,189	103,673	81,720	528,597	106,507	87,697
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 28,998	$ 1,138,029	$ 308,190	$ 115,757	$ 12,548	$ 54,189	$ 103,673	$ 81,720	$ 528,597	$ 106,507	$ 87,697
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
Liabilities:											
Warrants payable	-	23,464	-	-	-	3,006	-	6,814	15,559	9,762	300
Non-warrants payable	-	-	-	-	-	-	-	-	2,380	-	-
Accrued wages payable	-	6,953	-	-	-	-	-	-	3,969	438	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	30,417	-	-	-	3,006	-	6,814	21,908	10,200	300
Deferred inflows of resources:											
Deferred revenue	1,567	18,445	13,874	4,985	304	2,437	2,080	2,512	21,842	2,458	-
Unavailable tax revenue	-	459,833	221,637	101,463	6,280	-	2,974	68,178	415,909	48,449	-
Total deferred inflows of resources	1,567	478,278	235,511	106,448	6,584	2,437	5,054	70,690	437,751	50,907	-
Fund balance (deficit):											
Assigned	-	342,493	8,894	-	612	30,775	46,171	-	68,938	15,402	-
Restricted for:											
General government	-	286,841	63,785	-	-	-	-	-	-	-	-
Public safety	27,431	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	29,998	-
Culture and recreation	-	-	-	-	5,352	-	-	4,216	-	-	87,397
Health and welfare	-	-	-	9,309	-	17,971	-	-	-	-	-
Education	-	-	-	-	-	-	52,448	-	-	-	-
Total fund balance (deficit)	27,431	629,334	72,679	9,309	5,964	48,746	98,619	4,216	68,938	45,400	87,397
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 28,998	$ 1,138,029	$ 308,190	$ 115,757	$ 12,548	$ 54,189	$ 103,673	$ 81,720	$ 528,597	$ 106,507	$ 87,697

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
September 30, 2023

	Waterways	Airport	Fish Hatchery	911 Emergency	Drug Task	Interlock & Monitor Device	Leading Idaho Local Bridge	Christian Aid	Drug Court Program	Property and Infrastructure Improvement
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
Assets:										
Cash and investments	44,609	59,167	3,085	95,877	44,867	2,775	-	2,123	3,916	145,058
Receivables:										
Taxes	-	601	401	-	-	-	-	-	-	-
Unbilled taxes	-	24,309	7,474	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-	-
Due from other governments	5,240	1	-	19,529	-	-	30	-	-	-
Total assets	49,849	84,078	10,960	115,406	44,867	2,775	30	2,123	3,916	145,058
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 49,849	$ 84,078	$ 10,960	$ 115,406	$ 44,867	$ 2,775	$ 30	$ 2,123	$ 3,916	$ 145,058
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Warrants payable	4,439	1,004	264	7,677	2,700	-	30	254	1,701	-
Non-warrants payable	-	-	-	-	-	-	-	-	-	-
Accrued wages payable	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Total liabilities	4,439	1,004	264	7,677	2,700	-	30	254	1,701	-
Deferred inflows of resources:										
Deferred revenue	-	529	368	-	-	-	-	-	-	-
Unavailable tax revenue	-	24,309	7,474	-	-	-	-	-	-	-
Total deferred inflows of resources	-	24,838	7,842	-	-	-	-	-	-	-
Fund balance (deficit):										
Assigned	-	15,678	-	107,729	-	-	-	-	-	-
Restricted for:										
General government	-	42,558	-	-	-	-	-	-	2,215	145,058
Public safety	-	-	-	-	42,167	2,775	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	45,410	-	2,854	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	1,869	-	-
Education	-	-	-	-	-	-	-	-	-	-
Total fund balance (deficit)	45,410	58,236	2,854	107,729	42,167	2,775	-	1,869	2,215	145,058
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 49,849	$ 84,078	$ 10,960	$ 115,406	$ 44,867	$ 2,775	$ 30	$ 2,123	$ 3,916	$ 145,058

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
September 30, 2023

	Miscellaneous Grant	STOP Grant	IDL - Fire MIT - 17 SFA	West Terror 19 HFR	IDL WFM North Kellogg	ITD Express Bus	West Terror II 21 HRF1	Title III (New)	Pre-Prosecution Diversion Grant	Market Value Evaluation	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES											
Assets:											
Cash and investments	-	-	8	-	-	-	-	144,288	413,451	-	2,058,089
Receivables:											
Taxes	-	-	-	-	-	-	-	-	-	-	78,191
Unbilled taxes	-	-	-	-	-	-	-	-	-	-	1,356,506
Accounts	-	-	-	-	-	-	-	1,603	-	-	2,138
Due from other governments	-	36,150	-	6,686	153,571	58,722	93,150	-	-	-	437,672
Total assets	-	36,150	8	6,686	153,571	58,722	93,150	145,891	413,451	-	3,932,596
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ -	$ 36,150	$ 8	$ 6,686	$ 153,571	$ 58,722	$ 93,150	$ 145,891	$ 413,451	$ -	$ 3,932,596
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
Liabilities:											
Warrants payable	-	-	8	-	49	9,197	-	41,316	-	-	127,544
Non-warrants payable	-	625	-	-	-	10,438	-	-	-	-	13,443
Accrued wages payable	-	-	-	-	-	-	-	1,313	-	-	12,673
Due to other funds	-	35,525	-	6,686	153,522	39,087	93,150	-	-	23,636	351,606
Total liabilities	-	36,150	8	6,686	153,571	58,722	93,150	42,629	-	23,636	505,266
Deferred inflows of resources:											
Deferred revenue	-	-	-	-	-	-	-	-	-	-	71,401
Unavailable tax revenue	-	-	-	-	-	-	-	-	-	-	1,356,506
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	1,427,907
Fund balance (deficit):											
Assigned	-	-	-	-	-	-	-	-	-	-	636,692
Restricted for:											
General government	-	-	-	-	-	-	-	103,262	413,451	(23,636)	1,033,534
Public safety	-	-	-	-	-	-	-	-	-	-	72,373
Public works	-	-	-	-	-	-	-	-	-	-	29,998
Culture and recreation	-	-	-	-	-	-	-	-	-	-	145,229
Health and welfare	-	-	-	-	-	-	-	-	-	-	29,149
Education	-	-	-	-	-	-	-	-	-	-	52,448
Total fund balance (deficit)	-	-	-	-	-	-	-	103,262	413,451	(23,636)	1,999,423
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ -	$ 36,150	$ 8	$ 6,686	$ 153,571	$ 58,722	$ 93,150	$ 145,891	$ 413,451	$ -	$ 3,932,596

SHOSHONE COUNTY, IDAHO
Wallace, Idaho

NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2023

	Ambulance	District Court	Liability Insurance	Health District	Historical Society	Indigent	Junior College Tuition	Parks and Recreation	Revaluation	Noxious Weed	Snowmobile
Revenues											
Taxes	2,007	304,021	260,139	106,634	5,051	2,495	40,743	51,148	428,230	48,775	-
Intergovernmental	-	103,236	-	-	-	2,783	-	-	-	-	41,541
Licenses and permits	3,196	-	-	-	-	-	-	-	-	-	9,029
Charges for services	-	43,245	-	-	-	-	-	6,250	2,705	-	-
Fines	-	119,860	-	-	-	-	-	-	-	-	-
Miscellaneous	-	953	-	-	-	567	-	-	-	-	2,192
Interest earnings	-	5,167	-	-	-	-	-	-	-	-	-
Total revenues	5,203	576,482	260,139	106,634	5,051	5,845	40,743	57,398	430,935	48,775	52,762
Expenditures											
General government	-	558,669	199,633	-	-	-	-	-	446,176	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	51,807	-
Culture and recreation	-	-	-	-	2,924	-	-	64,172	-	-	43,809
Health and welfare	-	-	-	106,783	-	95,285	-	-	-	-	-
Education	-	-	-	-	-	-	31,751	-	-	-	-
Capital outlay	-	2,089	-	-	-	300	-	756	72	1,336	26,189
Debt service:											
Principal	-	4,500	-	-	-	1,331	-	-	4,611	-	-
Interest	-	17	-	-	-	5	-	-	371	-	-
Total expenditures	-	565,275	199,633	106,783	2,924	96,921	31,751	64,928	451,230	53,143	69,998
Excess (deficiency) of revenues over (under) expenditures	5,203	11,207	60,506	(149)	2,127	(91,076)	8,992	(7,530)	(20,295)	(4,368)	(17,236)
Other financing sources (uses)											
Transfers in (out)	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	5,203	11,207	60,506	(149)	2,127	(91,076)	8,992	(7,530)	(20,295)	(4,368)	(17,236)
Fund balance (deficit) - beginning of year	22,228	618,127	12,173	9,458	3,837	139,822	89,627	11,746	89,233	49,768	104,633
Fund balance (deficit) - end of year	$ 27,431	$ 629,334	$ 72,679	$ 9,309	$ 5,964	$ 48,746	$ 98,619	$ 4,216	$ 68,938	$ 45,400	$ 87,397

NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended September 30, 2023

	Waterways	Airport	Fish Hatchery	911 Emergency	Drug Task	Interlock & Monitor Device	Leading Idaho Local Bridge	Christian Aid	Drug Court Program	Property and Infrastructure Improvement
Revenues										
Taxes	-	10,226	8,377	-	-	-	-	-	-	-
Intergovernmental	18,088	31,000	-	-	-	-	222,650	600	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	149,318	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	12,513	-
Miscellaneous	-	52,378	-	-	2,832	720	-	-	-	-
Interest earnings	-	-	-	-	-	-	-	-	-	-
Total revenues	18,088	93,604	8,377	149,318	2,832	720	222,650	600	12,513	-
Expenditures										
General government	-	44,636	-	-	-	-	-	-	14,305	-
Public safety	-	-	-	162,814	6,450	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	26,298	-	4,896	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	1,673	-	-
Education	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	15,954	-	-	222,650	254	-	125,488
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	26,298	44,636	4,896	178,768	6,450	-	222,650	1,927	14,305	125,488
Excess (deficiency) of revenues over (under) expenditures	(8,210)	48,968	3,481	(29,450)	(3,618)	720	-	(1,327)	(1,792)	(125,488)
Other financing sources (uses)										
Transfers in (out)	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	(8,210)	48,968	3,481	(29,450)	(3,618)	720	-	(1,327)	(1,792)	(125,488)
Fund balance (deficit) - beginning of year	53,620	9,268	(627)	137,179	45,785	2,055	-	3,196	4,007	270,546
Fund balance (deficit) - end of year	$ 45,410	$ 58,236	$ 2,854	$ 107,729	$ 42,167	$ 2,775	$ -	$ 1,869	$ 2,215	$ 145,058

NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended September 30, 2023

	Miscellaneous Grant	STOP Grant	IDL - Fire MIT - 17 SFA	West Terror 19 HFR	IDL WFM North Kellogg	ITD Express Bus	West Terror II 21 HRF1	Title III (New)	Pre-Prosecution Diversion Grant	Market Value Evaluation	Total
Revenues											
Taxes	-	-	-	-	-	-	-	-	-	-	1,267,846
Intergovernmental	30,000	67,228	3,658	6,686	99,258	146,489	44,450	188,470	420,490	-	1,426,627
Licenses and permits	-	-	-	-	-	-	-	-	-	-	12,225
Charges for services	-	-	-	-	-	-	-	-	-	-	201,518
Fines	-	-	-	-	-	-	-	-	-	-	132,373
Miscellaneous	-	-	-	-	-	38,102	-	-	-	-	97,744
Interest earnings	-	-	-	-	-	-	-	6,940	-	-	12,107
Total revenues	30,000	67,228	3,658	6,686	99,258	184,591	44,450	195,410	420,490	-	3,150,440
Expenditures											
General government	30,000	-	-	-	-	184,591	-	266,150	7,039	23,636	1,774,835
Public safety	-	67,228	5,235	-	-	-	-	-	-	-	241,727
Public works	-	-	-	6,686	99,036	-	-	-	-	-	157,529
Culture and recreation	-	-	-	-	-	-	-	-	-	-	142,099
Health and welfare	-	-	-	-	-	-	-	-	-	-	203,741
Education	-	-	-	-	-	-	-	-	-	-	31,751
Capital outlay	-	-	-	-	222	-	44,450	-	-	-	439,760
Debt service:											
Principal	-	-	-	-	-	-	-	-	-	-	10,442
Interest	-	-	-	-	-	-	-	-	-	-	393
Total expenditures	30,000	67,228	5,235	6,686	99,258	184,591	44,450	266,150	7,039	23,636	3,002,277
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,577)	-	-	-	-	(70,740)	413,451	(23,636)	148,163
Other financing sources (uses)											
Transfers in (out)	-	-	1,577	-	-	-	-	(1,577)	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	(72,317)	413,451	(23,636)	148,163
Fund balance (deficit) - beginning of year	-	-	-	-	-	-	-	175,579	-	-	1,851,260
Fund balance (deficit) - end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 103,262	$ 413,451	$ (23,636)	$ 1,999,423

NONMAJOR GOVERNMENTAL FUNDS
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended September 30, 2023

	Budgeted Revenue	Actual Revenue	Budgeted Expenditures	Actual Expenditures	Operating Transfers	Beginning Fund Balance (Deficit)	Ending Fund Balance (Deficit)
Ambulance	-	5,203	-	-	-	22,228	27,431
District Court	516,643	576,482	699,674	565,275	-	618,127	629,334
Liability Insurance	264,959	260,139	219,353	199,633	-	12,173	72,679
Health District	109,436	106,634	113,901	106,783	-	9,458	9,309
Historical Society	5,133	5,051	7,000	2,924	-	3,837	5,964
Indigent	-	5,845	157,208	96,921	-	139,822	48,746
Junior College Tuition	41,053	40,743	75,000	31,751	-	89,627	98,619
Parks and Recreation	57,998	57,398	68,494	64,928	-	11,746	4,216
Revaluation	439,201	430,935	465,980	451,230	-	89,233	68,938
Noxious Weed	49,337	48,775	71,914	53,143	-	49,768	45,400
Snowmobile	31,800	52,762	69,998	69,998	-	104,633	87,397
Waterways	22,000	18,088	28,500	26,298	-	53,620	45,410
Airport	63,018	93,604	74,494	44,636	-	9,268	58,236
Fish Hatchery	8,616	8,377	7,080	4,896	-	(627)	2,854
911 Emergency	108,500	149,318	242,211	178,768	-	137,179	107,729
Drug Task	-	2,832	-	6,450	-	45,785	42,167
Interlock & Monitor Device	-	720	-	-	-	2,055	2,775
Leading Idaho Local Bridge	-	222,650	-	222,650	-	-	-
Christian Aid	-	600	-	1,927	-	3,196	1,869
Drug Court Program	-	12,513	-	14,305	-	4,007	2,215
Property and Infrastructure Improvement	-	-	-	125,488	-	270,546	145,058
Miscellaneous Grant	-	30,000	-	30,000	-	-	-
STOP Grant	-	67,228	-	67,228	-	-	-
IDL - Fire MIT - 17 SFA	-	3,658	-	5,235	1,577	-	-
West Terror 19 HFR	-	6,686	-	6,686	-	-	-
IDL WFM North Kellogg	-	99,258	-	99,258	-	-	-
ITD Express Bus	-	184,591	-	184,591	-	-	-
West Terror II 21 HRF1	-	44,450	-	44,450	-	-	-
Title III (New)	-	195,410	-	266,150	(1,577)	175,579	103,262
Pre-Prosecution Diversion Grant	-	420,490	-	7,039	-	-	413,451
Market Value Evaluation	-	-	-	23,636	-	-	(23,636)
	$ 1,717,694	$ 3,150,440	$ 2,300,807	$ 3,002,277	$ -	$ 1,851,260	$ 1,999,423

SINGLE AUDIT SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2023

	Assistance Listing Number	Pass-Through Grantor Number/Grant ID Number	Expenditures
Department of Agriculture			
Passed through State Department of Lands:			
Cooperative Forestry Assistance	10.664	17-DG-11010000-019	3,658
State & Private Forestry Hazardous Fuel Reduction Programs	10.697	19-DG-11010000-011	6,686
Direct through Department of Agriculture:			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	Not Applicable	1,438,165
Schools and Roads - Grants to Counties	10.666	Not Applicable	267,727
Total Forest Service Schools and Roads Cluster			1,705,892
Total Department of Agriculture			$ 1,716,236
U.S. Department of the Interior			
Direct through U.S. Department of Interior:			
Payment in Lieu of Taxes	15.226	Not Applicable	564,443
Total U.S. Department of Interior			$ 564,443
Department of Justice			
Passed through Idaho State Police:			
Violence Against Women Formula Grants	16.588	2020-WF-AX-0045	67,228
Total Department of Justice			$ 67,228
Department of Transportation			
Passed through Idaho Transportation Department:			
COVID-19 - Airport Improvement Programs and COVID-19 Airports Programs	20.106	Not Available	31,000
Formula Grants for Rural Areas and Tribal Transit Program:			
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	Not Available	34,512
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Not Available	111,977
Total Formula Grants for Rural Areas and Tribal Transit Program			146,489
Total Department of Transportation			$ 177,489
U.S. Department of the Treasury			
Direct through U.S. Department of the Treasury:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	1,146,664
COVID-19 - Local Assistance and Tribal Consistency Fund	21.032	Not Applicable	883,894
Total U.S. Department of Treasury			$ 2,030,558
Department of Homeland Security			
Passed through State Military Division:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4589-DR-ID	230,878
Emergency Management Performance Grants:			
2021 Emergency Management Performance Grants	97.042	EMS2021EP00006	25,170
Homeland Security Grant Program	97.067	EMW2021SS00070	37,934
Total Department of Homeland Security			$ 293,982
Total Expenditures of Federal Awards			$ 4,849,936

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2023

NOTE 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Shoshone County, Idaho, under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Shoshone County, Idaho, it is not intended to and does not present the financial position, changes in net position, or cash flows of Shoshone County, Idaho.

NOTE 2 Summary of Significant Accounting Policies

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

2. Pass-through entity identifying numbers are presented were available.

3. Shoshone County, Idaho has elected not to use the 10 percent de minimis indirect costs rate as allowed under Uniform Guidance.

HAYDEN ROSS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of County Commissioners
Shoshone County, Idaho
Wallace, Idaho 83873

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shoshone County, Idaho as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise Shoshone County, Idaho's basic financial statements, and have issued our report thereon dated June 21, 2024.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiencies in internal control that we consider to be a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Shoshone County, 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 statements. 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.*

Shoshone County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Shoshone County, Idaho's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Shoshone County, Idaho's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Hayden Ross, PLLC

Moscow, Idaho
June 21, 2024

HAYDEN ROSS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of County Commissioners
Shoshone County, Idaho
Wallace, Idaho 83873

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Shoshone County, Idaho's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Shoshone County, Idaho's major federal programs for the year ended September 30, 2023. Shoshone County, 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, Shoshone County, 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 Shoshone County, 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 Shoshone County, Idaho's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Shoshone County, 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 Shoshone County, 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 Shoshone County, 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 Shoshone County, 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 Shoshone County, 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported n accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Shoshone County, Idaho's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Shoshone County, Idaho's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Shoshone County, Idaho's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Shoshone County, Idaho's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Hayden Ross, PLLC

Moscow, Idaho
June 21, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the 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 deficiency(ies) identified?	__x__ yes	____ 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 deficiency(ies) identified?	__x__ yes	____ 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 Section 2 CFR section 200.516(a)	__x__ yes	____ no

Identification of major programs:
Reporting Requirements and Communication Considerations

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
21.032	COVID-19 - Local Assistance and Tribal Consistency Fund

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2023

Section II - Financial Statement Findings

Finding 2023-001 **Year-end Financial Close and Reporting**

Condition Throughout our testing, we did not find effective internal control processes for reconciling general ledger accounts, especially at the end of the fiscal year. We discussed internal controls with management and inquired as to the controls over year-end financial closing and reporting. Based on the responses from management, we determined that no formalized controls over year-end financial closing and reporting were in place during the year.

Criteria Year-end financial close and reporting procedures should be formalized and documented.

Cause Deficiency in controls over financial close and reporting.

Potential effect of Condition Misstatements on the financial statements due to error or fraud by not reconciling general ledger accounts to be in accordance with generally accepted accounting principles.

Recommendation We recommend that management further develops year-end closing procedures to reduce necessary audit adjustments by training and educating the County to perform these procedures.

Management's Response Management has agreed that this is an important control and will continue to implement a financial close and reporting process as recommended.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2023

Section III - Federal Award Findings and Questioned Costs

2023-002 - 2CFR200.320 Methods of Procurement to be Followed

US Department of Treasury
ALN 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Criteria

The non-federal entity must have and use documented procurement procedures, consistent with the standards of §§ 200.317, §§ 200.318, and §§ 200.319 when procuring the acquisition of property or services under a Federal award or subaward.

Condition

The County approved a contract to be paid for with federal awards without following 2CFR200.320(b), formal procurement methods, as the contract exceed the use of 2CFR200.320(a), informal procurement methods.

Cause

The County was not aware of the formal procurement method requirement for Federal awards.

Effect

The County was out of complaince with 2CFR200.320, Methods of Procurement to be Followed.

Questioned Costs

$431,191 - ALN 21.027, COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Perspective Information

The County has a written Federal procurement policy in accordance with 2CFR200.317 through 200.327. The County received COVID related Federal award funds and due to the inexperience and lack of guidance on the use and compliance requirements of the award, did not procure a project in accordance with the 2CFR200.320.

Identification of Repeat Findings

This is not a repeat finding.

Recommendation

We recommend the County receive additional training related to procurement activities and expand the County's internal controls related to Federal awards.

Views of Responsible Officials

We agree with the audit findings and are taking corrective action to train Grant Administrators, elected officials and employees on the procurement standards related to Federal awards.