

**BOUNDARY COUNTY, IDAHO**

**Bonnors Ferry, Idaho**

**Financial Statements and  
Independent Auditor's Report**

**September 30, 2021**

**BOUNDARY COUNTY**

**BONNERS FERRY, IDAHO**

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Boundary County  
Bonners Ferry, Idaho 83805

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Boundary County, Idaho, (the County), and the discretely presented Ambulance District component unit of Boundary County, Idaho as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### ***Opinions***

In my 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, the aggregate remaining fund information of Boundary County, Idaho and the discretely presented component unit as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **INDEPENDENT AUDITOR'S REPORT (Concluded)**

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of employer's share of net pension liability, the schedule of employer contributions, the schedule of employer's share of OPEB liability, and the schedule of the employer's OPEB contributions listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Boundary County's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditure of federal awards is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated March 14, 2022 on my consideration of Boundary County, Idaho's internal control over financial reporting and on my 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 my 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 Boundary 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 Standards* in considering Boundary County's internal control over financial reporting and compliance.

March 14, 2022

*Scott P. Hoover, CPA*

Scott Hoover CPA, PLLC  
Coeur d'Alene, ID

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Boundary County, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Boundary County for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the accompanying notes, which are a part of this financial report.

Comparative analysis will be done on key elements of governmental funds and enterprise funds in this MD&A.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (pages 11 & 12) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

## **Statement of Net Position and the Statement of Activities**

The *statement of net position* presents information on all county governmental and business-type assets and liabilities, with the difference reported as net position.

The *statement of activities* presents information on all county governmental and business-type revenue and expenses, with the difference reported as change in net position.

## **Overview of Boundary County's Financial Statements**

This discussion and analysis is intended to serve as an introduction to Boundary County's basic financial statements. Our basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** These statements are designed to provide readers with a broad overview of Boundary County's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two 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 County's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish between functions of the County that are principally supported by taxes and intergovernmental revenues (Governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government and administration, public safety, streets, sanitation, health and welfare, parks and recreation, and education. The business-type activities are the Restorium. The government-wide financial statement can be found on pages 11 & 12 of this report.

The government-wide financial statement contains information relative to the primary government of Boundary County with the Boundary County Ambulance District as a discretely presented component. None of the approximately 20 other taxing districts operating within its boundaries meet the standards for inclusion. They are public entities unto themselves.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Boundary County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Boundary County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*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 current sources and uses 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 a 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 funds balance sheet and the governmental fund statements of revenues, expenditures, and a change in fund balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains over 25 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Road and Bridge Fund, Solid Waste, and Justice Fund, all of which are considered to be major funds. Data from the other funds are combined and identified as other non-major funds elsewhere in this report. The basic governmental funds financial statements can be found on pages 13 and 15.

*Proprietary Funds* – The County maintains one proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses proprietary funds to account for its Restorium operations.

*Fiduciary Funds* - are those dollars that we hold in trust for other agencies and taxing districts. We exclude these activities from the county’s other activities because the county cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Notes to Financial Statements.** For an overview of Boundary County and its operations, one should refer to the *Notes*, which are an integral part of this report. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-43.

**Other Information.** In addition to the basic financial statements, this report also presents certain *required supplementary information* concerning Boundary County’s actual results as compared to budget. This information can be found starting on page 44.

## **Governmental-wide Financial Analysis**

Net position (formerly net assets) may serve over time as a useful indicator of a government's financial position. At the end of the current fiscal year, Boundary County has positive balances in all categories of net position for the governmental activities and business-type activities in government-wide statements, as well as positive total fund balance in each of the major governmental fund types. This same situation held true for the prior fiscal year.

### **Condensed statement of net position, with comparison to prior year:**

<b>Net Position</b>	<b>9/30/2020</b>		<b>9/30/2021</b>	
	Governmental Activities	Enterprise Activities	Governmental Activities	Enterprise Activities
Current and other assets	\$10,098,854	\$376,431	\$12,183,597	\$484,723
Assets whose use is limited	1,200,807	0	944,794	0
Net pension asset	0	0	95,589	14,229
Capital assets	9,214,771	371,298	10,973,354	359,208
<b>Total Assets</b>	<b>20,514,432</b>	<b>747,729</b>	<b>24,197,334</b>	<b>858,160</b>
Deferred outflow of resources	726,171	101,267	1,379,640	204,537
Current liabilities	324,213	19,169	1,853,449	19,503
Long-term liabilities	4,540,520	394,951	2,561,183	0
<b>Total Liabilities</b>	<b>4,864,733</b>	<b>414,120</b>	<b>4,414,632</b>	<b>19,503</b>
Deferred inflows of resources	98,887	12,896	3,062,649	455,190
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	8,985,355	371,298	9,795,905	359,208
Restricted	1,200,807	0	944,794	0
Unrestricted	6,091,034	50,682	7,358,994	228,796
<b>Total Net Position</b>	<b>\$16,277,196</b>	<b>\$421,980</b>	<b>\$18,099,693</b>	<b>\$588,004</b>

### **Governmental Activities**

Total net position of the Governmental Activities of Boundary County is \$18,099,693 at September 30, 2021. Of this amount, \$9,795,905 is classified as investment in capital assets and \$944,794 is restricted for future land-fill closure costs. Funds restricted for future landfill closure and post-closure care costs were utilized to finance the purchase of landfill equipment in the amount of \$326,000. The funds will be returned to the restricted classification in future periods from landfill operations. The remaining amount of \$7,358,994 is unrestricted. Total net position for the prior year was \$16,277,196 and the unrestricted amount was \$6,091,034.

### **Enterprise Activities**

Net position at September 30, 2021 of the Business-type (Enterprise) Activities is \$588,004, of which \$359,208 is invested in capital assets and \$228,796 is unrestricted. Net position for the prior year was \$421,980 with the unrestricted balance of \$50,682.

## Changes in Net Position

	9/30/2020		9/30/2021	
	Governmental Activities	Enterprise Activities	Governmental Activities	Enterprise Activities
<b>Program Revenues:</b>				
Charges for Services	\$2,717,720	\$1,159,953	\$2,167,181	\$1,015,043
Grants & Contributions	3,698,721	0	6,179,205	40,926
<b>General Revenues:</b>				
Property taxes levied for General Purposes	5,213,718	206,939	3,921,317	335,321
Intergovernmental - Not Restricted	1,976,624	3,624	2,352,989	134,314
Interest and Investment Earnings	192,033		60,655	
Other	27,408		230,526	
<b>Total Revenues</b>	<b>13,826,224</b>	<b>1,370,516</b>	<b>14,911,873</b>	<b>1,525,604</b>
<b>Program Expenses:</b>				
General government	3,690,512		4,271,609	
Public safety	5,006,070		4,769,006	
Streets	3,391,583		2,266,888	
Sanitation	947,292		979,659	
Health & welfare	427,314		447,557	
Recreation	327,290		296,576	
Education	20,948		25,598	
Interest on long-term debt	9,802		32,483	
Community restorium		1,475,144		1,359,580
<b>Total Expenses</b>	<b>13,820,811</b>	<b>1,475,144</b>	<b>13,089,376</b>	<b>1,359,580</b>
<b>Change in Net Position</b>	<b>\$5,413</b>	<b>(\$104,628)</b>	<b>\$1,822,497</b>	<b>\$166,024</b>

### Governmental Type Activities

For the year ended September 30, 2021 Governmental Activities net position increased by \$1,822,497. Total revenues were \$14,911,873 and expenditures were \$13,089,376.

### Business-type (Enterprise) Activities

For the year ended September 30, 2021 the net position of Business-type activities increased by \$166,024. The change is attributable to the occupancy levels. The property taxes for the operations of the Restorium increased by \$128,382 and operating expenses for materials, supplies, food, and labor at the Restorium have decreased by \$115,564. A major contributor to this fund is a result of effects of COVID-19.

### Financial Analysis of the Government's Funds

As noted earlier, Boundary County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of Boundary County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Boundary County's financing



requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Boundary County's governmental funds reported combined ending fund balance of \$11,369,283. The amount restricted to pay for future landfill closure and post-closure care costs is \$944,794. The fund balances accumulated in the special revenue funds of the County is considered assigned to the purpose for which the special revenue fund was created and is in the amount of \$6,909,442. The remaining amount of \$3,515,047 represents the unassigned fund balance. Unassigned fund balance is the residual classification in the County's general fund.

The Current Expense Fund (General Fund) is the chief operating fund of Boundary County. The unassigned fund balance of the Current Expense Fund was \$3,515,047 at the end of the fiscal year. As a measure of the Current Expense Fund's liquidity, it may be useful to compare this unassigned fund balance to total fund expenditures. Unassigned fund balance represents 74% of the total Current Expense Fund assets.

The fund balance of the Current Expense Fund increased \$109,585 during the current fiscal year.

The Road and Bridge Fund, a major fund of the County, had a fund balance of \$2,425,330 at the end of the current fiscal year. This is an increase of \$205,312 from the last fiscal year primarily due to the timing of the Riverside road project.

The Justice Fund, another major fund of the County, had a fund balance of \$1,971,052 at the end of the current fiscal year. This is an increase of \$162,117 from last fiscal year. This is due to saving towards jail renovations projects and public safety projects being funded through grants.

The Solid Waste Fund is a major fund of the County and had an assigned fund balance of \$826,234 and restricted fund balance of \$944,794. Assigned fund balance increased \$313,780 and the restricted fund balance decreased \$256,013. The decrease in restricted fund balance is part of the County's funding plan to provide resources for the future estimated cost of landfill closure and post-closure care. The county is currently reviewing our future plan for solid waste disposal options, scales have been purchased to accurately record actual weighted volumes into the landfill.

Other non-major funds of the County had a fund balance at the end of the current fiscal year of \$1,686,826. This is a decrease of \$7,385 from the previous year. This decrease is a direct result of budgeted expenditures.

## **Capital Assets**

At September 30, 2021, the County had \$10,973,354 invested in net capital assets for its governmental funds and \$359,208 in business-type activity funds. This investment includes land, buildings, building contents, park facilities, road and bridge equipment, sheriff and jail equipment, airports, and mobile equipment. Additional information on capital assets can be found in Note 3 on page 31 of this report.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2021</u>
Land	\$1,955,873	\$1,955,873	\$98,012	\$98,012	\$2,053,885	\$2,053,885
Assets not Depreciated	152,822	478,752	0	0	152,822	478,752
Buildings & Improvements	12,432,712	12,735,378	828,822	828,822	13,261,534	13,564,200
Machinery & Equip.	8,319,608	9,806,418	281,430	286,570	8,601,038	10,092,988
<b>Total</b>	<b>\$22,861,015</b>	<b>\$24,976,421</b>	<b>\$1,208,264</b>	<b>\$1,213,404</b>	<b>\$24,069,279</b>	<b>\$26,189,825</b>
Accum. Depreciation:	<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2019</u>	<u>9/30/2021</u>
Buildings & Improvements	\$6,593,927	\$7,055,020	\$616,741	\$627,013	\$7,210,668	\$7,682,033
Machinery & Equip.	7,052,317	6,948,047	220,226	227,183	7,272,543	7,175,230
<b>Total</b>	<b>\$13,646,244</b>	<b>\$14,003,067</b>	<b>\$836,967</b>	<b>\$854,196</b>	<b>\$14,483,211</b>	<b>\$14,857,263</b>

## Capital Lease Obligations and Landfill Closure Long-Term Debt

Long-term liabilities for capital lease obligations and the estimated cost of landfill closure and post-closure care costs are detailed below. As of September 30, 2021, capital lease obligations were \$1,158,893, an increase of \$933,097 to the prior year. The current maturities on capital lease obligations are \$232,478 compared to the prior current payable of \$82,547. An additional amount of \$926,415 is payable after one year. The net increase of \$933,097 is the result of principal retired on existing debt and debt incurred from acquisition of capital assets. All lease obligations contain a non-appropriation clause. In addition, the estimated future liability for landfill closure and post-closure care costs at year-end was \$1,432,774, an increase of \$31,057 from the previous year. See Note 14 to the financial statements on page 42.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2019</u>	<u>9/30/2021</u>
Capital Leases	\$225,796	\$1,158,893	\$0	\$0	\$225,796	\$1,158,893
Landfill Closure	1,401,717	1,432,774			1,401,717	1,432,774
Total	<u>\$1,627,513</u>	<u>\$2,591,667</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,627,513</u>	<u>\$2,591,667</u>

## Budget Variations

Formal budget integration is employed as a management control device for the General Fund and Special Revenue Funds. Budgets for the General and Special Funds are adopted on a basis consistent with generally accepted accounting principles. The budget was amended various times in the year to reflect the receipt of unanticipated revenue.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>
<b>Revenue</b>						
Current Exp	\$2,174,619	\$2,718,130	\$543,511	\$2,173,990	\$2,701,490	\$527,500
Road & Bridge	2,351,970	3,228,472	876,502	2,337,716	2,913,586	575,870
Justice Fund	3,175,043	3,336,351	161,308	3,440,463	3,791,444	350,981
Solid Waste	1,108,692	1,213,610	104,918	1,168,000	1,399,541	231,541
<b>Expenditures</b>						
Current Exp	\$5,354,107	\$3,107,984	\$2,246,123	\$4,947,542	\$2,592,307	\$2,355,235
Road & Bridge	3,547,720	2,872,882	674,838	4,031,082	4,187,876	(156,794)
Justice Fund	4,476,602	3,600,533	876,069	4,317,065	3,628,867	688,198
Solid Waste	1,118,150	909,731	208,419	1,494,350	1,341,774	152,576

### **Activity in our four major funds provided these ending results:**

*Current Expense Fund:* The County budgeted to receive \$2,173,990 in various forms of revenue during the year. Actual revenues exceeded budget by \$527,500 with the major positive variance being in the fees charged for services in vehicle inspections, sales tax, PILT and grant. Budgeted expenditures were in the amount of \$4,947,542 and actual expenditures were under that amount by \$2,355,235. The savings were due to decreases in general expenditures, and delayed or canceled capital improvements,

*Road & Bridge Fund:* The County budgeted revenue of \$2,337,716 to fund operations during this fiscal year. Actual revenue was \$2,913,586. The County budgeted to expend \$4,031,082 in the Road & Bridge fund. Actual expenditures were \$4,187,876. Expenditures were over budget as a result of projects that were anticipated. Revenues increased due to receipt of highway user revenues.

*Justice Fund:* Revenues were over budget projections by \$350,981. This is a result of an increase in our sales tax, revenue sharing and fees charged. For the year ending September 30, 2021, the County anticipated spending \$4,317,065 in efforts to provide public safety. Actual expenditures were under budget in the amount of \$688,198. Most of the unused budget authority was in the form of salaries and benefits, outside housing costs, medical care and capital projects.

*Solid Waste:* The actual revenue for services and recycled materials were over budget projections by \$231,541. The County budgeted expenditures of \$1,494,350, with actual expenditures of \$1,341,774. The positive variance of \$208,419 was due to cost savings in wages, benefits, capital items and other expenditures.

## **Financial Highlights and Other Factors Affecting Future Operations:**

**Boundary County** was created by the Idaho Legislature on January 23, 1915. It is so named because it borders Canada and is the only county in Idaho with an international border.

### **County Operations**

- Boundary County has been awarded grants to purchase property for the approach to the airport's runway.
- Boundary County received funding through Homeland Security to obtain the necessary equipment and supplies should there be an attack on our County's soil.
- Boundary County has purchased additional facilities to house the operations of our sheriff department and probation offices. This will enable us to provide better physical facilities to those offices while allowing the drivers license and staffing at the sheriff office to expand.
- Boundary County is allocating monies each year for the future anticipated needs of the solid wastes within the county.
- Boundary County is requesting that all citizens recycle.
- Boundary County received state funds for the protection of wild land fire mitigation.
- Boundary County received HAVA Grant funds to improve access to public places of voting.
- Boundary County approved an emergency communication fee for an emergency telephone system commonly known as 911. Along with the continuance of updating road names and address this will enhance emergency services to Boundary County.
- Boundary County was awarded a grant for improved boat launch sites along the Kootenai River.
- Boundary County continues to be awarded a grant for the staff person for the Economic Development Council.
- Boundary County continues to improve our elder care home, the Restorium facility can house up to 40 residents.
- Boundary County established an Ambulance Service District for the county during 2012.
- Boundary County offers many programs to the residents offered through the University of Idaho, 4-H programs, Cooperative Weed Control, Court Assistance, Boating Safety Programs, Fire Mitigation, Parks and Recreation programs, just to mention a few.

**Requests for Information** -This financial report is designed to provide a general overview of Boundary County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

**Glenda Poston  
Boundary County Clerk  
Boundary County Courthouse  
6452 Kootenai Street  
P.O. Box 419  
Bonners Ferry, Idaho 83805**

## **BASIC FINANCIAL STATEMENTS**

**BOUNDARY COUNTY, IDAHO**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**September 30, 2021**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Boundary Ambulance District</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 11,788,447	\$ 461,182	\$ 12,249,629	\$ 142,458
Receivables, net of uncollectible	207,195	14,895	222,090	
Property taxes receivable, net	187,955	8,646	196,601	
Total Current Assets	<u>12,183,597</u>	<u>484,723</u>	<u>12,668,320</u>	<u>142,458</u>
<b>Non-current Assets</b>				
Capital assets, net of depreciation	8,538,729	261,196	8,799,925	-
Capital assets not being depreciated	2,434,625	98,012	2,532,637	-
Total Non-current Assets	<u>10,973,354</u>	<u>359,208</u>	<u>11,332,562</u>	<u>-</u>
<b>Other Assets</b>				
Net pension asset	95,589	14,229	109,818	
Assets whose use is limited	944,794	-	944,794	-
Total Other Assets	<u>1,040,383</u>	<u>14,229</u>	<u>1,054,612</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>24,197,334</u>	<u>858,160</u>	<u>25,055,494</u>	<u>142,458</u>
Deferred Outflows of Resources	<u>1,379,640</u>	<u>204,537</u>	<u>1,584,177</u>	<u>-</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	240,675	3,820	244,495	-
Unearned grant revenue	1,189,537	-	1,189,537	-
Compensated absences	172,203	15,683	187,886	-
Accrued Interest	18,556	-	18,556	-
Current maturities, long-term debt	232,478	-	232,478	-
Total Current Liabilities	<u>1,853,449</u>	<u>19,503</u>	<u>1,872,952</u>	<u>-</u>
<b>Non-current Liabilities</b>				
Long-term debt, less current maturities	926,415	-	926,415	-
Net pension liability	-	-	-	-
Other post-employment benefits	201,994	-	201,994	-
Estimated landfill closure and post-closure care costs	1,432,774	-	1,432,774	-
Total Non-current Liabilities	<u>2,561,183</u>	<u>-</u>	<u>2,561,183</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>4,414,632</u>	<u>19,503</u>	<u>4,434,135</u>	<u>-</u>
Deferred Inflows of Resources	<u>3,062,649</u>	<u>455,190</u>	<u>3,517,839</u>	<u>-</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	9,795,905	359,208	10,155,113	-
Restricted for landfill closure	944,794	-	944,794	-
Unrestricted	7,358,994	228,796	7,587,790	142,458
<b>TOTAL NET POSITION</b>	<u>\$ 18,099,693</u>	<u>\$ 588,004</u>	<u>\$ 18,687,697</u>	<u>\$ 142,458</u>

The accompanying notes are an integral part of this statement.

**BOUNDARY COUNTY, IDAHO**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
For the year ended September 30, 2021

<b>Functions / Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Unit Ambulance District</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>				
<b>Primary Government:</b>								
Governmental Activities:								
General Government	\$ 4,271,609	\$ 400,765	\$ 1,467,076	\$ 555,948	\$ (1,847,820)	\$ -	\$ (1,847,820)	
Public Safety	4,769,006	354,498	1,618,447	-	(2,796,061)	-	(2,796,061)	
Roads & Bridges	2,266,888	2,845	2,521,246	-	257,203	-	257,203	
Sanitation	979,659	1,376,242	-	-	396,583	-	396,583	
Health & Welfare	447,557	-	13,080	-	(434,477)	-	(434,477)	
Recreation & Parks	296,576	32,831	3,408	-	(260,337)	-	(260,337)	
Education	25,598	-	-	-	(25,598)	-	(25,598)	
Interest on long-term debt	32,483	-	-	-	(32,483)	-	(32,483)	
<b>Total Governmental Activities</b>	<b>13,089,376</b>	<b>2,167,181</b>	<b>5,623,257</b>	<b>555,948</b>	<b>(4,742,990)</b>	<b>-</b>	<b>(4,742,990)</b>	
<b>Business-type activities:</b>								
Community Restorium	1,359,580	1,015,043	40,926	-	-	(303,611)	(303,611)	
<b>Total primary government</b>	<b>\$ 14,448,956</b>	<b>\$ 3,182,224</b>	<b>\$ 5,664,183</b>	<b>\$ 555,948</b>	<b>(4,742,990)</b>	<b>(303,611)</b>	<b>(5,046,601)</b>	
<b>Component Unit:</b>								
Boundary Ambulance District	\$ 443,302	\$ -	\$ -	\$ -				\$ (443,302)
<b>General Revenues:</b>								
Taxes:								
Property taxes levied for general purposes					3,921,317	335,321	4,256,638	437,559
Sales tax					938,440	132,830	1,071,270	-
Intergovernmental - not restricted					1,414,549	1,484	1,416,033	-
Interest and Investment earnings					60,655	-	60,655	-
Other					230,526	-	230,526	-
<b>Total General Revenues</b>					<b>6,565,487</b>	<b>469,635</b>	<b>7,035,122</b>	<b>437,559</b>
<b>Change in net position</b>					<b>1,822,497</b>	<b>166,024</b>	<b>1,988,521</b>	<b>(5,743)</b>
<b>Net Position - Beginning</b>					<b>16,277,196</b>	<b>421,980</b>	<b>16,699,176</b>	<b>148,201</b>
<b>Net Position - Ending</b>					<b>\$ 18,099,693</b>	<b>\$ 588,004</b>	<b>\$ 18,687,697</b>	<b>\$ 142,458</b>

The accompanying notes are an integral part of this statement.

**BOUNDARY COUNTY, IDAHO**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**September 30, 2021**

	General Fund	Road & Bridge Fund	Justice Fund	Solid Waste	Other Non-major Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,727,905	\$ 2,469,740	\$ 2,062,241	\$ 822,069	\$ 1,706,492	\$ 11,788,447
Receivables, net of uncollectible						
Property taxes	37,822	3,860	40,236	53,383	52,654	187,955
Other receivables	-	-	-	-	207,195	207,195
Assets whose use is limited:						
Restricted cash	-	-	-	944,794	-	944,794
Total Assets	<u>\$ 4,765,727</u>	<u>\$ 2,473,600</u>	<u>\$ 2,102,477</u>	<u>\$ 1,820,246</u>	<u>\$ 1,966,341</u>	<u>\$ 13,128,391</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 5,728	\$ 12,910	\$ 10,642	\$ -	\$ 211,395	\$ 240,675
Unearned grant revenue - ARPA	1,189,537	-	-	-	-	1,189,537
Compensated absences	24,197	32,087	87,781	3,320	24,818	172,203
Total Liabilities	<u>1,219,462</u>	<u>44,997</u>	<u>98,423</u>	<u>3,320</u>	<u>236,213</u>	<u>1,602,415</u>
Deferred Inflows of Resources-						
Unavailable revenue - property tax	31,218	3,273	33,002	45,898	43,302	156,693
<b>FUND BALANCE</b>						
Restricted for Landfill closure	-	-	-	944,794	-	944,794
Assigned for general government	-	-	-	-	323,091	323,091
Assigned for roads and bridges	-	2,425,330	-	-	-	2,425,330
Assigned for public safety	-	-	1,971,052	-	555,983	2,527,035
Assigned for sanitation	-	-	-	826,234	-	826,234
Assigned for health & welfare	-	-	-	-	357,072	357,072
Assigned for recreation and parks	-	-	-	-	337,113	337,113
Assigned for education	-	-	-	-	113,567	113,567
Unassigned	3,515,047	-	-	-	-	3,515,047
Total Fund Balance	<u>3,515,047</u>	<u>2,425,330</u>	<u>1,971,052</u>	<u>1,771,028</u>	<u>1,686,826</u>	<u>11,369,283</u>
Total Liabilities and Fund Balance	<u>\$ 4,765,727</u>	<u>\$ 2,473,600</u>	<u>\$ 2,102,477</u>	<u>\$ 1,820,246</u>	<u>\$ 1,966,341</u>	<u>\$ 13,128,391</u>

The accompanying notes are an integral part of this statement.



**BOUNDARY COUNTY , IDAHO  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
September 30, 2021**

**Total fund balances - governmental funds** \$ 11,369,283

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.

The cost of the capital assets is	\$ 24,976,421	
Accumulated depreciation is	<u>(14,003,067)</u>	10,973,354

Property taxes receivable not available soon enough after fiscal year-end to pay current period's expenditures, and therefore are unavailable in the funds.	156,693
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Net pension assets do not provide current financial resources and are therefore not reported in the funds.	95,589
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Deferred outflow of resources not recognized as current period expenditures	1,379,640
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Long-term liabilities, including bonds payable and capital lease obligations, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Accrued interest	(18,556)	
Capital lease payable	(1,158,893)	
Other post-employment benefits	(201,994)	
Landfill closure & post-closure care costs	<u>(1,432,774)</u>	(2,812,217)

Deferred Inflow of resources not recognized as current period revenues	<u>(3,062,649)</u>
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**Total net position - governmental activities** **\$ 18,099,693**

The accompanying notes are an integral part of this statement.

**BOUNDARY COUNTY, IDAHO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the year ended September 30, 2021**

	<b>General</b>	<b>Road &amp; Bridge</b>	<b>Justice Fund</b>	<b>Solid Waste Fund</b>	<b>Other Non-Major Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES:</b>						
Taxes	\$ 1,112,109	\$ 136,671	\$ 1,110,291	\$ -	\$ 1,621,968	\$ 3,981,039
Fees & other non-tax revenues	285,296	3,326	192,080	1,379,554	228,326	2,088,582
Grants and receipts from other governments	1,211,681	2,605,368	2,460,693	-	2,253,024	8,530,766
Other	92,404	168,221	28,380	19,987	24,384	333,376
<b>Total Revenues</b>	<b>2,701,490</b>	<b>2,913,586</b>	<b>3,791,444</b>	<b>1,399,541</b>	<b>4,127,702</b>	<b>14,933,763</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General Government	2,476,596	-	-	-	1,605,608	4,082,204
Public Safety	93,776	-	3,517,599	-	1,106,717	4,718,092
Roads & Bridges	-	2,174,381	-	-	-	2,174,381
Sanitation	-	-	-	867,254	-	867,254
Health & Welfare	-	-	-	-	451,038	451,038
Recreation & Parks	-	-	-	-	299,460	299,460
Education	-	-	-	-	25,598	25,598
Capital Outlay	21,935	1,691,203	111,268	417,759	646,724	2,888,889
Debt Service Principal	-	308,371	-	53,135	-	361,506
Debt Service Interest	-	13,921	-	3,626	-	17,547
<b>Total Expenditures</b>	<b>2,592,307</b>	<b>4,187,876</b>	<b>3,628,867</b>	<b>1,341,774</b>	<b>4,135,145</b>	<b>15,885,969</b>
Excess (Deficiency) of Revenues over Expenditures	109,183	(1,274,290)	162,577	57,767	(7,443)	(952,206)
<b>OTHER FINANCING SOURCES (USES)</b>						
Capital lease financing	-	1,294,602	-	-	-	1,294,602
Proceeds from sale of assets	-	185,000	-	-	-	185,000
Operating transfers in (out)	402	-	(460)	-	58	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>109,585</b>	<b>205,312</b>	<b>162,117</b>	<b>57,767</b>	<b>(7,385)</b>	<b>527,396</b>
Beginning of Year	3,405,462	2,220,018	1,808,935	1,713,261	1,694,211	10,841,887
<b>FUND BALANCE, End of Year</b>	<b>\$ 3,515,047</b>	<b>\$ 2,425,330</b>	<b>\$ 1,971,052</b>	<b>\$ 1,771,028</b>	<b>\$ 1,686,826</b>	<b>\$ 11,369,283</b>

The accompanying notes are an integral part of this statement.

**BOUNDARY COUNTY, IDAHO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2021**

<b>Total net change in fund balances - governmental funds</b>	<b>\$ 527,396</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Donated capital assets are not reported in the fund financial statements.	
Depreciation expense	(\$833,368)
Capitalized expenditures	<u>2,559,443</u>
	1,726,075
The proceeds from disposition of capital assets is reported as revenue in the governmental funds. However, in the statement of activities the proceeds are reduced by the cost of assets sold to reflect gain or loss on disposal.	32,508
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	361,506
Proceeds of capital leases is a source of funds in the governmental funds, but is reflected as a long-term liability in the statement of net position.	(1,294,602)
Increase in landfill closure and post-closure care costs is only reflected as expense on the statement of net activities.	(31,057)
Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues in the governmental funds. Unavailable tax revenues decreased by this amount.	(63,036)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the expense accrues, regardless of when it is due. The additional interest in the statement of activities is accrued interest on leases.	(14,936)
The cost of PERSI and OPEB retirement benefits in the Statement of Activities differs from the amount reported in the governmental funds because these costs are recognized as an expenditure in the governmental funds when the use of current financial resources is required. In the Statement Activities however, the PERSI and OPEB obligation is recognized based on the actuarial valuation, regardless of when paid. The accrual decreased by this amount this year.	578,643
<b>Change in net position of governmental funds</b>	<b><u>\$ 1,822,497</u></b>

The accompanying notes are an integral part of this statement.

**BOUNDARY COUNTY, IDAHO**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**September 30, 2021**

	<b>Custodial Funds</b>
	<hr/>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 513,159
Taxes Receivable	<hr/> 195,930
Total Assets	<hr/> <hr/> \$ 709,089
 <b>LIABILITIES</b>	
Due to other agencies and units of government	<hr/> \$ 709,089
Total Liabilities	<hr/> <hr/> \$ 709,089

The accompanying notes are an integral part of this statement.

**BOUNDARY COUNTY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**September 30, 2021**

	<b>Total Custodial Funds</b>
	<hr/>
ADDITIONS:	
Property taxes collected for other governments	\$ 6,194,685
Licenses and permits collected for other governments	4,029,910
Fines, fees and forfeitures collected for other governments	215,865
Court	
Bonds	601,164
Restitution	16,597
Other	317,240
Miscellaneous	170,172
	<hr/>
Total Additions	11,545,633
	<hr/>
DEDUCTIONS:	
Payments of of property taxes to other governments	6,259,959
Payments to the state	4,230,197
Court	
Bonds	676,455
Restitution	16,868
Other	314,672
Miscellaneous	85,888
	<hr/>
Total Deductions	11,584,039
	<hr/>
Net increase (decrease) in net position	(38,406)
Net Position - beginning of year	<hr/> 747,495
Net Position - end of year	<hr/> <u>\$ 709,089</u>

The accompanying notes are an integral part of this statement.

**BOUNDARY COUNTY, IDAHO**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**September 30, 2021**

	<b>Business-type Activities</b>	
	<b>Community Restorium</b>	<b>Total</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 461,182	\$ 461,182
Receivables, net of uncollectible	14,895	14,895
Property taxes receivable, net	8,646	8,646
Total Current Assets	<u>484,723</u>	<u>484,723</u>
<b>Non-current Assets</b>		
Capital assets:		
Land	98,012	98,012
Buildings and Improvements	828,822	828,822
Machinery and Equipment	286,571	286,571
Less accumulated depreciation	(854,197)	(854,197)
Other assets:		
Net pension asset	14,229	14,229
Total Non-current Assets	<u>373,437</u>	<u>359,208</u>
<b>TOTAL ASSETS</b>	<u>858,160</u>	<u>843,931</u>
 Deferred Outflows of Resources	 <u>204,537</u>	 <u>204,537</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	3,820	3,820
Compensated absences	15,683	15,683
Total Current Liabilities	<u>19,503</u>	<u>19,503</u>
<b>TOTAL LIABILITIES</b>	<u>19,503</u>	<u>19,503</u>
 Deferred Inflows of Resources	 <u>455,190</u>	 <u>455,190</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	359,208	359,208
Unrestricted	228,796	228,796
<b>TOTAL NET POSITION</b>	<u>\$ 588,004</u>	<u>\$ 588,004</u>

The accompanying notes are an integral part of this statement.

**BOUNDARY COUNTY, IDAHO**  
**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**ALL PROPRIETARY FUNDS - ENTERPRISE FUNDS**  
**For the year ended September 30, 2021**

	<b>Business-type Activities</b>	
	<b>Community Restorium</b>	<b>Total</b>
<b>OPERATING REVENUES</b>		
Charges and fees, net	\$ 1,015,043	\$ 1,015,043
Total Revenue	<u>1,015,043</u>	<u>1,015,043</u>
<b>OPERATING EXPENSES</b>		
Personal services	758,566	758,566
Materials and supplies	163,805	163,805
Heat, lights and power	45,844	45,844
Benefits	347,497	347,497
Repairs & maintenance	15,479	15,479
Other (dues, training, rents, etc.)	11,159	11,159
Depreciation	17,230	17,230
Total Expenses	<u>1,359,580</u>	<u>1,359,580</u>
Loss from Operations	<u>(344,537)</u>	<u>(344,537)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Property taxes	335,321	335,321
Intergovernmental revenue	175,240	175,240
Total non-operating revenues & expense	<u>510,561</u>	<u>510,561</u>
Revenue over (under) expenses	166,024	166,024
<b>NET POSITION</b>		
Beginning of year	<u>421,980</u>	<u>421,980</u>
<b>NET POSITION</b>		
End of year	<u><u>\$ 588,004</u></u>	<u><u>\$ 588,004</u></u>

The accompanying notes are an integral part of this statement.

**BOUNDARY COUNTY, IDAHO**  
**STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUNDS**  
For the year ended September 30, 2021

	<b>Business-type Activities</b>	
	<b>Community Restorium</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received for services	\$ 1,019,536	\$ 1,019,536
Cash paid for salaries and benefits	(1,176,232)	(1,176,232)
Cash paid for supplies, professional fees & other	(235,940)	(235,940)
Net Cash Used by Operating Activities	<u>(392,636)</u>	<u>(392,636)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
County taxes received	334,006	334,006
Receipts from other governments	175,240	175,240
Net Cash Provided by Non-Capital Financing	<u>509,246</u>	<u>509,246</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Payments for additions to fixed assets	(5,140)	(5,140)
Net Cash Used in Capital & Related Financing	<u>(5,140)</u>	<u>(5,140)</u>
	111,470	111,470
CASH AT BEGINNING OF YEAR	349,712	349,712
CASH AT END OF YEAR	<u>\$ 461,182</u>	<u>\$ 461,182</u>
 <u>Reconciliation of Excess / (Deficiency) Revenues over Expenses to Net Cash Used in Operating Activities:</u>		
(Loss) from Operations	\$ (344,537)	\$ (344,537)
Depreciation	17,230	17,230
(Increase) decrease in accounts receivable	4,493	4,493
Increase (decrease) in accts. payable	347	347
Increase (decrease) in accrued expenses	(70,169)	(70,169)
Net Cash Used by Operating Activities	<u>\$ (392,636)</u>	<u>\$ (392,636)</u>

The accompanying notes are an integral part of this statement.



**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

The accompanying financial statements of Boundary County (the "County") have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, issued in June 1999. GASB is the standard-setting body for governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial Reporting Entity:

Boundary County is a political subdivision of the State of Idaho. The County is the basic level of government that has financial accountability and control over all activities related to public safety, general government, and roads and bridges in Boundary County, Idaho. It operates under an elected three-member Board of Commissioners that, as the governing body of the County, is responsible for the legislative and executive control of the County. The County receives funding from local, state and federal government sources. The County is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Board members are elected by the public and have decision-making authority, power to designate management, the ability to influence operations and, primary accountability for fiscal matters.

The County contributes to the multi-employer Public Employee Retirement System of Idaho (PERSI) and the Idaho Counties Risk Management Program (ICRMP). PERSI is administered by the State of Idaho and the Idaho Association of Counties administers ICRMP. Since the County does not administer or is not dominant in either plan, the financial statements of these plans are not included in this report. A copy of the PERSI report can be obtained from the Public Employee Retirement System of Idaho office in Boise, Idaho. A copy of the ICRMP report can be obtained from the Idaho Association of Counties Risk Management Program also in Boise, Idaho.

Component Unit

In conformity with generally accepted accounting principles, the basic financial statements of the Boundary County Ambulance District have been included in the financial reporting entity as a discretely presented component unit, emphasizing its nature as a legally separate entity from the County. The component unit is presented as a separate column within the "basic" financial statements on the combined statements.

The Boundary County Ambulance District is included as a component unit because Boundary County Commissioners act as the governing board of the Ambulance District and maintain financial accountability. Requests for additional financial information should be addressed to:

Glenda Poston, Boundary County Clerk  
6452 Kootenai Street  
P.O. Box 419  
Bonners Ferry, Idaho 83805

Basic Financial Statements – Government-Wide Statements

The Government-wide financial statements consist of the statement of net position and statement of activities that report information about the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basic Financial Statements – Government-Wide Statements (Concluded)

The Statement of Net Position presents the reporting entity's non-fiduciary assets and liabilities on a consolidated basis by column. The presentation is on the full-accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts: invested in capital assets, net of related debt; restricted; and unrestricted.

The County funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The Statement of Activities demonstrates the degree to which the direct expenses of governmental functions and business-type activities are offset by program revenues. The statement presents a comparison between direct expenses and program revenues for the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or functions and, therefore, are clearly identifiable to a particular function.

Amounts reported as program revenues include 1) fees, fines and charges to customers or applicants for goods or services offered by the programs, 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular program, and 3) capital grants and contributions restricted to a particular program. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County enterprise fund (Community Restorium) are charges to residents for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the County are recorded in individual funds to report the financial position and results of operations of the County. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

Separate fund financial statements are presented for the governmental, proprietary, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. The emphasis in the fund statements is on major funds. Major governmental and business-type funds are reported as separate columns in the fund statements. The remaining governmental funds are considered to be non-major and are consolidated in an "other" funds column (on the combined fund statements). GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses) for the determination of major funds.

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The following fund types are used by Boundary County:

*Governmental Fund Types*

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

- The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- The Road and Bridge Fund is a special revenue fund used to account for the activities related to the maintenance and improvement of the County road and bridge system.
- The Justice Fund is a special revenue fund used to account for the activities of the County Sheriff, Prosecuting Attorney and Juvenile Probation.
- The Solid Waste Fund is a special revenue fund used to account for the activities related to the operation, maintenance and expenditures at the County landfill.

*Proprietary Fund Types*

Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Community Restorium is reflected on these financial statements as a proprietary fund of the primary government.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Community Restorium are derived from charges for residential rental and related services. Operating expenses for enterprise funds include the cost of providing the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Fiduciary Fund Types*

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for others. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds are used as tax collection funds to account for property taxes billed and collected by Boundary County on behalf of other governmental units and to reflect assets pending determination of the fund to be financed.

Reconciling Government-Wide Statements to the Fund Statements

The governmental fund statements include reconciliation between the fund statements and the government-wide statements. Differences that make reconciliation necessary include the two differing measurement focuses and bases of accounting between the statements.

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus.

*Measurement Focus*

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in accrual below.

*Basis of Accounting – Accrual*

Governmental activities in the government-wide financial statements and all proprietary funds are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

*Basis of Accounting - Modified Accrual*

The governmental funds financial statements are presented on the modified accrual basis of accounting and the flow of expendable financial resources (measurement focus). Under the modified accrual basis of accounting, revenues are recorded when they are both measurable and available (often referred to as susceptible to accrual). Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and the actual collection will occur either (a) during the current period or (b) after the end of the period but in time to pay fund liabilities. The County considers revenues to be available if they are expected to be collected within 60 days of year-end. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Only current assets and current liabilities generally are included on the balance sheet under the modified accrual method of accounting. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. Although the County has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the County has chosen not to do so.

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

The County pools cash resources of its various funds to facilitate the management of cash. The accounting records of each fund reflect its portion in the pooled cash. The County considers highly-liquid investments to be cash equivalents if they have a maturity of three months or less when purchased. Idaho Code Section 67, Chapter 12, provides authorization for the investment of funds as well as what constitutes an allowable investment. County policy is consistent with the State Code.

The Code limits investments to the following general types:

- Certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of state and local governmental entities.
- Time deposit accounts, tax anticipation and interest-bearing notes.
- Bonds, treasury bills, debentures, or similar obligations of the United States Government, and United States Government Agencies.
- Repurchase agreements secured by the above.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources until that time. In the government-wide statements, deferred outflows relate to the accounting for the net pension obligation in accordance with GASB 68, *Accounting and Financial Reporting for Pensions*.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to future periods and will not be recognized as revenue until that time. On the governmental fund financial statements, property taxes that are delinquent are recorded as deferred inflow of resources - unavailable revenue, since they are not available within 60 days of the fiscal year end. In the government-wide statements, deferred inflows relate to the accounting for the net pension obligation in accordance with GASB 68 *Accounting and Financial Reporting for Pensions*.

Receivables

In the government-wide statements, receivables consist of revenues earned at year-end and not yet received. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Boundary County Indigent services pays medical bills eligible under Idaho Code 31-3510A. This assistance obligates the applicant to reimburse the County. The County tracks the receivable but does not recognize the receivable due to the un-measurable collectability of the accounts involved.

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fixed Assets

The accounting treatment over fixed assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

*Government-Wide Statements*

In the government-wide financial statements, fixed assets are accounted for as capital assets. The County defines capital assets as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their fair market value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocable expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: Buildings 30 years; Machinery and equipment 3 to 15 years; Vehicles 3 to 8 years.

Although not capitalized, all purchases of property, plant and equipment with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years are tracked for management control and inventory purposes.

*Fund Financial Statements*

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements. The County elects not to report major infrastructure assets retroactively.

Compensated Absences

The County's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The entire liability for these compensated absences is recorded as a current debt in the government-wide statements and in the governmental and proprietary funds based on historical trends. The current liability increased by \$7,383 during the year ended September 30, 2021.

Sick pay benefits that have been earned, but probably will be used only for sick leave, are not accrued, but rather are recorded as an expenditure when employees or replacements are paid for days not worked due to illness.

Grants and Other Intergovernmental Revenues

Federal and State reimbursement-type grants are recorded as revenues when the related expenditures/expenses are incurred and, in the Governmental Funds, when the revenues meet the availability criterion. For programs that are supported by multiple funding sources, federal and state grant monies are applied to expenditures first.

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of capital lease obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Equity Classifications

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – Consists of the net assets with constraints placed on the use either by (1) external groups such as creditors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted – The residual amount that does not meet the definition of restricted or invested in capital assets, net of related debt.

*Fund Balances of Fund Financial Statements*

Governmental fund equity is classified as fund balance in accordance with GASB-54. This standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints imposed upon how resources reported in governmental funds may be used. Fund balance is classified as restricted, assigned and unassigned.

The County reports the following classifications as applicable:

- Non-spendable Fund Balance – Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in a spendable form - such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.
- Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions are placed on fund balances when legally enforceable legislation establishes a specific purpose for the funds. Legal enforceability means that the County can be compelled by an external party (e.g., citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purpose specified by the legislation.

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fund Balances of Fund Financial Statements (Concluded)*

- Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the governing board. Amounts in the committed fund balance classification may be used for other purposes with the appropriate due process by the governing board. Committed fund balances differ from restricted fund balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
  
- Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the secretary/treasurer, or (b) an appointed body (e.g. a budget or finance committee) or official to which the governing board have delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balances include: (a) all remaining amounts that are reported in governmental funds (other than the general fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the fund itself.
  
- Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents general fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Proprietary fund equity is classified the same as in the government-wide statements.

Budgets and Budgetary Accounting

The County follows these procedures in establishing budgetary data:

The County Auditor as budget officer prepares a preliminary budget by the first Monday of August.

- After review and agreement by the County Commissioners the budget officer publishes the amount proposed to be appropriated to each county office or agency.
- On the Tuesday following the first Monday in September the County Commissioners must meet to adopt a final budget.
- After adoption of the final budget, it is the duty of the County Auditor to see that the provisions of the budget are complied with.
- The County budget cycle begins with the request for budget estimates by the County Auditor and ends with completion of the fiscal year. The fiscal year begins October 1<sup>st</sup> and ends September 30<sup>th</sup>.

Formal budget integration is employed as a management control device for the General Fund and Special Revenue Funds. Budgets for the General and Special Funds are adopted on a basis consistent with generally accepted accounting principles. The budget was amended various times in the year to reflect the receipt of unanticipated revenue.



**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability and pension expense, information about 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.

**NOTE 2 - CASH AND INVESTMENTS**

On September 30, 2021, the County's cash on hand was \$250. The carrying amount of cash and deposits including proprietary and fiduciary funds was \$13,707,582 and the bank balance was \$15,035,242. The difference represents deposits in transit and outstanding warrants. The County has experienced a market gain of \$43,863 based on market value compared to original cost at year-end. Since the intent of management is to hold the securities to maturity, the gain has not been recorded.

The County's bank balances including fiduciary funds at September 30, 2021 consisted of the following:

Carrying value:

Cash and cash equivalents	\$11,788,447
Assets limited as to use	944,794
Proprietary funds cash & cash equivalents	461,182
Fiduciary funds cash & cash equivalents	513,159
	<u>\$13,707,582</u>

On September 30, 2021, none of the County's bank balance of \$15,035,242 was subject to custodial credit risk.

The elected State Treasurer, following Idaho Code, is authorized to sponsor an investment pool that the County voluntarily participates in. The Joint Powers Investment Pool was established as a cooperative endeavor to enable public entities of the State of Idaho to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Local Government Investment Pool is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body – oversight is with the State Treasurer, and the Idaho Code defines allowable investments. The State Legislative Auditors Office conducts an annual audit of the Joint Powers Investment Pool.

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 2 - CASH AND INVESTMENTS (Concluded)**

Through a “Cash Management Sweep Account and Automatic Daily Repurchase Agreement”, the County invests idle cash in uninsured repurchase agreements. The repurchase agreement is fully collateralized with an undivided, fractional interest in obligations of, or obligations that are fully guaranteed by the United States government, its agencies or instrumentalities. Titles to the securities are vested in the bank. The bank repurchases the undivided, fractional interest from the County on the next banking day.

Custodial Credit Risk - For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the financial institution, the County will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk outside of the deposit and investment agreements.

Concentration Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County does not have a policy regarding concentration credit risk. As of September 30, 2021, the following issuers hold more than 5% of the County’s total portfolio: State of Idaho Investment Pool – 37%, Columbia Bank 32%, Mountain West Bank – 22%, Multi-Bank Securities – 7%.

Credit Risk - Credit risk is the risk that an issuer of debt securities or another counter-party to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody’s, Standards & Poors and Fitch’s. The investments of the County are not rated and the County does not restrict them to rated investments.

For the year ended September 30, 2021 it was the policy of the County to assign the investment earnings to the Justice Fund and General Fund.

**NOTE 3 – CAPITAL ASSETS**

Governmental capital asset activity for the year ended September 30, 2021 was as follows:

	<u>Balance</u> <u>9/30/2020</u>	<u>Increases</u>	<u>Disposals</u>	<u>Balance</u> <u>9/30/2021</u>
<b>Governmental Capital Assets:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,955,873	\$ -	\$ -	\$ 1,955,873
Other	152,822	325,930	-	478,752
Total capital assets, not being depreciated	<u>2,108,695</u>	<u>325,930</u>	<u>-</u>	<u>2,434,625</u>
Capital assets, being depreciated:				
Buildings, improvements, & infrastructure	12,432,712	302,666	-	12,735,378
Machinery and equipment	8,319,608	2,107,209	(620,399)	9,806,418
Total capital assets being depreciated	<u>20,752,320</u>	<u>2,409,875</u>	<u>(620,399)</u>	<u>22,541,796</u>
Less accumulated depreciation:				
Buildings, improvements, & infrastructure	6,593,927	461,093	-	7,055,020
Machinery and equipment	7,052,317	372,275	(476,545)	6,948,047
Total accumulated depreciation	<u>13,646,244</u>	<u>833,368</u>	<u>(476,545)</u>	<u>14,003,067</u>
Total capital assets, being depreciated, net	<u>7,106,076</u>	<u>1,576,507</u>	<u>(143,854)</u>	<u>8,538,729</u>
Governmental activities capital assets, net	<u>\$ 9,214,771</u>	<u>\$ 1,902,437</u>	<u>\$ (143,854)</u>	<u>\$ 10,973,354</u>

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 3 – CAPITAL ASSETS (Concluded)**

Depreciation expense was charged to governmental activities as follows:

General government	\$ 284,624
Public safety	147,244
Streets	292,347
Sanitation	80,828
Parks	28,325
Total depreciation expense	<u>\$ 833,368</u>

Business-type capital asset activity for the year ended September 30, 2021 was as follows:

	<u>Balance 9/30/2020</u>	<u>Increases</u>	<u>Disposals</u>	<u>Balance 9/30/2021</u>
<b>Business-type Capital Assets:</b>				
Capital assets, not being depreciated:				
Land	\$ 98,012	\$ -	\$ -	\$ 98,012
Total capital assets, not being depreciated	<u>98,012</u>	<u>-</u>	<u>-</u>	<u>98,012</u>
Capital assets, being depreciated:				
Building and improvements	828,822	-	-	828,822
Machinery and equipment	281,430	5,140	-	286,570
Total capital assets being depreciated	<u>1,110,252</u>	<u>5,140</u>	<u>-</u>	<u>1,115,392</u>
Less accumulated depreciation:				
Building and improvements	616,741	10,272	-	627,013
Machinery and equipment	220,226	6,957	-	227,183
Total accumulated depreciation	<u>836,967</u>	<u>17,229</u>	<u>-</u>	<u>854,196</u>
Total capital assets, being depreciated, net	<u>273,285</u>	<u>(12,089)</u>	<u>-</u>	<u>261,196</u>
Business-type capital assets, net	<u>\$ 371,297</u>	<u>\$ (12,089)</u>	<u>\$ -</u>	<u>\$ 359,208</u>

**NOTE 4 - LONG-TERM DEBT**

All long-term debt is from governmental activities.

At September 30, 2021, the governmental long-term debt of the financial reporting entity consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Net pension liability (asset)	\$ 2,812,575	\$ -	\$(2,908,164)	\$ (95,589)	\$ -
Capital leases	225,796	1,294,602	(361,505)	1,158,893	232,478
Landfill closure	1,401,717	31,057	-	1,432,774	-
Other post-employment benefits	182,766	19,228	-	201,994	-
Governmental activities long-term debt	<u>\$ 4,622,854</u>	<u>\$ 1,344,887</u>	<u>\$(3,269,669)</u>	<u>\$ 2,698,072</u>	<u>\$ 232,478</u>
Business-type activities:					
Net pension liability (asset)	<u>\$ 394,951</u>	<u>\$ -</u>	<u>\$ (409,180)</u>	<u>\$ (14,229)</u>	<u>\$ -</u>

**BOUNDARY COUNTY, IDAHO  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 5 - CAPITALIZED LEASES**

The County has entered into capital leases for equipment and facilities under terms ranging to 120 months, which include a non-appropriation clause that allows the County to avoid incurring indebtedness obligating a future year's budget or revenues. Assets costing \$1,503,327 are recorded under capital leases, which carry interest rates of 1.7% to 3.85%. The leases are paid from the Road and Bridge and Solid Waste Funds.

Future minimum payments under capital leases together with present value of the minimum lease payments at September 30, 2021 are:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2022	\$ 232,478	\$ 26,386	\$ 258,864
2023	181,842	23,346	205,188
2024	175,594	17,987	193,581
2025	125,935	12,795	138,730
2026	235,325	9,514	244,839
Thereafter	207,719	4,281	212,000
	<u>\$1,158,893</u>	<u>\$ 94,309</u>	<u>\$ 1,253,202</u>

**NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

The County's financial instruments are cash and cash equivalents, receivables, accounts payable, capital leases payable and long-term debt. The recorded values of cash and cash equivalents, receivables, and accounts payable approximate their fair value based on their short-term nature. The recorded values of capital leases and long-term debt approximate their fair values, as interest approximates market rates.

**NOTE 7 – PENSION PLAN**

*Plan Description*

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

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 7 – PENSION PLAN (Continued)**

*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 the highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

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

*Member and Employer Contributions*

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation 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) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% (of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2021, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The County's contributions were \$621,591 for the year ended September 30, 2021.

*Pension Liabilities (Asset), Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At September 30, 2021, the County reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The County's proportion of the net pension asset was based on the County's share of contributions in the Base Plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2021, the County's proportion was .0013904923 percent.

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 7 – PENSION PLAN (Continued)**

For the year ended September 30, 2021, the County recognized pension expense (revenue) of (\$56,759). As of September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 161,802	\$ 63,834
Changes in assumptions or other inputs	1,266,137	-
Net difference between projected and actual earnings on pension plan investments	-	3,454,005
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
County's contributions subsequent to the measurement date	156,238	-
Total	\$ 1,584,177	\$ 3,517,839

The \$156,238 reported as deferred outflows of resources related to pensions resulting from employer contributions made subsequent to the measurement date will be recognized as an addition to the plan pension expense or reduction of the plan pension revenue in the year ending June 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019 the beginning of the measurement period ended June 30, 2020 is 4.7 years and 4.6 for the measurement period June 30, 2021.

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

<b>Year ended</b>	
2022	(491,818)
2023	(443,229)
2024	(387,331)
2025	(767,522)

***Actuarial Assumptions***

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

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 7 – PENSION PLAN (Continued)**

The total pension asset in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

**Contributing Members, Service Retirement Members, and Beneficiaries**

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

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Asset as of June 30, 2021 is based on the results of an actuarial valuation date July 1, 2021.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2021.

**BOUNDARY COUNTY, IDAHO  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 7 – PENSION PLAN (Continued)**

*Capital Market Assumptions:*

**Capital Market Assumptions from Callan 2021**

<u>Asset Class</u>	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	-0.2%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

*Discount Rate*

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



**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 7 – PENSION PLAN ( Concluded)**

*Sensitivity of the Employer’s proportionate share of the net pension liability to changes in the discount rate.*

The following presents the Employer’s proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer’s proportionate share of the net pension liability (asset)	\$ 6,621,604	\$ (109,818)	\$ 423,700

*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](http://www.persi.idaho.gov).

*Payables to the pension plan*

On September 30, 2021, the County did not have any payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**NOTE 8 - PROPERTY TAXES**

Property tax revenues are recognized when received or, if received within the two-month period subsequent to year-end, are accrued on the fund financial statements. Property tax revenues are recognized when levied, with appropriate accrual made at year-end on the government-wide financial statements. The County’s property taxes, levied on the Thursday prior to the second Monday in September on a market value basis, are billed to the taxpayers in November. Half of the real, personal, and mobile home property taxes are due on December 20 and the remainder is due the following June 20. Occupancy taxes are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year.

Delinquent property tax receivable is recognized as revenue in the government-wide financial statements. Only the portion that meets the revenue recognition criteria is recognized as revenue on the fund financial statements.

Under State law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Boundary County bills and collects property taxes for other Tax Districts.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no material allowance for uncollectible taxes.

**BOUNDARY COUNTY, IDAHO  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 9 – CONTINGENCIES**

In the normal course of operations, the County receives grant funds from various Federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. There is then the possibility of potential liability as determined by a sponsoring organization audit, if such an audit would occur.

**NOTE 10 – OTHER POST- EMPLOYMENT BENEFITS**

*Plan Description:*

Boundary County's Post-Retirement Healthcare Plan is administered by the Government Employee Retirement Plan (GemPlan). GemPlan provides medical, dental, and vision coverage for eligible retirees and eligible dependents. Eligible retirees include employees who are age 55 or older and have completed 20 years of continuous service with Boundary County or is an elected official who has completed 5 years of continuous service with Boundary County. Early retirees are eligible for coverage until the early retiree is eligible for Medicare. The County has 106 active participants in the plan and 0 retiree and 0 spouse receiving benefits.

*Funding Policy:*

Boundary County had not established a fund to supplement the costs for the OPEB obligation. The required contribution is made on a pay-as-you-go basis (PAYGO). There is no requirement to pre-fund benefits under GASB 75. However, continuing a PAYGO basis creates a Total OPEB Liability (TOL) on the balance sheet.

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

The County's September 30, 2021 total OPEB liability of \$201,994 was measured on October 1, 2020 and was based on an actuarial valuation as of October 1, 2020. For the year ended September 30, 2021, the County recognized OPEB expense of \$16,325. As of September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$0	\$0
Changes in assumptions or other inputs	468	4,700
County's contributions subsequent to the measurement date	5,098	0
Total	\$5,566	\$4,700

Boundary County contributions subsequent to the measurement date of \$5,098 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended</b>	
9/30/2022	(\$2,115)
9/30/2023	(2,117)

**BOUNDARY COUNTY, IDAHO  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 10 – OTHER POST- EMPLOYMENT BENEFITS (Continued)**

*Actuarial assumptions:*

The total OPEB liability was determined by an actuarial valuation as of October 1, 2020 and a measurement date as of October 1, 2020. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial cost method	Entry age, level percentage pay
Inflation rate	2.50%
Salary Increases	3.00%
Medical trend rate	6.5% grading to 5% over 6 years
Discount rate	3.00%
20 year Municipal Bond Yield	3.00%

*Assumption Changes:*

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General Safety) with MP-2019 Generalization Improvements Scale.
- The salary increase rates were changed from a flat 3.00% for all employees to rates which vary by service.
- The discount rate was 3.00%.

There were no changes in the methods since the prior measurement date.

The following is a schedule of changes in the net OPEB liability:

Total OPEB Liability - Beginning of Year		\$182,766
Changes for the year:		
Service cost	\$17,591	
Interest cost	5,947	
Assumption changes	0	
Plan changes	0	
Differences between Expected and Actual Experience	0	
Benefit payments	(4,310)	
Other changes	0	
Net Changes	19,228	19,228
Total OPEB Liability - End of Year		\$201,994

**BOUNDARY COUNTY, IDAHO  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 10 – OTHER POST- EMPLOYMENT BENEFITS (Concluded)**

The following presents the total OPEB liability of Boundary County as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.0 percent) or 1-percentage point higher (4.0 percent) than the current discount rate.

	1% Decrease (2%)	Current Disc. Rate (3%)	1% Increase (4%)
Total OPEB Liability.	\$220,460	\$201,994	\$184,780

As of September 30, 2021, the County did not have any outstanding contributions due and payable to the plan.

**NOTE 11 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 14, 2022, the date the financial statements were available to be issued. Management has concluded that there are no subsequent events that justify disclosure.

**NOTE 12 – ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund and special revenue funds. This is in conformance with Idaho State Statutes, which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation.

**NOTE 13 - FUND EQUITY**

Reservations or restrictions of fund equity of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below.

*Restricted for Landfill Closure:*

This restriction was created to segregate the portion of the fund equity for landfill closure and post-closure care costs. The reservation was established to satisfy legal restrictions imposed by the State Department of Environmental Quality.

*Donor-Restricted Funds:*

Donor-restricted funds are used to differentiate resources, the use of which is restricted by donors or grantors, from resources of general funds on which donors or grantors place no restriction or that arise as a result of operations. Restricted gifts and other restricted resources are recorded as additions to the appropriate restricted fund. Resources restricted by donors or grantors for specific operating purposes are reported in other revenue to the extent used within the period.

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 14 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS**

State and Federal laws and regulations require that Boundary County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, a liability is being recognized based on estimated future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care costs has a balance of \$1,432,774 that is based on 33.44% usage (filled) of the landfill. It is estimated that an additional \$2,851,970 will be recognized as closure and post-closure care cost between the date of the balance sheet and the date the landfill is expected to be filled to capacity, which is estimated to be in 40-100 years. The estimated cost of \$4,284,744 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2021. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Federal laws and regulations require the County to adopt a mechanism to demonstrate financial assurance that funds necessary to meet the costs of closure and post-closure care will be available. The County's funding plan included establishing a landfill closure trust fund administered by the treasurer of Boundary County. The County intends to fund the trust annually in an amount to cover the full cost of closure. At September 30, 2021 the fund held cash and other assets in the amount of \$944,794. The cash is restricted as to use only for landfill closure and post-closure costs.

**NOTE 15 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member in the Idaho Counties Risk Management Program (ICRMP). ICRMP was created to provide risk management and insurance services to public entities in Idaho. ICRMP itself is a public entity. The County pays an annual premium for all risks of physical loss or damage to real and personal property, general liability, board legal liability and employee dishonesty. Under the terms of the ICRMP policy, Boundary County's liability is limited to the amount of annual financial membership contributions plus \$1,000 per occurrence deductible. The risk management is funded by an annual property tax tort levy, which has no maximum levy limit.

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 16 – SEGMENT INFORMATION – ENTERPRISE FUNDS**

Boundary County financial reports include one enterprise fund that is intended to be self-supporting through user fees charged to the public. The Community Restorium, which derives income from residential rental and related services, is reflected on these financial statements as an enterprise fund of the primary government.

Financial segment information as of and for the year ended September 30, 2021 is presented below:

Operating revenues	\$1,015,043
(Loss) from operations	(341,577)
Non-operating income	510,561
Changes in net position	168,984
Net working capital	468,180
Total assets	858,160
Total current liabilities	16,543
Beginning net position	421,980
Ending net position	590,964
Cash (used) by operating activities	(392,636)
Cash provided by non-capital financing	509,246
Cash Used in Capital & Related Financing	(5,140)
Beginning cash and cash equivalents	349,712
Ending cash and cash equivalents	461,182

## **OTHER FINANCIAL INFORMATION**

**BOUNDARY COUNTY, IDAHO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET COMPARISON SCHEDULE - GENERAL FUND**  
**For the year ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable- (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,097,888	\$ 1,097,888	\$ 1,112,109	\$ 14,221
Fees & other non-tax revenues	176,300	176,300	285,296	108,996
Grants and receipts from other governments	611,585	849,802	1,211,681	361,879
Other	45,000	50,000	92,404	42,404
Total Revenues	<u>1,930,773</u>	<u>2,173,990</u>	<u>2,701,490</u>	<u>527,500</u>
<b>EXPENDITURES:</b>				
Current:				
General government:				
Salaries	1,075,640	1,075,640	955,958	119,682
Benefits	658,450	658,450	576,907	81,543
Other	1,537,705	1,780,922	943,731	837,191
Public safety:				
Salaries	74,230	74,230	62,751	11,479
Benefits	24,800	24,800	22,400	2,400
Other	38,900	38,900	8,625	30,275
Capital Outlay	1,294,600	1,294,600	21,935	1,272,665
Total Expenditures	<u>4,704,325</u>	<u>4,947,542</u>	<u>2,592,307</u>	<u>2,355,235</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(2,773,552)	(2,773,552)	109,183	2,882,735
OTHER FINANCING SOURCES (USES) Operating transfers in (out)	-	-	402	402
NET CHANGE IN FUND BALANCE	(2,773,552)	(2,773,552)	109,585	2,883,137
FUND BALANCE - Beginning of year	<u>2,773,552</u>	<u>2,773,552</u>	<u>3,405,462</u>	<u>631,910</u>
FUND BALANCE - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,515,047</u>	<u>\$ 3,515,047</u>



**BOUNDARY COUNTY , IDAHO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET COMPARISON SCHEDULE - ROAD & BRIDGE FUND**  
**For the year ended September 30, 2021**

REVENUES:	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable- (Unfavorable)
	Original	Final		
Taxes	\$ 133,466	\$ 133,466	\$ 136,671	\$ 3,205
Fees & other non-tax revenues	-	-	3,326	3,326
Grants and receipts from other governments	2,203,000	2,203,000	2,605,368	402,368
Other	1,250	1,250	168,221	166,971
Total Revenues	<u>2,337,716</u>	<u>2,337,716</u>	<u>2,913,586</u>	<u>575,870</u>
EXPENDITURES:				
Current:				
Roads & Bridges:				
Salaries	830,500	830,500	808,842	21,658
Benefits	612,100	612,100	573,863	38,237
Other	1,901,806	1,901,806	791,676	1,110,130
Capital Outlay	501,676	686,676	1,691,203	(1,004,527)
Debt Service	-	-	322,292	(322,292)
Total Expenditures	<u>3,846,082</u>	<u>4,031,082</u>	<u>4,187,876</u>	<u>(156,794)</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,508,366)	(1,693,366)	(1,274,290)	419,076
OTHER FINANCING SOURCES (USES)				
Capital lease financing	-	-	1,294,602	1,294,602
Proceeds from sale of assets	-	185,000	185,000	-
NET CHANGE IN FUND BALANCE	(1,508,366)	(1,508,366)	205,312	1,713,678
FUND BALANCE - Beginning of year	<u>1,508,366</u>	<u>1,508,366</u>	<u>2,220,018</u>	<u>711,652</u>
FUND BALANCE - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,425,330</u>	<u>\$ 2,425,330</u>

**BOUNDARY COUNTY, IDAHO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET COMPARISON SCHEDULE - JUSTICE FUND**  
**For the year ended September 30, 2021**

REVENUES:	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable- (Unfavorable)
	Original	Final		
Taxes	\$ 2,144,415	\$ 2,144,415	\$ 1,110,291	\$ (1,034,124)
Fees & other non-tax revenues	180,604	196,568	192,080	(4,488)
Grants and receipts from other governments	1,051,804	1,073,673	2,460,693	1,387,020
Other	25,000	25,807	28,380	2,573
Total Revenues	<u>3,401,823</u>	<u>3,440,463</u>	<u>3,791,444</u>	<u>350,981</u>
EXPENDITURES:				
Current:				
Public safety:				
Salaries	1,885,400	1,900,866	1,900,704	162
Benefits	1,246,900	1,246,900	1,180,415	66,485
Other	805,625	811,448	436,480	374,968
Capital Outlay	340,500	357,851	111,268	246,583
Total Expenditures	<u>4,278,425</u>	<u>4,317,065</u>	<u>3,628,867</u>	<u>688,198</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	-	-	(460)	(460)
NET CHANGE IN FUND BALANCE	(876,602)	(876,602)	162,117	(337,677)
FUND BALANCE - Beginning of year	<u>876,602</u>	<u>876,602</u>	<u>1,808,935</u>	<u>932,333</u>
FUND BALANCE - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,971,052</u>	<u>\$ 594,656</u>

**BOUNDARY COUNTY , IDAHO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET COMPARISON SCHEDULE - SOLID WASTE FUND**  
**For the year ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable- (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Fees & other non-tax revenues	\$ 1,168,000	\$ 1,168,000	\$ 1,379,554	\$ 211,554
Other	-	-	19,987	19,987
Total Revenues	<u>1,168,000</u>	<u>1,168,000</u>	<u>1,399,541</u>	<u>231,541</u>
<b>EXPENDITURES:</b>				
Current:				
Sanitation:				
Salaries	347,000	347,000	312,241	34,759
Benefits	230,300	230,300	208,459	21,841
Other	390,050	390,050	346,554	43,496
Capital Outlay	201,000	527,000	417,759	109,241
Debt Service	-	-	56,761	(56,761)
Total Expenditures	<u>1,168,350</u>	<u>1,494,350</u>	<u>1,341,774</u>	<u>152,576</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(350)	(326,350)	57,767	384,117
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	326,000	-	-
NET CHANGE IN FUND BALANCE	(350)	(350)	57,767	384,117
FUND BALANCE - Beginning of year	<u>350</u>	<u>350</u>	<u>1,713,261</u>	<u>1,712,911</u>
FUND BALANCE - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,771,028</u>	<u>\$ 2,097,028</u>

**BOUNDARY COUNTY**

**Schedule of Employer's Share of Net Pension Liability  
PERSI – Base Plan  
Last 10 – Fiscal Years \***

	2015	2016	2017	2018	2019	2020	2021
County's portion of the net pension liability	0.001325237	0.001326129	0.001321563	0.001336672	0.001347314	0.001381285	0.0013904923
County's proportionate share of the net pension liability or (asset)	\$1,745,122	\$2,688,267	\$2,077,270	\$1,971,615	\$1,537,921	\$3,207,526	(\$109,818)
County's covered-employee payroll	\$3,691,376	\$3,869,827	\$4,082,019	\$4,276,947	\$4,550,582	\$4,865,081	\$5,123,705
County's proportional share of the net pension liability / (asset) as a percentage of its covered-employee payroll	47.28%	69.47%	50.89%	46.10%	33.79%	65.93%	-2.14%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%	100.36%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Data reported is measured as of June 30 (measurement date)

**Schedule of Employer Contributions  
PERSI – Base Plan  
Last 10 – Fiscal Years \***

	2015	2016	2017	2018	2019	2020	2021
Statutorily required contribution	\$419,279	\$448,376	\$468,773	\$493,696	\$534,462	\$593,464	\$621,591
Contributions in relation to the statutorily required contribution	\$419,279	\$448,376	\$468,773	\$493,696	\$534,462	\$593,464	\$621,591
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District's covered-employee payroll	\$3,683,229	\$3,939,320	\$4,118,441	\$4,337,465	\$4,631,848	\$4,955,066	\$5,176,220
Contributions as a percentage of covered-employee payroll	11.38%	11.38%	11.38%	11.38%	11.53%	11.98%	12.01%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Data is reported as of September 30 (measurement date).

**BOUNDARY COUNTY**  
**Schedule of Employer's Share of Net OPEB Liability**  
**Post-Retirement Healthcare Plan**  
**Last 10 – Fiscal Years \***

	2018	2019	2020	2021
Total OPEB Liability - Beginning of Year	\$164,932	\$173,110	\$182,121	\$182,766
Changes for the year:				
Service cost	13,099	13,492	17,037	17,591
Interest cost	6,041	6,343	6,716	5,947
Assumption changes	0	0	0	0
Plan changes	0	0	938	0
Differences between Expected and Actual Experience	0	0	(9,400)	0
Benefit payments	(10,962)	(10,824)	(14,646)	(4,310)
Other changes	0	0	0	0
Net Changes	8,178	9,011	645	19,228
Total OPEB Liability - End of Year	\$173,110	\$182,121	\$182,766	\$201,994

**Schedule of Employer Contributions**  
**Post-Retirement Healthcare Plan**  
**Last 10 – Fiscal Years \***

	2018	2019	2020	2021
Actuarial determined employer contribution	\$19,140	\$19,835	\$15,291	\$23,538
Contribution in relation to actuarial determined contribution	10,962	10,824	14,646	4,310
Contribution deficiency	8,178	9,011	645	19,228
Employer covered-employee payroll	3,716,825	3,828,330	4,188,539	4,324,667
Contribution as a percentage of covered employee payroll	5.0000%	5.0000%	4.0000%	5.0000%

**Notes**

The total OPEB liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50%
Salary Increases	3.00%
Medical trend rate	6.25% grading to 5% over 6 years
Discount rate	3.00%
20-year Municipal Bond Yield	3.00%

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale.

\* 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 County will present information for those years for which information is available.

**ADDITIONAL AUDITOR'S REPORTS AND SCHEDULES**



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

Board of Commissioners  
Boundary County  
Bonners Ferry, Idaho 83805

### **Report on Compliance for Each Major Federal Program**

I have audited Boundary County, Idaho's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Boundary County's major federal programs for the year ended September 30, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of Boundary County's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Boundary County's compliance.

#### ***Opinion on Each Major Federal Program***

In my opinion, the Boundary County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

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

**Report on Internal Control over Compliance**

Management of Boundary County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.

March 14, 2022

*Scott P. Hoover, CPA*

Scott Hoover CPA, PLLC  
Coeur d'Alene, Idaho





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

Board of Commissioners  
Boundary County  
Bonners Ferry, Idaho 83805

I 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, and the discretely presented Ambulance District component unit of Boundary County, Bonners Ferry, Idaho, as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise Boundary County, Idaho's basic financial statements, and have issued my report thereon dated March 14, 2022.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

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

**Compliance and Other Matters**

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

**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 (Concluded)**

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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.

March 14, 2022

*Scott P. Hoover, CPA*

Scott Hoover CPA, PLLC  
Coeur d'Alene, Idaho

**BOUNDARY COUNTY, IDAHO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the year ended September 30, 2021**

FEDERAL GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Pass-through Grantors Number	Passed Through to Subrecipients	Disbursements/ Expenditures
<u>U.S. Dept. of Interior</u>				
Direct Assistance:				
Payment in Lieu of Taxes	15.226	none	\$ -	\$ 654,824
National Wildlife Refuge Fund	15.659	none	-	9,469
<u>U.S. Dept. of Agriculture</u>				
Passed through State of Idaho:				
Schools & Roads Grants to State	10.665	none	218,781	510,488
Cooperative Forestry Assistance	10.664	17-DG-11010000	-	24,029
State & Private Forestry Hazardous Fuel Reduction	10.697	18-DG-11010000	-	89,980
<u>U.S. Election Assistance Commission</u>				
Passed through State of Idaho:				
2018 HAVA Election Security Grants	90.404	ID20101CARES-01		30,923
<u>U.S. Dept. of Homeland Security</u>				
Passed through the State of Idaho:				
Boating Safety Financial Assistance	97.012	14.01.16	-	5,460
Homeland Security Grant Program	97.067	VARIOUS	-	57,623
Emergency Management Performance Grants	97.042	VARIOUS	-	26,600
<u>U.S. Dept. of Health &amp; Human Services</u>				
Direct Assistance:				
Provider Relief Funds	93.498	none	-	19,326
<u>U.S. Dept. of Transportation</u>				
Direct Assistance:				
Airport Improvement Program	20.106	VARIOUS	-	555,948
Passed through the State of Idaho:				
Highway Planning & Construction	20.205		-	2,080
State & Community Highway Safety	20.600		-	6,107
National Priority Safety Programs	20.616		-	2,500
<u>U.S. Dept. of Treasury</u>				
Passed through the State of Idaho:				
Coronavirus Relief Fund	21.019	20-1892-0-1-806	-	1,515,384
Coronavirus Relief Fund - Broadband	21.019		-	1,059,056
<b>Total Federal Financial Assistance</b>			<b>\$ 218,781</b>	<b>\$ 4,569,797</b>

**BOUNDARY COUNTY, IDAHO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**SEPTEMBER 30, 2021**

SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards includes all federal financial assistance received and expended by the County including direct assistance and assistance passed through the State of Idaho.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Boundary County and is presented on the modified accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Major Programs

For purposes of distinguishing between Type A and Type B programs, the dollar threshold used was \$750,000.

3. Programs Tested

In accordance with Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Boundary County met the criteria of a low-risk auditee

U.S. Department of Treasury  
Passed through the State of Idaho  
Coronavirus Relief Fund

CFDA # 21.019

4. Amount Provided to Sub-recipient

Boundary County School District No. 101 was provided \$218,781 as a sub-recipient of the Secure Payments to States and Counties Containing Federal Lands CFDA #10.665 program.

5. Indirect Cost

Boundary County did not elect to use the 10% de minimis indirect cost rate.

**BOUNDARY COUNTY, IDAHO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended September 30, 2021**

**Section I Summary of Auditors Results**

Financial Statements

Type of auditor's report issued:	Unmodified.
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Non-compliance material to the financial statements noted?	No

Federal Awards

Internal control over compliance in major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with the Uniform Guidance Title 2 CFR 200	No
Identification of major programs included:	
U.S. Dept. of Treasury	
Coronavirus Relief Fund	CFDA # 21.019
Dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
Auditee qualified as low-risk auditee?	Yes

**BOUNDARY COUNTY, IDAHO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the year ended September 30, 2021**

**Section II - Financial Statement Findings**

None noted

**Section III – Major Federal Award Programs Findings and Questioned Costs**

None noted

**SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**

None noted