

**OWYHEE COUNTY, IDAHO**

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Report on Audited  
Basic  
Financial Statements  
and  
Supplemental Information

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For the Year Ended September 30, 2013

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## **Independent Auditor's Report**

Board of Commissioners  
Owyhee County, Idaho  
Murphy, Idaho

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Owyhee County, Idaho (the County) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Owyhee County, Idaho, as of September 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedule of funding progress and budgetary comparison information on pages 28 through 32 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Owyhee County, Idaho has not presented management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Owyhee County, Idaho's basic financial statements. The supplemental information (pages 33 to 46) is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and were derived from and relate 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 our opinion, the supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2014 on our consideration of Owyhee County, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Owyhee County, Idaho's internal control over financial reporting and compliance.

*Zwyzart & Associates PC*

Nampa, Idaho  
March 14, 2014

**Owyhee County, Idaho**  
**Statement of Net Position**  
**September 30, 2013**

|   | Primary<br>Governmental<br>Activities | Component<br>Unit |
|---|---------------------------------------|-------------------|
| <b>Assets</b>                                   |                                       |                   |
| Cash and Cash Equivalents                       | \$ 1,477,201                          | \$ 39,266         |
| Receivables, Net:                               |                                       |                   |
| Property Taxes                                  | 138,342                               | -                 |
| Due From Other Governments                      | 33,576                                | -                 |
| Prepaid Items                                   | 35,441                                | -                 |
| Noncurrent Cash and Cash Equivalents            | 3,319,243                             | -                 |
| Capital Assets:                                 |                                       |                   |
| Land  | 626,628                               | -                 |
| Buildings and Improvements, Net                 | 3,803,282                             | -                 |
| Equipment, Net                                  | 582,327                               | -                 |
| Total Capital Assets                            | 5,012,237                             | -                 |
| Total Assets                                    | 10,016,040                            | 39,266            |
| <b>Liabilities</b>                              |                                       |                   |
| Accounts Payable and Other Current Liabilities  | 318,059                               | -                 |
| Long-Term Liabilities:                          |                                       |                   |
| Due Within One Year:                            |                                       |                   |
| Compensated Absences                            | 38,324                                | -                 |
| Due in More Than One Year:                      |                                       |                   |
| Other Post-Employment Benefits                  | 21,061                                | -                 |
| Compensated Absences                            | 38,320                                | -                 |
| Total Liabilities                               | 415,764                               | -                 |
| <b>Deferred Inflows</b>                         |                                       |                   |
| Unavailable Revenue                             | 16,430                                | -                 |
| <b>Net Position</b>                             |                                       |                   |
| Invested in Capital Assets, Net of Related Debt | 5,012,237                             | -                 |
| Restricted                                      | 1,932,230                             | -                 |
| Unrestricted                                    | 2,639,379                             | 39,266            |
| Total Net Position                              | \$ 9,583,846                          | \$ 39,266         |

The accompanying notes are an integral  
part of the financial statements.



**Owyhee County, Idaho**  
 Balance Sheet -  
 Governmental Funds  
 September 30, 2013

|  | General                    | Road and<br>Bridge       | Indigent<br>and Charity  | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------------|--------------------------|--------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>  |                            |                          |                          |                                |                                |
| Cash and Cash Equivalents  | \$ 2,801,810               | \$ 815,730               | \$ 265,463               | \$ 913,441                     | \$ 4,796,444                   |
| Property Taxes Receivable, Net                                   | 55,724                     | 15,265                   | 15,179                   | 52,174                         | 138,342                        |
| Due From Other Governments                                       | 31,559                     | 2,017                    | -                        | -                              | 33,576                         |
| Prepaid Items  | 26,570                     | 3,868                    | 553                      | 4,450                          | 35,441                         |
| <b>Total Assets</b>  | <b><u>\$ 2,915,663</u></b> | <b><u>\$ 836,880</u></b> | <b><u>\$ 281,195</u></b> | <b><u>\$ 970,065</u></b>       | <b><u>\$ 5,003,803</u></b>     |
| <b>Liabilities:</b>  |                            |                          |                          |                                |                                |
| Salaries and Benefits Payable                                    | \$ 32,538                  | \$ 5,854                 | \$ 609                   | \$ 8,016                       | \$ 47,017                      |
| Warrants and Accounts Payable                                    | 138,482                    | 41,606                   | 29,831                   | 61,123                         | 271,042                        |
| <b>Total Liabilities</b>   | <b><u>171,020</u></b>      | <b><u>47,460</u></b>     | <b><u>30,440</u></b>     | <b><u>69,139</u></b>           | <b><u>318,059</u></b>          |
| <b>Deferred Inflows:</b>   |                            |                          |                          |                                |                                |
| Unavailable Revenue - Property Tax                               | 70,422                     | 15,150                   | 15,425                   | 52,545                         | 153,542                        |
| <b>Fund Balances:</b>  |                            |                          |                          |                                |                                |
| Nonspendable - Prepaid Items                                     | 26,570                     | 3,868                    | 553                      | 4,450                          | 35,441                         |
| Restricted   | -                          | 770,402                  | 234,777                  | 843,931                        | 1,849,110                      |
| Unassigned   | 2,647,651                  | -                        | -                        | -                              | 2,647,651                      |
| <b>Total Fund Balance</b>  | <b><u>2,674,221</u></b>    | <b><u>774,270</u></b>    | <b><u>235,330</u></b>    | <b><u>848,381</u></b>          | <b><u>4,532,202</u></b>        |
| <b>Total Liabilities, Deferred Inflows<br/>and Fund Balances</b> | <b><u>\$ 2,915,663</u></b> | <b><u>\$ 836,880</u></b> | <b><u>\$ 281,195</u></b> | <b><u>\$ 970,065</u></b>       | <b><u>\$ 5,003,803</u></b>     |

The accompanying notes are an integral  
 part of the financial statements.



**Owyhee County, Idaho**  
 Reconciliation of the Balance Sheet of the  
 Governmental Funds to the Statement of Net Position  
 September 30, 2013

Total Fund Balances - Governmental Funds \$ 4,532,202

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. Those assets consist of:

|  |                |           |
|--|----------------|-----------|
| Land   | \$ 626,628     |           |
| Buildings and Improvements, Net of \$4,741,532 Accum. Depreciation | 3,803,282      |           |
| Equipment, Net of \$3,239,376 Accumulated Depreciation             | <u>582,327</u> |           |
|  |                | 5,012,237 |

|  |         |
|--|---------|
| Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures and, therefore, are deferred in the funds. | 137,112 |
|--|---------|

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.

|                                |                 |                 |
|--------------------------------|-----------------|-----------------|
| Other Post-Employment Benefits | (21,061)        |                 |
| Compensated Absences           | <u>(76,644)</u> |                 |
|                                |                 | <u>(97,705)</u> |

|   |                            |
|---|----------------------------|
| Net Position of Governmental Activities | <u><u>\$ 9,583,846</u></u> |
|---|----------------------------|

The accompanying notes are an integral  
 part of the financial statements.

**Owyhee County, Idaho**  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances -  
Governmental Funds  
For the Year Ended September 30, 2013

|  | General             | Road and<br>Bridge | Indigent<br>and Charity | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|--------------------|-------------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>  |                     |                    |                         |                                |                                |
| Property Taxes   | \$ 1,082,676        | \$ 373,510         | \$ 250,063              | \$ 888,377                     | \$ 2,594,626                   |
| Intergovernmental  | 1,975,266           | 941,734            | 69,314                  | 245,672                        | 3,231,986                      |
| Grants and Contributions                                     | 65,373              | -                  | -                       | 69,356                         | 134,729                        |
| Charges for Services   | 572,032             | 31,096             | -                       | 65,957                         | 669,085                        |
| Other Revenues   | 143,334             | 2,776              | 84,202                  | 176,473                        | 406,785                        |
| Interest Earned  | 49,851              | -                  | -                       | -                              | 49,851                         |
| <b>Total Revenues</b>  | <b>3,888,532</b>    | <b>1,349,116</b>   | <b>403,579</b>          | <b>1,445,835</b>               | <b>7,087,062</b>               |
| <b>Expenditures</b>  |                     |                    |                         |                                |                                |
| Current:   |                     |                    |                         |                                |                                |
| General Government   | 1,677,190           | -                  | -                       | 620,107                        | 2,297,297                      |
| Public Safety  | 2,044,543           | -                  | -                       | 98,494                         | 2,143,037                      |
| Highways and Streets   | -                   | 1,033,462          | -                       | -                              | 1,033,462                      |
| Sanitation   | -                   | -                  | -                       | 338,579                        | 338,579                        |
| Health   | -                   | -                  | -                       | 51,871                         | 51,871                         |
| Welfare  | -                   | -                  | 429,128                 | -                              | 429,128                        |
| Education  | -                   | -                  | -                       | 29,250                         | 29,250                         |
| Culture and Recreation                                       | -                   | -                  | -                       | 122,197                        | 122,197                        |
| Capital Outlay   | 91,376              | 160,684            | -                       | 53,620                         | 305,680                        |
| <b>Total Expenditures</b>                                    | <b>3,813,109</b>    | <b>1,194,146</b>   | <b>429,128</b>          | <b>1,314,118</b>               | <b>6,750,501</b>               |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>75,423</b>       | <b>154,970</b>     | <b>(25,549)</b>         | <b>131,717</b>                 | <b>336,561</b>                 |
| <b>Other Financing Sources (Uses)</b>                        |                     |                    |                         |                                |                                |
| Sale of Assets   | 6,640               | -                  | -                       | -                              | 6,640                          |
| Change in Fair Market Value of<br>Investments                | (168,428)           | -                  | -                       | -                              | (168,428)                      |
| Transfers In   | -                   | -                  | -                       | 7,800                          | 7,800                          |
| Transfers Out  | (7,800)             | -                  | -                       | -                              | (7,800)                        |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>(169,588)</b>    | <b>-</b>           | <b>-</b>                | <b>7,800</b>                   | <b>(161,788)</b>               |
| Net Change in Fund Balances                                  | (94,165)            | 154,970            | (25,549)                | 139,517                        | 174,773                        |
| Fund Balances - Beginning                                    | 2,768,386           | 619,300            | 260,879                 | 708,864                        | 4,357,429                      |
| Fund Balances - Ending                                       | <u>\$ 2,674,221</u> | <u>\$ 774,270</u>  | <u>\$ 235,330</u>       | <u>\$ 848,381</u>              | <u>\$ 4,532,202</u>            |

The accompanying notes are an integral  
part of the financial statements.

**Owyhee County, Idaho**  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of the  
 Governmental Funds to the Statement of Activities  
 For the Year Ended September 30, 2013

Total Net Change in Fund Balance - Governmental Funds \$ 174,773

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. Conversely, disposals of capital assets do not report a gain or loss in the governmental funds but in the Statement of Activities the remaining cost of the asset(s) is written off. In the current period these amounts are:

|                      |                 |           |
|----------------------|-----------------|-----------|
| Capital Outlay       | \$ 177,290      |           |
| Depreciation Expense | (349,298)       |           |
| Disposed Assets      | <u>(12,876)</u> |           |
| Net                  |                 | (184,884) |

Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities. 11,658

Compensated absences and other post-employment benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the net change in compensated absences and other post-employment benefits. (7,415)

Change in Net Position of Governmental Activities \$ (5,868)

The accompanying notes are an integral  
 part of the financial statements.

**Owyhee County, Idaho**  
Statement of Fiduciary Net Position - Fiduciary Funds  
9/30/2013

|                                    | <u>Agency Funds</u>        |
|------------------------------------|----------------------------|
| <b>Assets</b>                      |                            |
| Cash and Investments               | \$ 3,118,180               |
| Property Taxes Receivable          | <u>103,871</u>             |
| Total Assets                       | <u><u>\$ 3,222,051</u></u> |
| <br>                               |                            |
| <b>Liabilities</b>                 |                            |
| Warrants and Accounts Payable      | \$ 278,368                 |
| Due to Other Funds or Taxing Units | <u>2,943,683</u>           |
| Total Liabilities                  | <u><u>\$ 3,222,051</u></u> |

The accompanying notes are an integral  
part of the financial statements.

**Owyhee County, Idaho**  
 Balance Sheet -  
 Component Unit  
 September 30, 2013

|  | Fair Board |
|--|------------|
| <b>Assets</b>                                  |            |
| Cash and Cash Equivalents                      | \$ 39,266  |
| Total Assets                                   | \$ 39,266  |
| <br><b>Liabilities</b>                         |            |
| Accounts Payable and Other Current Liabilities | \$ 0       |
| Total Liabilities                              | 0          |
| <br><b>Fund Balance</b>                        |            |
| Unassigned                                     | 39,266     |
| Total Liabilities and Fund Balance             | \$ 39,266  |

The accompanying notes are an integral  
 part of the financial statements.

**Owyhee County, Idaho**  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Component Unit  
For the Year Ended September 30, 2013

|  | Fair Board |
|--|------------|
| <b>Revenues</b>                        |            |
| Charges for Services                   | \$ 13,584  |
| Grants and Contributions               | 135        |
| Intergovernmental                      | 24,494     |
| Miscellaneous                          | 3          |
| Total Revenues                         | 38,216     |
| <br><b>Expenditures</b>                |            |
| Current:                               |            |
| Operating Expenditures                 | 29,767     |
| Total Expenses                         | 29,767     |
| <br><b>Net Change in Fund Balances</b> | 8,449      |
| <br><b>Fund Balances - Beginning</b>   | 30,817     |
| <b>Fund Balances - Ending</b>          | \$ 39,266  |

The accompanying notes are an integral  
part of the financial statements.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Owyhee County, Idaho (the County) operates under the direction of a Board of Commissioners, who are responsible for the various operations of the County. The accompanying basic financial statements present the County (the primary government) and its component units. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

The accounting policies of the County conform to generally accepted accounting principles as applicable to governmental units.

Discretely Presented Component Units

Component units are legally separate organizations for which the County is financially accountable. Financial accountability exists if the County appoints a voting majority of the organization's governing board and either 1) is able to impose its will on the organization or 2) a potential exists for the organization to provide financial benefits to, or impose financial burdens on, the County. Based on the foregoing criteria, the following entities are considered component units of the County:

- Owyhee County Fair Board was created for the purpose of conducting fair activities within the County. The Fair Board is governed by a board appointed by the county commissioners and the County is able to impose its will on the organization. During the year the County provided support to the Fair Board in the amount of \$24,494. The Fair Board was audited along with the County and its financial statements are presented as a discretely presented component unit.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

*Government-wide Statements:* The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall County, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses - expenses of the County related to the administration and support of the County's programs, such as personnel and accounting, are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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

The County reports the following major governmental funds:

- *General fund.* This is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.
- *Road and Bridge fund.* This fund accounts for repairs and maintenance of roads and bridges and construction of new roads and bridges.
- *Indigent and Charity fund.* This fund accounts for all medical payments on behalf of county citizens who are not able to pay for themselves.

The County reports the following fiduciary fund types:

*Agency funds.* These funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.



**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Property Taxes

In accordance with Idaho law, ad-valorem property taxes are levied in September for each calendar year. Taxes are recorded by the County using the modified accrual basis of accounting. Levies are made on or before the 2nd Monday of September. All of the personal property taxes and one-half of the real property taxes are due on or before the 20th of December. The remaining one-half of the real property tax is due on or before June 20th of the following year. A lien is filed on property three years from the date of delinquency. The property tax calendar is as follows:

|                          |  |
|--------------------------|--|
| Date property is valued  | Second Monday of July  |
| Date tax is levied       | Second Monday of September                                       |
| Date taxes are billed    | November 20  |
| Date taxes are collected | One half on December 20 and<br>one half on the following June 20 |
| Date taxes become a lien | First day of January of the<br>succeeding year                   |

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Reporting in Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide Statement of Net Position and in the governmental fund Balance Sheet. The District uses the following fund balance categories in the governmental fund Balance Sheet:

- *Nonspendable*. Balances, for example, in permanent funds, prepaid expenses, and inventories that are permanently precluded from conversion to cash.
- *Restricted*. Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Unassigned*. Balances available for any purpose.

The remaining fund balance classifications (committed and assigned) are either not applicable or no formal policy has yet been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the Board of Commissioners, the County's highest level of decision making authority, through a formal action. The Board of Commissioners would also have the authority to assign funds or authorize another official to do so.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position/fund balances available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed.

There is also no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the County's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the County considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The purpose of the special revenue funds that are restricted are as follows:

| Fund                           | Purpose   |
|--------------------------------|---|
| Road and Bridge                | Revenues in this fund come from levied property taxes, federal forest funds, other intergovernmental revenue and grants that are to be used for maintaining and improving roads and bridges within the County.  |
| Indigent and Charity           | Revenues in this fund come from levied property taxes, intergovernmental revenues, and other revenues that are to be used to provide assistance for qualified individuals for health care services.   |
| Nonmajor Special Revenue Funds | Revenues in these funds come from levied property taxes, intergovernmental revenue, grants, charges for services, and other revenues that are to be used for items ranging from public assistance and safety, health and sanitation, maintenance and improvement of public ways and facilities, culture and recreation, and other governmental type activities. |

C. Assets and Liabilities

Cash Equivalents

The County requires all cash belonging to the County to be placed in custody of the Treasurer. A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the pooled cash and investment accounts are considered to be cash and cash equivalents. See Note 2.

Capital Assets

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

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are shown below:

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

|                            | <u>Capitalization</u><br><u>Policy</u> | <u>Depreciation</u><br><u>Method</u> | <u>Estimated</u><br><u>Useful Life</u> |
|----------------------------|--|--------------------------------------|--|
| Buildings and Improvements | \$5,000                                | Straight-Line                        | 15 – 40 Years                          |
| Equipment                  | \$5,000                                | Straight-Line                        | 5 – 15 Years                           |

The County (a phase three government) has elected not to report major general infrastructure assets retroactively. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2003. Since October 1, 2003, the County has acquired no new infrastructure assets.

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Accounts Receivable

Accounts receivable of the governmental activities consists of property taxes, sales taxes, use taxes, state grants, federal grants and other miscellaneous receivables. The allowance for doubtful accounts for the governmental activities is zero as of September 30, 2013.

Warrants and Accounts Payable

Warrants and accounts payable represent debt obligations that will be paid within the next billing cycle. Amounts shown are not over 60 days past due.

Compensated Absences

The total portion of unpaid personal leave is budgeted in the next year's budget. Personal leave compensation is calculated on an individual basis according to an employee's total years worked and total hours worked per week.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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2. CASH AND INVESTMENTS

Deposits

As of September 30, 2013, the carrying amount of the County's deposits was \$3,158,179 and the respective bank balances totaled \$2,407,181. Of the total bank balance, \$5,119 was not insured or collateralized with pooled securities held by the pledging institution in the name of the County.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2013, \$5,119 of the County's deposits were not covered by the federal depository insurance or by collateral held by the County's agent or pledging financial institution's trust department or agent in the name of the County, and thus were exposed to custodial credit risk. The County does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The U.S. government bonds, the asset back securities, \$23,583 of the money market accounts, and all of the certificates of deposit are held by Multi-Bank Securities, Inc. totaling \$3,251,897. The certificates of deposits are issued through FDIC insured banks and, therefore, are insured. The County does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The County voluntarily participates in the State of Idaho Investment Pool, which was not rated. The pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the pool is with the State Treasurer, and Idaho Code defines allowable investments. The fair value of the County's investment in the pool is the same as the value of the pool shares.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

2. CASH AND INVESTMENTS (continued)

The County also holds other investments. The County follows Idaho Statute that outlines qualifying investment options as follows:

Idaho Code authorizes the County to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

The County's investments at September 30, 2013, are summarized below:

| Investment Type          | Rating | Fair Value          | Investment Maturities (in Years) |                   |                     |
|--------------------------|--------|---------------------|----------------------------------|-------------------|---------------------|
|                          |        |                     | Less than 1                      | 1 - 5             | >5                  |
| External Investment Pool | None   | \$ 1,536,715        | \$ 1,536,715                     | \$ 0              | \$ 0                |
| U.S. Government Bonds    | AAA    | 2,425,409           | 0                                | 200,026           | 2,225,383           |
| Certificates of Deposit  | N/A    | 299,826             | 0                                | 235,766           | 64,060              |
| Asset Backed Securities  | N/A    | 594,008             | 0                                | 0                 | 594,008             |
| Money Market             | N/A    | 1,720               | 1,720                            | 0                 | 0                   |
|                          |        | <u>\$ 4,857,678</u> | <u>\$ 1,538,435</u>              | <u>\$ 435,792</u> | <u>\$ 2,883,451</u> |

At year-end, the cash and cash equivalents reported in the basic financial statements are made up of the following categories:

|                                     | Governmental<br>Activities | Component<br>Unit | Total               | Fiduciary<br>Funds  |
|-------------------------------------|----------------------------|-------------------|---------------------|---------------------|
| Cash and cash equivalents           | \$ (61,234)                | \$ 39,266         | \$ (21,968)         | \$ 3,118,180        |
| Investments categorized as deposits | 4,857,678                  | 0                 | 4,857,678           | 0                   |
|                                     | <u>\$ 4,796,444</u>        | <u>\$ 39,266</u>  | <u>\$ 4,835,710</u> | <u>\$ 3,118,180</u> |

The following accounts are not recorded on the County's books:

|                     | Book Balance     | Bank Balance     |
|---------------------|------------------|------------------|
| Tax Collector       | \$ 764           | \$ 16,520        |
| Tax Collector Trust | 39,121           | 39,121           |
| Inmate Trust        | 22,811           | 23,726           |
|                     | <u>\$ 62,696</u> | <u>\$ 79,367</u> |

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments consists of ag replacement tax revenue of \$41,758 due from the State of Idaho.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2013, was as follows:

|                                       | <u>Balance</u><br>10/1/2012 | <u>Additions</u>    | <u>Disposals</u> | <u>Balance</u><br>9/30/2013 |
|---------------------------------------|-----------------------------|---------------------|------------------|-----------------------------|
| <u>Governmental Activities:</u>       |                             |                     |                  |                             |
| Capital Assets Not Being Depreciated: |                             |                     |                  |                             |
| Land                                  | \$ 626,628                  | \$ 0                | \$ 0             | \$ 626,628                  |
| Capital Assets Being Depreciated:     |                             |                     |                  |                             |
| Buildings and Improvements            | 8,539,814                   | 5,000               | 0                | 8,544,814                   |
| Equipment                             | <u>3,774,045</u>            | <u>172,290</u>      | <u>124,632</u>   | <u>3,821,703</u>            |
| Total Historical Cost                 | <u>12,313,859</u>           | <u>177,290</u>      | <u>124,632</u>   | <u>12,366,517</u>           |
| Less: Accumulated Depreciation        |                             |                     |                  |                             |
| Buildings and Improvements            | 4,539,914                   | 201,618             | 0                | 4,741,532                   |
| Equipment                             | <u>3,203,452</u>            | <u>147,680</u>      | <u>111,756</u>   | <u>3,239,376</u>            |
| Total Acc. Depr.                      | <u>7,743,366</u>            | <u>349,298</u>      | <u>111,756</u>   | <u>7,980,908</u>            |
| Net Depreciable Assets                | <u>4,570,493</u>            | <u>(172,008)</u>    | <u>12,876</u>    | <u>4,385,609</u>            |
| Governmental Activities               |                             |                     |                  |                             |
| Capital Assets - Net                  | <u>\$ 5,197,121</u>         | <u>\$ (172,008)</u> | <u>\$ 12,876</u> | <u>\$ 5,012,237</u>         |

Depreciation expense was charged to the functions of the County as follows:

|                                 |                   |
|---------------------------------|-------------------|
| <u>Governmental Activities:</u> |                   |
| General Government              | \$ 120,474        |
| Public Safety                   | 142,870           |
| Sanitation                      | 5,489             |
| Highways and Streets            | 60,679            |
| Culture and Recreation          | 19,786            |
|                                 | <u>\$ 349,298</u> |

5. PENSION PLAN

Public Employee Retirement System of Idaho (PERSI) - The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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5. PENSION PLAN (continued)

employer contribute. The Plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. After five years of credit service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

PERSI issues publicly available stand alone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's website [www.persi.idaho.gov](http://www.persi.idaho.gov).

The actuarially determined contribution requirements of the County and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2013, the required contribution rate as a percentage of covered payrolls for members was 6.23% for general members and 7.69% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. The County employer contributions required and paid were \$247,104, \$238,709, and \$243,863 for the three years ended September 30, 2013, 2012, and 2011, respectively.

6. COMPENSATED ABSENCES

The County presently accumulates unused vacation days and compensatory time calculated on an individual basis according to an employee's total years worked and total hours per week worked. All accumulated vacation time and compensatory time represents a potential liability to the County.

|                         | <u>10/1/2012</u> | <u>Increase</u>  | <u>Decrease</u>    | <u>9/30/2013</u> | <u>Current</u>   |
|-------------------------|------------------|------------------|--------------------|------------------|------------------|
| Governmental Activities | <u>\$ 70,140</u> | <u>\$ 98,739</u> | <u>\$ (92,235)</u> | <u>\$ 76,644</u> | <u>\$ 38,324</u> |



**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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7. LEASE COMMITMENTS

The County entered into a lease for 40 acres of land in April 2005. The lease is for 120 months ending May 2014.

The County also entered into a lease for a copier in September 2011. The lease is for 60 months ending August 2015.

Future minimum lease payments are as follows:

| Year Ending<br>September 30, | Amount            |
|------------------------------|-------------------|
| 2014                         | \$ 32,008         |
| 2015                         | 31,804            |
| 2016                         | 29,560            |
| 2015                         | <u>28,428</u>     |
|                              | <u>\$ 121,800</u> |

Rent expenditures for the year ended September 30, 2013, were \$50,308.

8. DEFERRED COMPENSATION PLAN

Permanent employees of the County may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until withdrawal at a later date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The County has no liability for losses under the plan but it does have the obligation of due care in selecting the third party administrator. For the year ended September 30, 2013, the County made no employer contributions to the plan.

9. OTHER POST-EMPLOYMENT BENEFITS

The County's Post-Retirement Healthcare Plan is a single-employer defined benefit healthcare plan administered by GemPlan. GemPlan contracts with Blue Cross of Idaho to provide medical and prescription drug insurance benefits to eligible retirees and their eligible dependents. A retiree who retires while participating in the Public

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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9. OTHER POST-EMPLOYMENT BENEFITS (continued)

Employee Retirement System of Idaho (PERSI) is eligible to keep the County's health insurance until age 65 or until the retiree is eligible for coverage under Medicare. Retirement eligibility is determined based on a minimum age of 55 with at least five years of service with an employer that participates in PERSI. Retirees are on the same medical plan as the County's active employees. No financial reports, other than the information provided herein, have been issued.

Other post-employment benefits (OPEB) have historically been funded on a pay-as-you-go basis. Under government accounting standards, plan sponsors may set up a trust and pre-fund benefits. There is no requirement to pre-fund benefits. However, if benefits are not pre-funded, a net OPEB obligation is created and will grow over time. The County has not pre-funded these benefits. The contribution requirement of plan members is established by the Board of Commissioners in conjunction with the insurance provider. Monthly contribution rates in effect for retirees under age 65 during fiscal year 2013 were \$498 for a single person or \$980 with a spouse.

Post-employment benefits are determined on an actuarial basis. Actuarial valuations of these benefits were done as of October 1, 2012, and are determined on a prospective basis. The County's plan is considered unfunded, since there are no plan assets. Therefore, the actuarial accrued liability and the unfunded actuarially accrued liability are equal. The unfunded actuarially accrued liability is \$93,694 or 5.1% of covered payroll. The annual required contribution (ARC) for fiscal year 2013 is \$10,903. The ARC is made up of benefits earned in the current period and an amortized portion of the unfunded actuarially accrued liability. The expense and offsetting liability are reflected in the government-wide financial statements. The table below summarizes the OPEB costs.

|   |                         |
|---|-------------------------|
| Annual required contribution            | \$ 10,903               |
| Interest on net OPEB obligation         | 790                     |
| ARC adjustment with interest            | (1,070)                 |
| Estimated employer contribution         | <u>(7,110)</u>          |
| Increase in net OPEB obligation         | 3,513                   |
| Net OPEB obligation - beginning of year | <u>17,548</u>           |
| Net OPEB obligation - end of year       | <u><u>\$ 21,061</u></u> |

The County's annual OPEB cost, the percentage of annual OPEB cost to be contributed to the plan, and the net OPEB obligation for the current and two preceding fiscal years are as follows:

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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9. OTHER POST-EMPLOYMENT BENEFITS (continued)

| Year Ending<br>September 30, | Annual<br>OPEB Cost | Estimated<br>Contribution<br>as a % of<br>Annual<br>OPEB Cost | Net OPEB<br>Obligation |
|------------------------------|---------------------|---|------------------------|
| 2013                         | \$ 10,623           | 67%   | \$ 21,061              |
| 2014                         | 10,552              | 81%   | 23,089                 |
| 2015                         | 10,498              | 99%   | 23,205                 |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

The required schedule of funding progress immediately following the notes is intended to present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

In the October 1, 2012, actuarial valuation the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.5% discount rate assuming the County will fund the retirement benefit on a pay-as-you-go basis. The valuation assumes 30% of eligible retirees and, of that 30%, 25% of their spouses will participate in the plan; an initial annual healthcare cost trend rate of 8%, decreasing gradually over sixteen years until reaching an ultimate rate of 5%; and the UAAL is being amortized as a level dollar of projected payrolls over a thirty year period on a closed basis.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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10. OTHER COMMITMENTS

The County currently holds several credit cards with a combined credit limit of \$26,000. As of September 30, 2013, \$1,785 of the available credit was in use.

11. RISK MANAGEMENT

The County is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) worker's compensation, i.e. employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

12. RELATED ORGANIZATIONS

The Owyhee County Historical Society (a nonprofit organization) preserves and displays historical artifacts of the County. In return, the County provides use of a building, payment of utilities, and payment of the payroll and related benefits of the Museum Director. The amounts paid for the Society consist of the expenditures in the Historical Society fund (a nonmajor special revenue fund), which amounted to \$60,621.

13. TRANSFERS

Transfer activity for the year was as follows:

\$ 7,800 From the General fund to nonmajor funds to cover operational expenses.

***REQUIRED SUPPLEMENTARY INFORMATION***

**Owyhee County, Idaho**  
 Schedule of Funding Progress  
 For the Year Ended September 30, 2013

| Valuation<br>Date | Actuarial<br>Value of<br>Assets | Actuarial<br>Accrued<br>Liabilities | Unfunded<br>Actuarial<br>Accrued<br>Liabilities<br>(UAAL) | Funded<br>Ratio | Covered<br>Payroll | UAAL<br>as a %<br>of<br>Covered<br>Payroll |
|-------------------|---------------------------------|-------------------------------------|---|-----------------|--------------------|--|
| 10/1/2009         | \$ 0                            | \$ 93,694                           | \$ 93,694   | 0%              | \$ 1,824,000       | 5.1%                                       |

**Owyhee County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 General Fund  
 For the Year Ended September 30, 2013

|  | Budgeted Amounts |                  | Actual              | Variance            |
|--|------------------|------------------|---------------------|---------------------|
|  | Original         | Final            |                     |                     |
| <b>Revenues</b>  |                  |                  |                     |                     |
| Property Taxes   | \$ 1,064,256     | \$ 1,064,256     | \$ 1,082,676        | \$ 18,420           |
| Intergovernmental  | 1,963,785        | 1,963,785        | 1,975,266           | 11,481              |
| Grants and Contributions                                     | 101,000          | 101,000          | 65,373              | (35,627)            |
| Charges for Services   | 527,119          | 527,119          | 572,032             | 44,913              |
| Other Revenues   | 225,004          | 225,004          | 143,334             | (81,670)            |
| Interest Earned  | 65,000           | 65,000           | 49,851              | (15,149)            |
| <b>Total Revenues</b>  | <u>3,946,164</u> | <u>3,946,164</u> | <u>3,888,532</u>    | <u>(57,632)</u>     |
| <b>Expenditures</b>  |                  |                  |                     |                     |
| Current:   |                  |                  |                     |                     |
| Salaries   | 2,080,193        | 2,080,193        | 1,901,724           | 178,469             |
| Benefits   | 832,705          | 832,705          | 720,273             | 112,432             |
| Operating Expenses   | 1,364,766        | 1,364,766        | 1,099,736           | 265,030             |
| Capital Outlay   | 118,500          | 118,500          | 91,376              | 27,124              |
| <b>Total Expenditures</b>                                    | <u>4,396,164</u> | <u>4,396,164</u> | <u>3,813,109</u>    | <u>583,055</u>      |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <u>(450,000)</u> | <u>(450,000)</u> | <u>75,423</u>       | <u>525,423</u>      |
| <b>Other Financing Sources (Uses)</b>                        |                  |                  |                     |                     |
| Sale of Assets   | -                | -                | 6,640               | 6,640               |
| Change in Fair Market Value of<br>Investments                | -                | -                | (168,428)           | (168,428)           |
| Transfers In   | -                | -                | -                   | -                   |
| Transfers Out  | -                | -                | (7,800)             | (7,800)             |
| <b>Total Other Financing Sources</b>                         | <u>-</u>         | <u>-</u>         | <u>(169,588)</u>    | <u>(169,588)</u>    |
| <b>Net Change in Fund Balances</b>                           | <u>(450,000)</u> | <u>(450,000)</u> | <u>(94,165)</u>     | <u>355,835</u>      |
| Fund Balances - Beginning                                    | 450,000          | 450,000          | 2,768,386           | 2,318,386           |
| Fund Balances - Ending                                       | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 2,674,221</u> | <u>\$ 2,674,221</u> |

**Owyhee County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Road and Bridge  
 For the Year Ended September 30, 2013

|                             | Budgeted Amounts |                  | Actual            | Variance          |
|-----------------------------|------------------|------------------|-------------------|-------------------|
|                             | Original         | Final            |                   |                   |
| <b>Revenues</b>             |                  |                  |                   |                   |
| Property Taxes              | \$ 366,898       | \$ 366,898       | \$ 373,510        | \$ 6,612          |
| Intergovernmental           | 988,068          | 988,068          | 941,734           | (46,334)          |
| Grants and Contributions    | -                | -                | -                 | -                 |
| Charges for Services        | 31,122           | 31,122           | 31,096            | (26)              |
| Other Revenues              | -                | -                | 2,776             | 2,776             |
| Total Revenues              | <u>1,386,088</u> | <u>1,386,088</u> | <u>1,349,116</u>  | <u>(36,972)</u>   |
| <b>Expenditures</b>         |                  |                  |                   |                   |
| Current:                    |                  |                  |                   |                   |
| Salaries                    | 300,853          | 300,853          | 262,680           | 38,173            |
| Benefits                    | 133,054          | 133,054          | 110,743           | 22,311            |
| Operating Expenses          | 976,871          | 976,871          | 660,039           | 316,832           |
| Capital Outlay              | 165,000          | 165,000          | 160,684           | 4,316             |
| Total Expenditures          | <u>1,575,778</u> | <u>1,575,778</u> | <u>1,194,146</u>  | <u>381,632</u>    |
| Net Change in Fund Balances | (189,690)        | (189,690)        | 154,970           | 344,660           |
| Fund Balances - Beginning   | <u>189,690</u>   | <u>189,690</u>   | <u>619,300</u>    | <u>429,610</u>    |
| Fund Balances - Ending      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 774,270</u> | <u>\$ 774,270</u> |



**Owyhee County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Indigent and Charity  
 For the Year Ended September 30, 2013

|                             | Budgeted Amounts |                | Actual            | Variance          |
|-----------------------------|------------------|----------------|-------------------|-------------------|
|                             | Original         | Final          |                   |                   |
| <b>Revenues</b>             |                  |                |                   |                   |
| Property Taxes              | \$ 153,945       | \$ 153,945     | \$ 250,063        | \$ 96,118         |
| Intergovernmental           | 105,000          | 105,000        | 69,314            | (35,686)          |
| Charges for Services        | -                | -              | -                 | -                 |
| Other Revenues              | 138,839          | 138,839        | 84,202            | (54,637)          |
| Total Revenues              | <u>397,784</u>   | <u>397,784</u> | <u>403,579</u>    | <u>5,795</u>      |
| <b>Expenditures</b>         |                  |                |                   |                   |
| Current:                    |                  |                |                   |                   |
| Salaries                    | 27,391           | 27,391         | 27,131            | 260               |
| Benefits                    | 12,468           | 12,468         | 12,274            | 194               |
| Operating Expenses          | 482,925          | 482,925        | 389,723           | 93,202            |
| Capital Outlay              | -                | -              | -                 | -                 |
| Total Expenditures          | <u>522,784</u>   | <u>522,784</u> | <u>429,128</u>    | <u>93,656</u>     |
| Net Change in Fund Balances | (125,000)        | (125,000)      | (25,549)          | 99,451            |
| Fund Balances - Beginning   | 125,000          | 125,000        | 260,879           | 135,879           |
| Fund Balances - Ending      | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ 235,330</u> | <u>\$ 235,330</u> |

**Owyhee County, Idaho**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2013

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1. OPEB TRENDS

Future schedules may present factors that significantly affect the identification of trends in the amounts reported, such as changes in benefit provisions, the size or composition of the employee group covered by the plan, or the actuarial methods and assumptions used. Prior year amounts will not be restated.

2. BUDGETS AND BUDGETARY ACCOUNTING

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

- A. Prior to September 1, the County Clerk and County Commissioners prepare a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted at the County Courthouse to obtain taxpayer comments.
- C. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- D. The County is authorized to transfer budgeted amounts between departments within any fund; however, no revision can be made to increase the overall tax supported funds except when federal or state grants are approved. The County, however, must follow the same budgetary procedures as they followed when the original budget was approved.
- E. Formal budgetary integration is employed as a management control device during the year for the General fund and Special Revenue funds.
- F. The budget for the General fund and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles.
- G. Expenditures may not legally exceed budgeted appropriations at the fund level.
- H. The County does not use the encumbrance method of accounting.

***SUPPLEMENTAL INFORMATION***

**Owyhee County, Idaho**  
 Supplemental Schedule of Revenues by Source  
 - Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2013

|   | Budget              | Actual              | Variance            |
|---|---------------------|---------------------|---------------------|
| <b>Revenues</b>                               |                     |                     |                     |
| Property Taxes                                | 1,064,256           | 1,082,676           | 18,420              |
| Intergovernmental                             | 1,963,785           | 1,975,266           | 11,481              |
| Grants and Contributions                      | 101,000             | 65,373              | (35,627)            |
| Charges for Services                          | 527,119             | 572,032             | 44,913              |
| Other Revenues                                | 225,004             | 143,334             | (81,670)            |
| Interest Earned                               | 65,000              | 49,851              | (15,149)            |
| Disposition of Assets                         | -                   | 6,640               | 6,640               |
| Change in Fair Market Value of<br>Investments | -                   | (168,428)           | (168,428)           |
| <b>Total Revenues</b>                         | <b>\$ 3,946,164</b> | <b>\$ 3,726,744</b> | <b>\$ (219,420)</b> |

**Owyhee County, Idaho**  
Supplemental Schedule of Expenditures by Object of Expenditure  
- Budget (GAAP Basis) and Actual - General Fund  
For the Year Ended September 30, 2013

|                                | Budget           | Actual           | Variance       |
|--------------------------------|------------------|------------------|----------------|
| <b>Clerk/Auditor</b>           |                  |                  |                |
| Salaries                       | \$ 243,714       | \$ 224,329       | \$ 19,385      |
| Benefits                       | 93,805           | 90,678           | 3,127          |
| Operating Expenses             | 7,780            | 5,398            | 2,382          |
|                                | <u>345,299</u>   | <u>320,405</u>   | <u>24,894</u>  |
| <b>Assessor</b>                |                  |                  |                |
| Salaries                       | 170,064          | 165,374          | 4,690          |
| Benefits                       | 69,585           | 66,749           | 2,836          |
| Operating Expenses             | 14,700           | 7,963            | 6,737          |
|                                | <u>255,849</u>   | <u>240,086</u>   | <u>15,763</u>  |
| <b>Treasurer/Tax Collector</b> |                  |                  |                |
| Salaries                       | 98,137           | 90,777           | 7,360          |
| Benefits                       | 39,640           | 33,018           | 6,622          |
| Operating Expenses             | 11,750           | 7,785            | 3,965          |
|                                | <u>149,527</u>   | <u>131,580</u>   | <u>17,947</u>  |
| <b>Sheriff</b>                 |                  |                  |                |
| Salaries                       | 675,015          | 586,808          | 88,207         |
| Benefits                       | 257,863          | 210,998          | 46,865         |
| Operating Expenses             | 269,000          | 267,617          | 1,383          |
| Capital Outlay                 | 55,000           | 55,000           | -              |
|                                | <u>1,256,878</u> | <u>1,120,423</u> | <u>136,455</u> |
| <b>Commissioners</b>           |                  |                  |                |
| Salaries                       | 71,979           | 71,979           | -              |
| Benefits                       | 33,801           | 33,105           | 696            |
| Operating Expenses             | 90,750           | 55,000           | 35,750         |
|                                | <u>196,530</u>   | <u>160,084</u>   | <u>36,446</u>  |
| <b>Coroner</b>                 |                  |                  |                |
| Salaries                       | 20,000           | 20,045           | (45)           |
| Benefits                       | 10,228           | 10,087           | 141            |
| Operating Expenses             | 27,800           | 22,562           | 5,238          |
|                                | <u>58,028</u>    | <u>52,694</u>    | <u>5,334</u>   |
| <b>Prosecuting Attorney</b>    |                  |                  |                |
| Salaries                       | 147,003          | 141,951          | 5,052          |
| Benefits                       | 38,145           | 38,054           | 91             |
| Operating Expenses             | 17,325           | 15,205           | 2,120          |
|                                | <u>202,473</u>   | <u>195,210</u>   | <u>7,263</u>   |

**Owyhee County, Idaho**  
Supplemental Schedule of Expenditures by Object of Expenditure  
- Budget (GAAP Basis) and Actual - General Fund  
For the Year Ended September 30, 2013  
(continued)

|                                  | Budget         | Actual         | Variance      |
|----------------------------------|----------------|----------------|---------------|
| <b>Buildings and Grounds</b>     |                |                |               |
| Salaries                         | 31,027         | 28,807         | 2,220         |
| Benefits                         | 13,329         | 11,255         | 2,074         |
| Operating Expenses               | 116,000        | 101,643        | 14,357        |
| Capital Outlay                   | 20,000         | 20,000         | -             |
|                                  | <u>180,356</u> | <u>161,705</u> | <u>18,651</u> |
| <b>Civil Defense</b>             |                |                |               |
| Operating Expenses               | 1,000          | -              | 1,000         |
| Capital Outlay                   | 40,000         | 14,426         | 25,574        |
|                                  | <u>41,000</u>  | <u>14,426</u>  | <u>26,574</u> |
| <b>County Agent</b>              |                |                |               |
| Salaries                         | 68,844         | 64,871         | 3,973         |
| Benefits                         | 26,891         | 24,258         | 2,633         |
| Operating Expenses               | 34,100         | 33,133         | 967           |
| Capital Outlay                   | 2,000          | 1,950          | 50            |
|                                  | <u>131,835</u> | <u>124,212</u> | <u>7,623</u>  |
| <b>Taxing District Elections</b> |                |                |               |
| Salaries                         | 26,325         | 26,325         | -             |
| Benefits                         | 22,276         | 15,834         | 6,442         |
| Operating Expenses               | 14,774         | 21,453         | (6,679)       |
|                                  | <u>63,375</u>  | <u>63,612</u>  | <u>(237)</u>  |
| <b>Elections</b>                 |                |                |               |
| Salaries                         | 12,500         | 10,612         | 1,888         |
| Operating Expenses               | 13,750         | 5,525          | 8,225         |
|                                  | <u>26,550</u>  | <u>16,137</u>  | <u>10,413</u> |
| <b>Building Department</b>       |                |                |               |
| Salaries                         | 24,590         | 21,300         | 3,290         |
| Benefits                         | 15,595         | 10,677         | 4,918         |
| Operating Expenses               | 51,992         | 16,259         | 35,733        |
|                                  | <u>92,177</u>  | <u>48,236</u>  | <u>43,941</u> |
| <b>Planning and Zoning</b>       |                |                |               |
| Salaries                         | 38,100         | 38,232         | (132)         |
| Benefits                         | 17,302         | 14,173         | 3,129         |
| Operating Expenses               | 13,645         | 7,437          | 6,208         |
|                                  | <u>69,047</u>  | <u>59,842</u>  | <u>9,205</u>  |

**Owyhee County, Idaho**  
 Supplemental Schedule of Expenditures by Object of Expenditure  
 - Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2013  
 (continued)

|                        | Budget                  | Actual                  | Variance              |
|------------------------|-------------------------|-------------------------|-----------------------|
| <b>General</b>         |                         |                         |                       |
| Operating Expenses     | 361,300                 | 236,897                 | 124,403               |
|                        | <u>361,300</u>          | <u>236,897</u>          | <u>124,403</u>        |
| <b>Technology</b>      |                         |                         |                       |
| Operating Expenses     | 159,100                 | 136,344                 | 22,756                |
|                        | <u>159,100</u>          | <u>136,344</u>          | <u>22,756</u>         |
| <b>Jail</b>            |                         |                         |                       |
| Salaries               | 452,895                 | 410,314                 | 42,581                |
| Benefits               | 193,945                 | 161,387                 | 32,558                |
| Operating Expenses     | 160,000                 | 159,515                 | 485                   |
|                        | <u>806,840</u>          | <u>731,216</u>          | <u>75,624</u>         |
| <br>Total Expenditures | <br><u>\$ 4,396,164</u> | <br><u>\$ 3,813,109</u> | <br><u>\$ 583,292</u> |

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2013

|  | Airport          | Bond<br>Redemption | County<br>Court   | County<br>Fair   | Fair<br>Grounds  |
|--|------------------|--------------------|-------------------|------------------|------------------|
| <b>Assets</b>                              |                  |                    |                   |                  |                  |
| Cash and Cash Equivalents                  | \$ 24,062        | \$ 34              | \$ 196,317        | \$ 18,309        | \$ 18,749        |
| Property Taxes Receivable                  | -                | -                  | 3,250             | 1,905            | 2,096            |
| Prepaid Items                              | -                | -                  | -                 | -                | -                |
| <b>Total Assets</b>                        | <b>\$ 24,062</b> | <b>\$ 34</b>       | <b>\$ 199,567</b> | <b>\$ 20,214</b> | <b>\$ 20,845</b> |
| <b>Liabilities</b>                         |                  |                    |                   |                  |                  |
| Salaries and Benefits Payable              | \$ -             | \$ -               | \$ -              | \$ 479           | \$ -             |
| Warrants and Accounts Payable              | -                | -                  | 11,463            | 217              | 1,625            |
| Deferred Revenue                           | -                | -                  | 3,266             | 1,925            | 2,122            |
| <b>Total Liabilities</b>                   | <b>-</b>         | <b>-</b>           | <b>14,729</b>     | <b>2,621</b>     | <b>3,747</b>     |
| <b>Fund Balances</b>                       |                  |                    |                   |                  |                  |
| Nonspendable - Prepaid Items               | -                | -                  | -                 | -                | -                |
| Restricted                                 | 24,062           | 34                 | 184,838           | 17,593           | 17,098           |
| <b>Total Fund Balances</b>                 | <b>24,062</b>    | <b>34</b>          | <b>184,838</b>    | <b>17,593</b>    | <b>17,098</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 24,062</b> | <b>\$ 34</b>       | <b>\$ 199,567</b> | <b>\$ 20,214</b> | <b>\$ 20,845</b> |



**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2013  
(continued)

|  | Probation        | Health<br>County | Historical<br>Society | Junior<br>College | Pest            |
|--|------------------|------------------|-----------------------|-------------------|-----------------|
| <b>Assets</b>                              |                  |                  |                       |                   |                 |
| Cash and Cash Equivalents                  | \$ 37,420        | \$ 10,028        | \$ 10,326             | \$ 91,612         | \$ 2,933        |
| Property Taxes Receivable                  | 5,150            | 2,154            | 2,350                 | -                 | 61              |
| Prepaid Items                              | 1,658            | -                | 553                   | -                 | -               |
| <b>Total Assets</b>                        | <b>\$ 44,228</b> | <b>\$ 12,182</b> | <b>\$ 13,229</b>      | <b>\$ 91,612</b>  | <b>\$ 2,994</b> |
| <b>Liabilities</b>                         |                  |                  |                       |                   |                 |
| Salaries and Benefits Payable              | \$ 2,352         | \$ -             | \$ 772                | \$ -              | \$ -            |
| Warrants and Accounts Payable              | 5,795            | -                | 1,393                 | -                 | -               |
| Deferred Revenue                           | 5,252            | 2,186            | 2,390                 | -                 | 62              |
| <b>Total Liabilities</b>                   | <b>13,399</b>    | <b>2,186</b>     | <b>4,555</b>          | <b>-</b>          | <b>62</b>       |
| <b>Fund Balances</b>                       |                  |                  |                       |                   |                 |
| Nonspendable - Prepaid Items               | 1,658            | -                | 553                   | -                 | -               |
| Restricted                                 | 29,171           | 9,996            | 8,121                 | 91,612            | 2,932           |
| <b>Total Fund Balances</b>                 | <b>30,829</b>    | <b>9,996</b>     | <b>8,674</b>          | <b>91,612</b>     | <b>2,932</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 44,228</b> | <b>\$ 12,182</b> | <b>\$ 13,229</b>      | <b>\$ 91,612</b>  | <b>\$ 2,994</b> |

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2013  
(continued)

|                                     | Revaluation       | Solid<br>Waste    | Tort             | Veterans<br>Memorial | Weeds           |
|-------------------------------------|-------------------|-------------------|------------------|----------------------|-----------------|
| <b>Assets</b>                       |                   |                   |                  |                      |                 |
| Cash and Cash Equivalents           | \$ 141,096        | \$ 157,967        | \$ 73,728        | \$ 3,837             | \$ 1,201        |
| Property Taxes Receivable           | 8,065             | 21,690            | 5,356            | 51                   | 46              |
| Prepaid Items                       | 1,658             | 28                | -                | -                    | -               |
| Total Assets                        | <u>\$ 150,819</u> | <u>\$ 179,685</u> | <u>\$ 79,084</u> | <u>\$ 3,888</u>      | <u>\$ 1,247</u> |
| <b>Liabilities</b>                  |                   |                   |                  |                      |                 |
| Salaries and Benefits Payable       | \$ 2,581          | \$ 931            | \$ 29            | \$ -                 | \$ -            |
| Warrants and Accounts Payable       | 2,882             | 21,617            | 142              | 1,200                | 185             |
| Deferred Revenue                    | 8,189             | 21,638            | 5,421            | 50                   | 44              |
| Total Liabilities                   | <u>13,652</u>     | <u>44,186</u>     | <u>5,592</u>     | <u>1,250</u>         | <u>229</u>      |
| <b>Fund Balances</b>                |                   |                   |                  |                      |                 |
| Nonspendable - Prepaid Items        | 1,658             | 28                | -                | -                    | -               |
| Restricted                          | 135,509           | 135,471           | 73,492           | 2,638                | 1,018           |
| Total Fund Balances                 | <u>137,167</u>    | <u>135,499</u>    | <u>73,492</u>    | <u>2,638</u>         | <u>1,018</u>    |
| Total Liabilities and Fund Balances | <u>\$ 150,819</u> | <u>\$ 179,685</u> | <u>\$ 79,084</u> | <u>\$ 3,888</u>      | <u>\$ 1,247</u> |

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2013  
(continued)

|  | 911              | County Vessel    | Economic<br>Development | Total             |
|--|------------------|------------------|-------------------------|-------------------|
| <b>Assets</b>                              |                  |                  |                         |                   |
| Cash and Cash Equivalents                  | \$ 90,414        | \$ 24,308        | \$ 11,100               | \$ 913,441        |
| Property Taxes Receivable                  | -                | -                | -                       | 52,174            |
| Prepaid Items                              | -                | -                | 553                     | 4,450             |
| <b>Total Assets</b>                        | <b>\$ 90,414</b> | <b>\$ 24,308</b> | <b>\$ 11,653</b>        | <b>\$ 970,065</b> |
| <b>Liabilities</b>                         |                  |                  |                         |                   |
| Salaries and Benefits Payable              | \$ -             | \$ -             | \$ 872                  | \$ 8,016          |
| Warrants and Accounts Payable              | 2,745            | 10,950           | 909                     | 61,123            |
| Deferred Revenue                           | -                | -                | -                       | 52,545            |
| <b>Total Liabilities</b>                   | <b>2,745</b>     | <b>10,950</b>    | <b>1,781</b>            | <b>121,684</b>    |
| <b>Fund Balances</b>                       |                  |                  |                         |                   |
| Nonspendable - Prepaid Items               | -                | -                | 553                     | 4,450             |
| Restricted                                 | 87,669           | 13,358           | 9,319                   | 843,931           |
| <b>Total Fund Balances</b>                 | <b>87,669</b>    | <b>13,358</b>    | <b>9,872</b>            | <b>848,381</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 90,414</b> | <b>\$ 24,308</b> | <b>\$ 11,653</b>        | <b>\$ 970,065</b> |

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2013

|  | Airport          | Bond<br>Redemption | County<br>Court   | County<br>Fair   | Fair<br>Grounds  |
|--|------------------|--------------------|-------------------|------------------|------------------|
| <b>Revenues</b>  |                  |                    |                   |                  |                  |
| Property Taxes   | \$ -             | \$ -               | \$ 113,007        | \$ 43,842        | \$ 48,220        |
| Intergovernmental  | -                | -                  | 32,145            | 12,317           | 19,568           |
| Grants and Contributions                                     | -                | -                  | -                 | -                | -                |
| Charges for Services   | -                | -                  | 27,701            | -                | -                |
| Other Revenues   | -                | -                  | 4,541             | -                | -                |
| <b>Total Revenues</b>  | <b>-</b>         | <b>-</b>           | <b>177,394</b>    | <b>56,159</b>    | <b>67,788</b>    |
| <b>Expenditures</b>  |                  |                    |                   |                  |                  |
| Current:   |                  |                    |                   |                  |                  |
| Salaries   | -                | -                  | -                 | 17,558           | -                |
| Benefits   | -                | -                  | -                 | -                | -                |
| Operating Expenses   | -                | -                  | 125,730           | 26,170           | 9,725            |
| Capital Outlay   | -                | -                  | -                 | -                | 43,570           |
| <b>Total Expenditures</b>                                    | <b>-</b>         | <b>-</b>           | <b>125,730</b>    | <b>43,728</b>    | <b>53,295</b>    |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>-</b>         | <b>-</b>           | <b>51,664</b>     | <b>12,431</b>    | <b>14,493</b>    |
| <b>Other Financing Sources (Uses)</b>                        |                  |                    |                   |                  |                  |
| Transfers In   | -                | -                  | -                 | -                | -                |
| Transfers Out  | -                | -                  | -                 | -                | -                |
| <b>Total Other Financing Sources</b>                         | <b>-</b>         | <b>-</b>           | <b>-</b>          | <b>-</b>         | <b>-</b>         |
| <b>Net Change in Fund Balances</b>                           | <b>-</b>         | <b>-</b>           | <b>51,664</b>     | <b>12,431</b>    | <b>14,493</b>    |
| <b>Fund Balances - Beginning</b>                             | <b>24,062</b>    | <b>34</b>          | <b>133,174</b>    | <b>5,162</b>     | <b>2,605</b>     |
| <b>Fund Balances - Ending</b>                                | <b>\$ 24,062</b> | <b>\$ 34</b>       | <b>\$ 184,838</b> | <b>\$ 17,593</b> | <b>\$ 17,098</b> |

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2013  
(continued)

|  | Probation        | Health<br>County | Historical<br>Society | Junior<br>College | Pest            |
|--|------------------|------------------|-----------------------|-------------------|-----------------|
| <b>Revenues</b>  |                  |                  |                       |                   |                 |
| Property Taxes   | \$ 87,577        | \$ 46,048        | \$ 41,230             | \$ -              | \$ 151          |
| Intergovernmental  | 24,746           | 12,899           | 11,404                | 51,405            | -               |
| Grants and Contributions                                     | 64,051           | -                | 5,305                 | -                 | -               |
| Charges for Services   | 16,496           | -                | -                     | -                 | -               |
| Other Revenues   | 4,610            | -                | -                     | -                 | -               |
| <b>Total Revenues</b>  | <b>197,480</b>   | <b>58,947</b>    | <b>57,939</b>         | <b>51,405</b>     | <b>151</b>      |
| <b>Expenditures</b>  |                  |                  |                       |                   |                 |
| Current:   |                  |                  |                       |                   |                 |
| Salaries   | 104,820          | -                | 36,261                | -                 | -               |
| Benefits   | 41,529           | -                | 14,142                | -                 | -               |
| Operating Expenses   | 36,632           | 51,871           | 18,341                | 29,250            | 3,200           |
| Capital Outlay   | -                | -                | -                     | -                 | -               |
| <b>Total Expenditures</b>                                    | <b>182,981</b>   | <b>51,871</b>    | <b>68,744</b>         | <b>29,250</b>     | <b>3,200</b>    |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>14,499</b>    | <b>7,076</b>     | <b>(10,805)</b>       | <b>22,155</b>     | <b>(3,049)</b>  |
| <b>Other Financing Sources (Uses)</b>                        |                  |                  |                       |                   |                 |
| Transfers In   | 7,800            | -                | -                     | -                 | -               |
| Transfers Out  | -                | -                | -                     | -                 | -               |
| <b>Total Other Financing Sources</b>                         | <b>7,800</b>     | <b>-</b>         | <b>-</b>              | <b>-</b>          | <b>-</b>        |
| <b>Net Change in Fund Balances</b>                           | <b>22,299</b>    | <b>7,076</b>     | <b>(10,805)</b>       | <b>22,155</b>     | <b>(3,049)</b>  |
| <b>Fund Balances - Beginning</b>                             | <b>8,530</b>     | <b>2,920</b>     | <b>19,479</b>         | <b>69,457</b>     | <b>5,981</b>    |
| <b>Fund Balances - Ending</b>                                | <b>\$ 30,829</b> | <b>\$ 9,996</b>  | <b>\$ 8,674</b>       | <b>\$ 91,612</b>  | <b>\$ 2,932</b> |

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2012  
(continued)

|  | Revaluation       | Solid<br>Waste    | Tort             | Veterans<br>Memorial | Weeds           |
|--|-------------------|-------------------|------------------|----------------------|-----------------|
| <b>Revenues</b>  |                   |                   |                  |                      |                 |
| Property Taxes   | \$ 165,762        | \$ 237,746        | \$ 103,059       | \$ 919               | \$ 816          |
| Intergovernmental  | 46,293            | 5,797             | 28,840           | 258                  | -               |
| Grants and Contributions                                     | -                 | -                 | -                | -                    | -               |
| Charges for Services   | -                 | 531               | -                | -                    | 21,229          |
| Other Revenues   | -                 | 14,966            | 1,000            | -                    | -               |
| <b>Total Revenues</b>  | <b>212,055</b>    | <b>259,040</b>    | <b>132,899</b>   | <b>1,177</b>         | <b>22,045</b>   |
| <b>Expenditures</b>  |                   |                   |                  |                      |                 |
| Current:   |                   |                   |                  |                      |                 |
| Salaries   | 105,812           | 63,182            | 9,742            | -                    | 21,616          |
| Benefits   | 41,382            | 14,937            | 46               | -                    | 4,944           |
| Operating Expenses   | 23,591            | 207,081           | 102,421          | 1,199                | 23,619          |
| Capital Outlay   | -                 | 10,050            | -                | -                    | -               |
| <b>Total Expenditures</b>                                    | <b>170,785</b>    | <b>295,250</b>    | <b>112,209</b>   | <b>1,199</b>         | <b>50,179</b>   |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>41,270</b>     | <b>(36,210)</b>   | <b>20,690</b>    | <b>(22)</b>          | <b>(28,134)</b> |
| <b>Other Financing Sources (Uses)</b>                        |                   |                   |                  |                      |                 |
| Transfers In   | -                 | -                 | -                | -                    | -               |
| Transfers Out  | -                 | -                 | -                | -                    | -               |
| <b>Total Other Financing Sources</b>                         | <b>-</b>          | <b>-</b>          | <b>-</b>         | <b>-</b>             | <b>-</b>        |
| <b>Net Change in Fund Balances</b>                           | <b>41,270</b>     | <b>(36,210)</b>   | <b>20,690</b>    | <b>(22)</b>          | <b>(28,134)</b> |
| <b>Fund Balances - Beginning</b>                             | <b>95,897</b>     | <b>171,709</b>    | <b>52,802</b>    | <b>2,660</b>         | <b>29,152</b>   |
| <b>Fund Balances - Ending</b>                                | <b>\$ 137,167</b> | <b>\$ 135,499</b> | <b>\$ 73,492</b> | <b>\$ 2,638</b>      | <b>\$ 1,018</b> |

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2013  
(continued)

|  | 911              | County Vessel    | Economic<br>Development | Total             |
|--|------------------|------------------|-------------------------|-------------------|
| <b>Revenues</b>  |                  |                  |                         |                   |
| Property Taxes   | \$ -             | \$ -             | \$ -                    | \$ 888,377        |
| Intergovernmental  | -                | -                | -                       | 245,672           |
| Grants and Contributions                                     | -                | -                | -                       | 69,356            |
| Charges for Services   | -                | -                | -                       | 65,957            |
| Other Revenues   | 100,923          | 30,000           | 20,433                  | 176,473           |
| <b>Total Revenues</b>  | <b>100,923</b>   | <b>30,000</b>    | <b>20,433</b>           | <b>1,445,835</b>  |
| <b>Expenditures</b>  |                  |                  |                         |                   |
| Current:   |                  |                  |                         |                   |
| Salaries   | -                | -                | 6,792                   | 365,783           |
| Benefits   | -                | -                | 1,831                   | 118,811           |
| Operating Expenses   | 98,494           | 16,642           | 1,938                   | 775,904           |
| Capital Outlay   | -                | -                | -                       | 53,620            |
| <b>Total Expenditures</b>                                    | <b>98,494</b>    | <b>16,642</b>    | <b>10,561</b>           | <b>1,314,118</b>  |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>2,429</b>     | <b>13,358</b>    | <b>9,872</b>            | <b>131,717</b>    |
| <b>Other Financing Sources (Uses)</b>                        |                  |                  |                         |                   |
| Transfers In   | -                | -                | -                       | 7,800             |
| Transfers Out  | -                | -                | -                       | -                 |
| <b>Total Other Financing Sources</b>                         | <b>-</b>         | <b>-</b>         | <b>-</b>                | <b>7,800</b>      |
| <b>Net Change in Fund Balances</b>                           | <b>2,429</b>     | <b>13,358</b>    | <b>9,872</b>            | <b>139,517</b>    |
| <b>Fund Balances - Beginning</b>                             | <b>85,240</b>    | <b>-</b>         | <b>-</b>                | <b>708,864</b>    |
| <b>Fund Balances - Ending</b>                                | <b>\$ 87,669</b> | <b>\$ 13,358</b> | <b>\$ 9,872</b>         | <b>\$ 848,381</b> |

**Owyhee County, Idaho**  
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds  
September 30, 2013

|                                    | State of<br>Idaho | Special<br>Taxing<br>County | Miscellaneous<br>Trust | Sensitive<br>Species<br>Research |
|------------------------------------|-------------------|-----------------------------|------------------------|----------------------------------|
| <b>Assets</b>                      |                   |                             |                        |                                  |
| Cash and Cash Equivalents          | \$ 71,874         | \$ 88,374                   | \$ 2,037,617           | \$ 49,338                        |
| Property Taxes Receivable          | -                 | 103,871                     | -                      | -                                |
| Total Assets                       | <u>\$ 71,874</u>  | <u>\$ 192,245</u>           | <u>\$ 2,037,617</u>    | <u>\$ 49,338</u>                 |
| <b>Liabilities</b>                 |                   |                             |                        |                                  |
| Warrants and Accounts Payable      | \$ 71,874         | \$ 15,471                   | \$ 152,984             | \$ 8,900                         |
| Due to Other Funds or Taxing Units | -                 | 176,774                     | 1,884,633              | 40,438                           |
| Total Liabilities                  | <u>\$ 71,874</u>  | <u>\$ 192,245</u>           | <u>\$ 2,037,617</u>    | <u>\$ 49,338</u>                 |



**Owyhee County, Idaho**

Combining Statement of Fiduciary Assets and Liabilities - Agency Funds (continued)  
September 30, 2013

|                                    | 911 Trust<br>Account | Hazardous<br>Waste | Owyhee<br>County<br>Initiative | Total               |
|------------------------------------|----------------------|--------------------|--------------------------------|---------------------|
| <b>Assets</b>                      |                      |                    |                                |                     |
| Cash and Cash Equivalents          | \$ 395,242           | \$ 472,064         | \$ 3,671                       | \$ 3,118,180        |
| Property Taxes Receivable          | -                    | -                  | -                              | 103,871             |
| Total Assets                       | <u>\$ 395,242</u>    | <u>\$ 472,064</u>  | <u>\$ 3,671</u>                | <u>\$ 3,222,051</u> |
| <br><b>Liabilities</b>             |                      |                    |                                |                     |
| Warrants and Accounts Payable      | \$ -                 | \$ 29,139          | \$ -                           | \$ 278,368          |
| Due to Other Funds or Taxing Units | 395,242              | 442,925            | 3,671                          | 2,943,683           |
| Total Liabilities                  | <u>\$ 395,242</u>    | <u>\$ 472,064</u>  | <u>\$ 3,671</u>                | <u>\$ 3,222,051</u> |

***FEDERAL REPORTS***

**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  
Owyhee County  
Murphy, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Owyhee County, Idaho, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Owyhee County, Idaho's basic financial statements and have issued our report thereon dated January 14, 2014.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Zwysart & Associates PC*

Nampa, Idaho  
March 14, 2014