

**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, 2015

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# Millington Zwygart

CERTIFIED PUBLIC ACCOUNTANTS

## 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, 2015, 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, 2015, 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, budgetary comparison information, schedule of the County's proportionate share of the net pension liability, and schedule of County contributions on pages 33 through 39 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A – 133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplemental information and the schedule of expenditures of federal awards are 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 and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2015 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.

*Millington Zwyzart CPAs, PLLC*

Caldwell, Idaho  
January 29, 2016

**Owyhee County, Idaho**  
Statement of Net Position  
September 30, 2015

	Primary Government	
	Governmental Activities	Component Unit
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,015,715	\$ 38,544
Receivables, Net:		
Property Taxes	167,972	-
Due From Other Governments	34,056	-
Prepaid Items	37,117	-
Noncurrent Cash and Cash Equivalents	3,888,184	-
Capital Assets:		
Land	726,628	-
Buildings and Improvements, Net	3,484,957	-
Equipment, Net	433,563	-
Total Capital Assets	<u>4,645,148</u>	<u>-</u>
Total Assets	<u>10,788,192</u>	<u>38,544</u>
<b>Deferred Outflows</b>		
Pension Related Items	560,563	-
Total Deferred Outflows	<u>560,563</u>	<u>-</u>
<b>Liabilities</b>		
Salaries and Benefits Payable	58,050	-
Warrants and Accounts Payable	335,494	-
Long-Term Liabilities:		
Due Within One Year:		
Compensated Absences	41,971	-
Due in More Than One Year:		
Other Post-Employment Benefits	23,089	-
Compensated Absences	41,975	-
Net Pension Liability	1,193,462	-
Total Liabilities	<u>1,694,041</u>	<u>-</u>
<b>Deferred Inflows</b>		
Pension Related Items	769,799	-
Total Deferred Inflows	<u>769,799</u>	<u>-</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Related Debt	4,645,148	-
Restricted	2,692,265	-
Unrestricted	1,547,502	38,544
Total Net Position	<u>\$ 8,884,915</u>	<u>\$ 38,544</u>

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



**Owyhee County, Idaho**  
 Balance Sheet -  
 Governmental Funds  
 September 30, 2015

	General	Road and Bridge	Indigent and Charity	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Cash Equivalents	\$ 3,168,010	\$ 869,194	\$ 591,690	\$ 1,275,005	\$ 5,903,899
Property Taxes Receivable, Net	33,317	15,227	15,695	103,733	167,972
Due From Other Governments	32,039	2,017	-	-	34,056
Prepaid Items	28,227	4,197	600	4,093	37,117
<b>Total Assets</b>	<b>\$ 3,261,593</b>	<b>\$ 890,635</b>	<b>\$ 607,985</b>	<b>\$ 1,382,831</b>	<b>\$ 6,143,044</b>
<b>Liabilities:</b>					
Salaries and Benefits Payable	\$ 41,687	\$ 6,675	\$ 723	\$ 8,965	\$ 58,050
Warrants and Accounts Payable	171,561	82,187	2,411	79,335	335,494
<b>Total Liabilities</b>	<b>213,248</b>	<b>88,862</b>	<b>3,134</b>	<b>88,300</b>	<b>393,544</b>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	72,393	14,956	15,746	60,888	163,983
<b>Total Deferred Inflows</b>	<b>72,393</b>	<b>14,956</b>	<b>15,746</b>	<b>60,888</b>	<b>163,983</b>
<b>Fund Balances:</b>					
Nonspendable - Prepaid Items	28,227	4,197	600	4,093	37,117
Restricted	-	782,620	588,505	1,229,550	2,600,675
Unassigned	2,947,725	-	-	-	2,947,725
<b>Total Fund Balance</b>	<b>2,975,952</b>	<b>786,817</b>	<b>589,105</b>	<b>1,233,643</b>	<b>5,585,517</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 3,261,593</b>	<b>\$ 890,635</b>	<b>\$ 607,985</b>	<b>\$ 1,382,831</b>	<b>\$ 6,143,044</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, 2015

Total Fund Balances - Governmental Funds \$ 5,585,517

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	\$ 726,628	
Buildings and Improvements, Net of \$5,140,027 Accum. Depreciation	3,484,957	
Equipment, Net of \$3,421,365 Accumulated Depreciation	<u>433,563</u>	
		4,645,148

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.	163,983
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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	\$ (23,089)	
Compensated Absences	<u>(83,946)</u>	
		(107,035)

The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.

Net Pension Liability	\$ (1,193,462)	
Pension Related Deferred Inflows	(769,799)	
Pension Related Deferred Outflows	<u>560,563</u>	
		<u>(1,402,698)</u>

Net Position of Governmental Activities	<u><u>\$ 8,884,915</u></u>
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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, 2015

	General	Road and Bridge	Indigent and Charity	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$ 1,281,643	\$ 248,310	\$ 206,312	\$ 1,002,801	\$ 2,739,066
Intergovernmental	2,088,885	1,019,220	73,527	269,601	3,451,233
Grants and Contributions	41,634	-	1,250	64,021	106,905
Charges for Services	577,954	33,000	-	70,021	680,975
Other Revenues	216,889	6,377	76,350	359,001	658,617
Interest Earned	89,945	-	-	-	89,945
<b>Total Revenues</b>	<b>4,296,950</b>	<b>1,306,907</b>	<b>357,439</b>	<b>1,765,445</b>	<b>7,726,741</b>
<b>Expenditures</b>					
Current:					
General Government	1,623,962	-	-	674,963	2,298,925
Public Safety	2,230,497	-	-	362,190	2,592,687
Highways and Streets	-	1,298,030	-	-	1,298,030
Sanitation	-	-	-	280,760	280,760
Health	-	-	-	54,372	54,372
Welfare	-	-	271,835	-	271,835
Education	-	-	-	49,750	49,750
Culture and Recreation	-	-	-	98,589	98,589
Capital Outlay	131,306	47,500	-	60,558	239,364
<b>Total Expenditures</b>	<b>3,985,765</b>	<b>1,345,530</b>	<b>271,835</b>	<b>1,581,182</b>	<b>7,184,312</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>311,185</b>	<b>(38,623)</b>	<b>85,604</b>	<b>184,263</b>	<b>542,429</b>
<b>Other Financing Sources (Uses)</b>					
Sale of Assets	5,612	-	-	23,598	29,210
Change in Fair Market Value of Investments	92,667	-	-	-	92,667
<b>Total Other Financing Sources (Uses)</b>	<b>98,279</b>	<b>-</b>	<b>-</b>	<b>23,598</b>	<b>121,877</b>
Net Change in Fund Balances	409,464	(38,623)	85,604	207,861	664,306
Fund Balances - Beginning	2,566,488	825,440	503,501	1,025,782	4,921,211
Fund Balances - Ending	<b>\$ 2,975,952</b>	<b>\$ 786,817</b>	<b>\$ 589,105</b>	<b>\$ 1,233,643</b>	<b>\$ 5,585,517</b>

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, 2015

Total Net Change in Fund Balance - Governmental Funds \$ 664,306

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	\$ 159,054	
Depreciation Expense	(394,886)	
Disposed Assets	<u>7,250</u>	
Net		(228,582)

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. 7,085

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. (2,875)

The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities. 61,807

Change in Net Position of Governmental Activities \$ 501,741

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

**Owyhee County, Idaho**  
Statement of Fiduciary Net Position - Fiduciary Funds  
September 30, 2015

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and Investments	\$ 2,972,400
Property Taxes Receivable	240,838
Other Receivables	<u>10,926</u>
Total Assets	<u><u>\$ 3,224,164</u></u>
<b>Liabilities</b>	
Warrants and Accounts Payable	\$ 355,582
Due to Other Funds or Taxing Units	<u>2,868,582</u>
Total Liabilities	<u><u>\$ 3,224,164</u></u>

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

**Owyhee County, Idaho**  
 Balance Sheet -  
 Component Unit  
 September 30, 2015

	Fair Board
<b>Assets</b>	
Cash and Cash Equivalents	\$ 38,544
Total Assets	38,544
<b>Liabilities</b>	
Accounts Payable and Other Current Liabilities	\$ -
Total Liabilities	-
<b>Fund Balance</b>	
Unassigned	38,544
Total Liabilities and Fund Balance	\$ 38,544

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, 2015

	Fair Board
<b>Revenues</b>	
Charges for Services	\$ 61,513
Grants and Contributions	-
Intergovernmental	-
Miscellaneous	537
Total Revenues	62,050
 <b>Expenditures</b>	
Current:	
Operating Expenditures	33,856
Total Expenses	33,856
 <b>Net Change in Fund Balances</b>	28,194
 <b>Fund Balances - Beginning</b>	10,350
<b>Fund Balances - Ending</b>	\$ 38,544

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

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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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. 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, 2015

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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, 2015

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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 one half on the following June 20
Date taxes become a lien	First day of January of the succeeding year

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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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, 2015

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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, 2015

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	Capitalization <u>Policy</u>	Depreciation <u>Method</u>	Estimated <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, 2015.

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.

Pensions

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

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

New Pronouncements

In June 2014, the GASB issued statement No. 68, Accounting and Financial Reporting for Pensions. Beginning with fiscal year 2015, the County implemented the provisions of this statement, which establishes accounting standards and financial reporting standards for pension related items. Implementation of this new statement resulted in a restatement of beginning net position in the County's government-wide financial statements (see note 13)

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2015, the carrying amount of the County's deposits was \$2,943,128 and the respective bank balances totaled \$1,941,533. All of the total bank balance was 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, 2015, none 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 not 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, and all of the certificates of deposit are held by Multi-Bank Securities, Inc. totaling \$4,121,790. 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.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

2. CASH AND INVESTMENTS (continued)

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.

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, 2015, are summarized below:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)		
			Less than 1	1 - 5	>5
External Investment Pool	None	\$ 1,540,496	\$ 1,540,496	\$ 0	\$ 0
Certificates of Deposit	N/A	633,263	233,606	330,790	68,867
U.S. Government Bonds	AAA	3,018,956	0	39,826	2,979,130
Asset Backed Securities	N/A	469,571	0	0	469,571
Money Market	N/A	250,928	250,928	0	0
		<u>\$ 5,913,214</u>	<u>\$ 2,025,030</u>	<u>\$ 370,616</u>	<u>\$ 3,517,568</u>

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

	Governmental Activities	Component Unit	Total	Fiduciary Funds
Cash and cash equivalents	\$ (9,315)	\$ 38,554	\$ 29,239	\$ 2,972,400
Investments categorized as deposits	5,913,214	0	5,913,214	0
	<u>\$ 5,903,899</u>	<u>\$ 38,554</u>	<u>\$ 5,942,453</u>	<u>\$ 2,972,400</u>

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

2. CASH AND INVESTMENTS (continued)

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

	<u>Book Balance</u>	<u>Bank Balance</u>
Tax Collector	\$ 22,265	\$ 22,265
Tax Collector Trust	14,711	39,714
Inmate Trust	<u>22,553</u>	<u>22,145</u>
	<u>\$ 59,529</u>	<u>\$ 84,124</u>

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments consists of ag replacement tax revenue of \$32,039 and highway user funds of \$2,017 both due from the State of Idaho.

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2015, was as follows:

	<u>Balance 10/1/2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 9/30/2015</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 726,628	\$ -	\$ -	\$ 726,628
Capital Assets Being Depreciated:				
Buildings and Improvements	8,544,984	80,000	-	8,624,984
Equipment	<u>3,874,295</u>	<u>79,054</u>	<u>98,421</u>	<u>3,854,928</u>
Total Historical Cost	<u>12,419,279</u>	<u>159,054</u>	<u>98,421</u>	<u>12,479,912</u>
Less: Accumulated Depreciation				
Buildings and Improvements	4,943,702	196,325	-	5,140,027
Equipment	<u>3,321,225</u>	<u>198,561</u>	<u>98,421</u>	<u>3,421,365</u>
Total Acc. Depr.	<u>8,264,927</u>	<u>394,886</u>	<u>98,421</u>	<u>8,561,392</u>
Net Depreciable Assets	<u>4,154,352</u>	<u>(235,832)</u>	<u>-</u>	<u>3,918,520</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 4,880,980</u>	<u>\$ (235,832)</u>	<u>\$ -</u>	<u>\$ 4,645,148</u>

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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4. CAPITAL ASSETS

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

Governmental Activities:	
General Government	\$ 87,666
Public Safety	191,267
Sanitation	4,666
Highways and Streets	99,460
Culture and Recreation	11,827
	<u>\$ 394,886</u>

5. PENSION PLAN

*Plan Description*

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

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

Employee membership data related to the PERSI Base Plan, as of September 30, 2015 was as follows:

Retirees and beneficiaries currently receiving benefits	40,776
Terminated employees entitled to but not yet receiving benefits	11,504
Active plan members	<u>66,223</u>
	<u>118,503</u>

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and



**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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5. PENSION PLAN (continued)

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

*Member and Employer Contributions*

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of September 30, 2015 it was 6.79% (8.36%). The employer contribution rate is set by the Retirement Board and was 11.32% (11.66%) of covered compensation. Owyhee County's contributions were \$289,517 the year ended September 30, 2015.

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

At September 30, 2015, Owyhee County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Owyhee County's proportion of the net pension liability was based on Owyhee County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2015, Owyhee County's proportion was .0908608 percent.

For the year ended September 30, 2015, Owyhee County recognized pension expense (revenue) of \$237,826. At September 30, 2015, Owyhee County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

5. PENSION PLAN (continued)

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 143,070
Changes in assumptions or other inputs	43,464	-
Net difference between projected and actual earnings on pension plan investments	439,227	626,729
Owhyee County, Idaho's contributions subsequent to the measurement date	77,872	
<b>Total</b>	<b>\$ 560,563</b>	<b>\$ 769,799</b>

\$77,872 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2015.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2013, the beginning of the measurement period ended June 30, 2014, is 5.6 years.

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

<b>For the Year Ended September 30:</b>	<b>PERSI</b>
2016	\$ (122,735)
2017	(122,735)
2018	(122,735)
2019	89,084
2020	(8,717)

*Actuarial Assumptions*

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

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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5. PENSION PLAN (continued)

The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.5 – 10.25%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expense
Cost-of-living	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

1. Set back 3 years for teachers
2. No offset for male fire and police
3. Forward one year for female fire and police
4. Set back one year for all general employees and all beneficiaries

An experience study was performed in 2012 for the period July 1, 2007 through June 30, 2011 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2014 is based on the results of an actuarial valuation date of July 1, 2014.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions.

Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2014.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

5. PENSION PLAN (continued)

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
Core Fixed Income	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Wilshire 5000 / Russell 3000	55.00%	6.90%
Developed Foreign Equities	MSCI EAFE	15.00%	7.55%
Assumed Inflation - Mean			3.25%
Assumed Inflation - Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Long-Term Expected Rate of Return			7.50%
Assumed Investment Expenses			0.40%
<b>Long-Term Expected Rate of Return, Net of Investment Expenses</b>			<b>7.10%</b>

*Discount Rate*

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
Employer's proportionate share of the net pension liability (asset)	\$ 2,914,212	\$ 1,196,489	\$ (231,570)

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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5. PENSION PLAN (continued)

*Pension plan fiduciary net position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

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.

	10/1/2014	Increase	Decrease	9/30/2015	Current
Governmental Activities	\$ 81,071	\$ 109,136	\$ (106,260)	\$ 83,947	\$ 41,971

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. They entered an additional copier lease in October 2015. The lease is for 60 months ending in September 2019

Future minimum lease payments are as follows:

Year Ending September 30,	Amount
2016	\$ 30,501
2017	29,368
2018	941
2019	941
2020	549
	\$ 62,300

Rent expenditures for the year ended September 30, 2015, were \$49,162.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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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, 2015, 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

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 2015 were \$498 for a single person or \$980 with a spouse.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

9. OTHER POST-EMPLOYMENT BENEFITS (continued)

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 2015 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	1,039
ARC adjustment with interest	(1,444)
Estimated employer contribution	<u>(10,382)</u>
Increase in net OPEB obligation	116
Net OPEB obligation - beginning of year	<u>23,089</u>
Net OPEB obligation - end of year	<u><u>\$ 23,205</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:

Year Ending September 30,	Annual OPEB Cost	Estimated Contribution as a % of Annual OPEB Cost	Net OPEB 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.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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9. OTHER POST-EMPLOYMENT BENEFITS (continued)

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.

10. OTHER COMMITMENTS

The County currently holds several credit cards with a combined credit limit of \$26,300. As of September 30, 2015, \$4,047 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 \$45,194.



**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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13. RESTATEMENT

As mentioned in Note 1 to the financial statements, the County implemented GASB statement No. 68. The provisions of this statement required that the District's portion of Net Pension Liability and Deferred Inflows and Outflows from pension related items be reported on the Statement of Net Position. This caused net Position to be restated as follows:

	<u>Governmental Activities</u>
Net Position, Beginning - As Previously Stated	\$ 9,847,679
Decrease in Net Position due to Net Pension Liability	(668,878)
Decrease in Net Position due to Deferred Inflows from Pension Related Items	(920,790)
Increase in Net Position due to Deferred Outflows from Pension Related Items	125,163
Net Position, Beginning - Restated	<u>\$ 8,383,174</u>

***REQUIRED SUPPLEMENTARY INFORMATION***

**Owyhee County, Idaho**  
 Schedule of Funding Progress  
 For the Year Ended September 30, 2015

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Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
10/1/2012	\$ -	\$ 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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,396,599	\$ 1,396,599	\$ 1,281,643	\$ (114,956)
Intergovernmental	1,435,522	1,435,522	2,088,885	653,363
Grants and Contributions	70,500	70,500	41,634	(28,866)
Charges for Services	469,850	469,850	577,954	108,104
Other Revenues	94,500	94,500	216,889	122,389
Interest Earned	50,000	50,000	89,945	39,945
<b>Total Revenues</b>	<u>3,516,971</u>	<u>3,516,971</u>	<u>4,296,950</u>	<u>779,979</u>
<b>Expenditures</b>				
Current:				
Salaries	2,153,265	2,153,265	2,015,375	137,890
Benefits	853,288	853,288	789,839	63,449
Operating Expenses	1,357,180	1,357,180	1,049,245	307,935
Capital Outlay	144,750	144,750	131,306	13,444
<b>Total Expenditures</b>	<u>4,508,483</u>	<u>4,508,483</u>	<u>3,985,765</u>	<u>522,718</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(991,512)</u>	<u>(991,512)</u>	<u>311,185</u>	<u>1,302,697</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	2,500	2,500	5,612	3,112
Change in Fair Market Value of Investments	-	-	92,667	92,667
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>2,500</u>	<u>2,500</u>	<u>98,279</u>	<u>95,779</u>
<b>Net Change in Fund Balances</b>	<u>(989,012)</u>	<u>(989,012)</u>	<u>409,464</u>	<u>1,398,476</u>
Fund Balances - Beginning	989,012	989,012	2,566,488	1,577,476
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,975,952</u>	<u>\$ 2,975,952</u>

**Owyhee County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Road and Bridge  
 For the Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 226,658	\$ 226,658	\$ 248,310	\$ 21,652
Intergovernmental	962,086	962,086	1,019,220	57,134
Grants and Contributions	-	-	-	-
Charges for Services	31,500	31,500	33,000	1,500
Other Revenues	1,000	1,000	6,377	5,377
Total Revenues	<u>1,221,244</u>	<u>1,221,244</u>	<u>1,306,907</u>	<u>85,663</u>
<b>Expenditures</b>				
Current:				
Salaries	305,603	305,603	275,866	29,737
Benefits	143,071	143,071	124,593	18,478
Operating Expenses	1,223,286	1,223,286	897,571	325,715
Capital Outlay	85,000	85,000	47,500	37,500
Total Expenditures	<u>1,756,960</u>	<u>1,756,960</u>	<u>1,345,530</u>	<u>411,430</u>
Net Change in Fund Balances	(535,716)	(535,716)	(38,623)	497,093
Fund Balances - Beginning	535,716	535,716	825,440	289,724
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 786,817</u>	<u>\$ 786,817</u>

**Owyhee County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Indigent and Charity  
 For the Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 199,631	\$ 199,631	\$ 206,312	\$ 6,681
Intergovernmental	72,900	72,900	73,527	627
Grants and Contributions	-	-	1,250	1,250
Charges for Services	-	-	-	-
Other Revenues	50,000	50,000	76,350	26,350
Total Revenues	<u>322,531</u>	<u>322,531</u>	<u>357,439</u>	<u>34,908</u>
<b>Expenditures</b>				
Current:				
Salaries	30,234	30,234	29,345	889
Benefits	13,813	13,813	13,541	272
Operating Expenses	444,025	444,025	228,949	215,076
Capital Outlay	-	-	-	-
Total Expenditures	<u>488,072</u>	<u>488,072</u>	<u>271,835</u>	<u>216,237</u>
Net Change in Fund Balances	(165,541)	(165,541)	85,604	251,145
Fund Balances - Beginning	165,541	165,541	503,501	337,960
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,105</u>	<u>\$ 589,105</u>

**Owyhee County, Idaho**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2015

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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.

**Owyhee County, Idaho**  
 Schedule of the County's Proportionate Share of the  
 Net Pension Liability

Public Employees Retirement System of Idaho

Last 10 - Fiscal Years\*

	2015
County proportion of the net pension liability (asset)	0.0908608%
County's proportionate share of the net pension liability (asset)	\$ 1,193,462
County's covered-employee payroll	\$ 2,532,950
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	47.12%
Plan fiduciary net position as a percentage of the total pension liability	91.38%

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

Data reported is measured as of July 1, 2015



**Owyhee County, Idaho**  
 Schedule of County Contributions

Public Employees Retirement System of Idaho

Last 10 - Fiscal Years\*

	2015
Contractually required contributions	\$ 289,517
Contributions in relation to the contractually required contribution	289,517
Contribution deficiency (excess)	\$ -
County's covered-employee payroll	\$ 2,532,950
Contributions as a percentage of covered-employee payroll	11.43%

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

Data reported is measured as of September 30, 2015

***SUPPLEMENTAL INFORMATION***

**Owyhee County, Idaho**  
 Supplemental Schedule of Revenues by Source  
 - Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property Taxes	\$ 1,396,599	\$ 1,281,643	\$ (114,956)
Intergovernmental	1,435,522	2,088,885	653,363
Grants and Contributions	70,500	41,634	(28,866)
Charges for Services	469,850	577,954	108,104
Other Revenues	94,500	216,889	122,389
Interest Earned	50,000	89,945	39,945
Disposition of Assets	2,500	5,612	3,112
Change in Fair Market Value of Investments	-	92,667	92,667
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Revenues	<u><u>\$ 3,519,471</u></u>	<u><u>\$ 4,395,229</u></u>	<u><u>\$ 875,758</u></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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Clerk/Auditor</b>			
Salaries	\$ 255,881	\$ 244,207	\$ 11,674
Benefits	105,452	99,205	6,247
Operating Expenses	13,930	6,510	7,420
Capital Outlay	2,000	195	1,805
	<u>377,263</u>	<u>350,117</u>	<u>27,146</u>
<b>Assessor</b>			
Salaries	160,429	156,049	4,380
Benefits	67,340	63,930	3,410
Operating Expenses	16,250	8,076	8,174
Capital Outlay	1,000	205	795
	<u>245,019</u>	<u>228,260</u>	<u>16,759</u>
<b>Treasurer/Tax Collector</b>			
Salaries	102,149	96,084	6,065
Benefits	33,863	37,756	(3,893)
Operating Expenses	11,950	9,705	2,245
Capital Outlay	750	-	750
	<u>148,712</u>	<u>143,545</u>	<u>5,167</u>
<b>Sheriff</b>			
Salaries	652,889	628,826	24,063
Benefits	255,478	241,160	14,318
Operating Expenses	315,250	268,589	46,661
Capital Outlay	58,000	51,567	6,433
	<u>1,281,617</u>	<u>1,190,142</u>	<u>91,475</u>
<b>Commissioners</b>			
Salaries	74,139	74,139	-
Benefits	37,120	36,019	1,101
Operating Expenses	74,750	58,556	16,194
	<u>186,009</u>	<u>168,714</u>	<u>17,295</u>
<b>Coroner</b>			
Salaries	21,012	21,012	-
Benefits	11,613	10,982	631
Operating Expenses	26,800	17,807	8,993
Capital Outlay	1,000	145	855
	<u>60,425</u>	<u>49,946</u>	<u>10,479</u>
<b>Prosecuting Attorney</b>			
Salaries	155,769	136,915	18,854
Benefits	46,109	41,018	5,091
Operating Expenses	20,900	16,748	4,152
Capital Outlay	-	-	-
	<u>222,778</u>	<u>194,681</u>	<u>28,097</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, 2015  
 (continued)

	Budget	Actual	Variance
<b>Buildings and Grounds</b>			
Salaries	\$ 31,686	\$ 27,146	\$ 4,540
Benefits	14,818	14,536	282
Operating Expenses	132,600	93,316	39,284
Capital Outlay	40,000	39,906	94
	<u>219,104</u>	<u>174,904</u>	<u>44,200</u>
<b>Civil Defense</b>			
Operating Expenses	31,000	269	30,731
Capital Outlay	40,000	37,759	2,241
	<u>71,000</u>	<u>38,028</u>	<u>32,972</u>
<b>County Agent</b>			
Salaries	71,688	64,758	6,930
Benefits	28,665	27,320	1,345
Operating Expenses	36,800	30,590	6,210
Capital Outlay	2,000	1,529	471
	<u>139,153</u>	<u>124,197</u>	<u>14,956</u>
<b>Elections</b>			
Salaries	15,000	9,587	5,413
Benefits	375	-	375
Operating Expenses	14,550	5,139	9,411
	<u>29,925</u>	<u>14,726</u>	<u>15,199</u>
<b>Building Department</b>			
Salaries	12,251	8,561	3,690
Benefits	6,434	4,969	1,465
Operating Expenses	46,750	22,185	24,565
	<u>65,435</u>	<u>35,715</u>	<u>29,720</u>
<b>Planning and Zoning</b>			
Salaries	51,450	49,823	1,627
Benefits	17,166	17,445	(279)
Operating Expenses	11,925	6,109	5,816
	<u>80,541</u>	<u>73,377</u>	<u>7,164</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, 2015  
 (continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>General</b>			
Operating Expenses	\$ 268,425	\$ 197,389	\$ 71,036
	<u>268,425</u>	<u>197,389</u>	<u>71,036</u>
<b>Technology</b>			
Operating Expenses	166,000	154,853	11,147
	<u>166,000</u>	<u>154,853</u>	<u>11,147</u>
<b>Jail</b>			
Salaries	548,922	498,268	50,654
Benefits	228,855	195,499	33,356
Operating Expenses	169,300	153,404	15,896
	<u>947,077</u>	<u>847,171</u>	<u>99,906</u>
 Total Expenditures	 <u>\$ 4,508,483</u>	 <u>\$ 3,985,765</u>	 <u>\$ 522,718</u>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2015

	<u>Airport</u>	<u>Bond Redemption</u>	<u>District Court</u>	<u>County Fair</u>	<u>Fair Grounds</u>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 11,912	\$ 34	\$ 258,121	\$ 19,886	\$ 64,912
Property Taxes Receivable	292	-	3,588	1,942	3,265
Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 12,204</u>	<u>\$ 34</u>	<u>\$ 261,709</u>	<u>\$ 21,828</u>	<u>\$ 68,177</u>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ 135	\$ -
Warrants and Accounts Payable	1,800	-	11,000	181	903
Total Liabilities	<u>1,800</u>	<u>-</u>	<u>11,000</u>	<u>316</u>	<u>903</u>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	-	-	3,396	1,925	3,221
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>3,396</u>	<u>1,925</u>	<u>3,221</u>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	-	-	-	-	-
Restricted	10,404	34	247,313	19,587	64,053
Total Fund Balances	<u>10,404</u>	<u>34</u>	<u>247,313</u>	<u>19,587</u>	<u>64,053</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 12,204</u>	<u>\$ 34</u>	<u>\$ 261,709</u>	<u>\$ 21,828</u>	<u>\$ 68,177</u>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2015  
(continued)

	<u>Probation</u>	<u>Health District</u>	<u>Historical Society</u>	<u>Junior College</u>	<u>Pest</u>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 31,684	\$ 19,188	\$ 52,095	\$ 99,612	\$ 4,847
Property Taxes Receivable	8,042	2,496	2,926	-	104
Prepaid Items	1,199	-	600	-	-
Total Assets	<u>\$ 40,925</u>	<u>\$ 21,684</u>	<u>\$ 55,621</u>	<u>\$ 99,612</u>	<u>\$ 4,951</u>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ 2,696	\$ -	\$ 830	\$ -	\$ -
Warrants and Accounts Payable	2,803	-	855	9,000	3,200
Total Liabilities	<u>5,499</u>	<u>-</u>	<u>1,685</u>	<u>9,000</u>	<u>3,200</u>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	8,129	2,486	2,920	-	13
Total Deferred Inflows	<u>8,129</u>	<u>2,486</u>	<u>2,920</u>	<u>-</u>	<u>13</u>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	1,199	-	600	-	-
Restricted	26,098	19,198	50,416	90,612	1,738
Total Fund Balances	<u>27,297</u>	<u>19,198</u>	<u>51,016</u>	<u>90,612</u>	<u>1,738</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 40,925</u>	<u>\$ 21,684</u>	<u>\$ 55,621</u>	<u>\$ 99,612</u>	<u>\$ 4,951</u>



**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2015  
(continued)

	<u>Revaluation</u>	<u>Solid Waste</u>	<u>Tort</u>	<u>Veterans Memorial</u>	<u>Weeds</u>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 131,928	\$ 145,773	\$ 175,238	\$ 2,298	\$ 43,019
Property Taxes Receivable	9,120	22,786	7,015	14	522
Prepaid Items	1,199	-	-	-	-
Total Assets	<u>\$ 142,247</u>	<u>\$ 168,559</u>	<u>\$ 182,253</u>	<u>\$ 2,312</u>	<u>\$ 43,541</u>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ 2,187	\$ 931	\$ 29	\$ -	\$ -
Warrants and Accounts Payable	10,794	16,929	3	1,500	386
Total Liabilities	<u>12,981</u>	<u>17,860</u>	<u>32</u>	<u>1,500</u>	<u>386</u>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	9,093	22,225	6,971	-	509
Total Deferred Inflows	<u>9,093</u>	<u>22,225</u>	<u>6,971</u>	<u>-</u>	<u>509</u>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	1,199	-	-	-	-
Restricted	118,974	128,474	175,250	812	42,646
Total Fund Balances	<u>120,173</u>	<u>128,474</u>	<u>175,250</u>	<u>812</u>	<u>42,646</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 142,247</u>	<u>\$ 168,559</u>	<u>\$ 182,253</u>	<u>\$ 2,312</u>	<u>\$ 43,541</u>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2015  
(continued)

	<u>911</u>	<u>County Vessel</u>	<u>Waterway</u>	<u>Off Highway Vehicles</u>	<u>Taxing District Election</u>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 69,385	\$ 2,742	\$ 36,140	\$ 15,660	\$ 73,608
Property Taxes Receivable	41,621	-	-	-	-
Prepaid Items	589	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 111,595</u></b>	<b><u>\$ 2,742</u></b>	<b><u>\$ 36,140</u></b>	<b><u>\$ 15,660</u></b>	<b><u>\$ 73,608</u></b>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ -	\$ -	\$ 465	\$ -	\$ 689
Warrants and Accounts Payable	15,567	77	123	71	230
<b>Total Liabilities</b>	<b><u>15,567</u></b>	<b><u>77</u></b>	<b><u>588</u></b>	<b><u>71</u></b>	<b><u>919</u></b>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	-	-	-	-	-
<b>Total Deferred Inflows</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	589	-	-	-	-
Restricted	95,439	2,665	35,552	15,589	72,689
<b>Total Fund Balances</b>	<b><u>96,028</u></b>	<b><u>2,665</u></b>	<b><u>35,552</u></b>	<b><u>15,589</u></b>	<b><u>72,689</u></b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b><u>\$ 111,595</u></b>	<b><u>\$ 2,742</u></b>	<b><u>\$ 36,140</u></b>	<b><u>\$ 15,660</u></b>	<b><u>\$ 73,608</u></b>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2015  
(continued)

	<u>Economic Development</u>	<u>Total</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 16,923	\$ 1,275,005
Property Taxes Receivable	-	103,733
Prepaid Items	506	4,093
	<u>506</u>	<u>4,093</u>
Total Assets	<u>\$ 17,429</u>	<u>\$ 1,382,831</u>
<b>Liabilities</b>		
Salaries and Benefits Payable	\$ 1,003	\$ 8,965
Warrants and Accounts Payable	3,913	79,335
	<u>3,913</u>	<u>79,335</u>
Total Liabilities	<u>4,916</u>	<u>88,300</u>
<b>Deferred Inflows:</b>		
Unavailable Revenue - Property Tax	-	60,888
	<u>-</u>	<u>60,888</u>
Total Deferred Inflows	<u>-</u>	<u>60,888</u>
<b>Fund Balances</b>		
Nonspendable - Prepaid Items	506	4,093
Restricted	12,007	1,229,550
	<u>12,513</u>	<u>1,233,643</u>
Total Fund Balances	<u>12,513</u>	<u>1,233,643</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 17,429</u>	<u>\$ 1,382,831</u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2015

	<u>Airport</u>	<u>Bond Redemption</u>	<u>District Court</u>	<u>County Fair</u>	<u>Fair Grounds</u>
<b>Revenues</b>					
Property Taxes	\$ 9,976	\$ -	\$ 132,125	\$ 29,722	\$ 69,740
Intergovernmental	-	-	31,986	13,828	14,485
Grants and Contributions	-	-	-	-	-
Charges for Services	-	-	41,408	-	-
Other Revenues	-	-	28,339	-	-
<b>Total Revenues</b>	<u>9,976</u>	<u>-</u>	<u>233,858</u>	<u>43,550</u>	<u>84,225</u>
<b>Expenditures</b>					
Current:					
Salaries	-	-	-	13,257	-
Benefits	-	-	-	-	-
Operating Expenses	23,634	-	174,732	28,737	11,401
Capital Outlay	-	-	-	-	60,558
<b>Total Expenditures</b>	<u>23,634</u>	<u>-</u>	<u>174,732</u>	<u>41,994</u>	<u>71,959</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(13,658)</u>	<u>-</u>	<u>59,126</u>	<u>1,556</u>	<u>12,266</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Assets	-	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(13,658)</u>	<u>-</u>	<u>59,126</u>	<u>1,556</u>	<u>12,266</u>
<b>Fund Balances - Beginning</b>	<u>24,062</u>	<u>34</u>	<u>188,187</u>	<u>18,031</u>	<u>51,787</u>
<b>Fund Balances - Ending</b>	<u>\$ 10,404</u>	<u>\$ 34</u>	<u>\$ 247,313</u>	<u>\$ 19,587</u>	<u>\$ 64,053</u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2015  
(continued)

	Probation	Health District	Historical Society	Junior College	Pest
<b>Revenues</b>					
Property Taxes	\$ 84,788	\$ 37,088	\$ 47,426	\$ -	\$ 3,426
Intergovernmental	19,040	14,299	12,685	51,374	-
Grants and Contributions	60,074	-	3,947	-	-
Charges for Services	15,058	-	-	-	-
Other Revenues	4,260	-	-	890	588
<b>Total Revenues</b>	<u>183,220</u>	<u>51,387</u>	<u>64,058</u>	<u>52,264</u>	<u>4,014</u>
<b>Expenditures</b>					
Current:					
Salaries	111,389	-	21,734	-	-
Benefits	39,316	-	9,091	-	-
Operating Expenses	33,283	54,372	14,369	49,750	3,200
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>183,988</u>	<u>54,372</u>	<u>45,194</u>	<u>49,750</u>	<u>3,200</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(768)</u>	<u>(2,985)</u>	<u>18,864</u>	<u>2,514</u>	<u>814</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Assets	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(768)	(2,985)	18,864	2,514	814
<b>Fund Balances - Beginning</b>	<u>28,065</u>	<u>22,183</u>	<u>32,152</u>	<u>88,098</u>	<u>924</u>
<b>Fund Balances - Ending</b>	<u><u>\$ 27,297</u></u>	<u><u>\$ 19,198</u></u>	<u><u>\$ 51,016</u></u>	<u><u>\$ 90,612</u></u>	<u><u>\$ 1,738</u></u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2015  
(continued)

	<u>Revaluation</u>	<u>Solid Waste</u>	<u>Tort</u>	<u>Veterans Memorial</u>	<u>Weeds</u>
<b>Revenues</b>					
Property Taxes	\$ 153,270	\$ 217,846	\$ 91,831	\$ 28	\$ 16,714
Intergovernmental	51,871	12,081	30,529	287	4,479
Grants and Contributions	-	-	-	-	-
Charges for Services	-	1,296	-	-	12,259
Other Revenues	-	-	-	-	38
<b>Total Revenues</b>	<u>205,141</u>	<u>231,223</u>	<u>122,360</u>	<u>315</u>	<u>33,490</u>
<b>Expenditures</b>					
Current:					
Salaries	123,248	34,055	600	-	-
Benefits	63,220	8,692	48	-	-
Operating Expenses	17,733	182,450	112,712	1,200	29,107
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>204,201</u>	<u>225,197</u>	<u>113,360</u>	<u>1,200</u>	<u>29,107</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>940</u>	<u>6,026</u>	<u>9,000</u>	<u>(885)</u>	<u>4,383</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Assets	-	-	-	-	23,598
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,598</u>
<b>Net Change in Fund Balances</b>	940	6,026	9,000	(885)	27,981
<b>Fund Balances - Beginning</b>	119,233	122,448	166,250	1,697	14,665
<b>Fund Balances - Ending</b>	<u>\$ 120,173</u>	<u>\$ 128,474</u>	<u>\$ 175,250</u>	<u>\$ 812</u>	<u>\$ 42,646</u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2015  
(continued)

	911	County Vessel	Waterway	Off Highway Vehicles	Taxing District Election
<b>Revenues</b>					
Property Taxes	\$ 108,821	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	12,657	-
Grants and Contributions	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenues	110,479	-	58,808	-	66,035
<b>Total Revenues</b>	<u>219,300</u>	<u>-</u>	<u>58,808</u>	<u>12,657</u>	<u>66,035</u>
<b>Expenditures</b>					
Current:					
Salaries	25,568	-	13,513	5,759	34,718
Benefits	11,403	-	2,046	1,270	13,539
Operating Expenses	131,912	17,335	7,697	2,290	9,650
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>168,883</u>	<u>17,335</u>	<u>23,256</u>	<u>9,319</u>	<u>57,907</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>50,417</u>	<u>(17,335)</u>	<u>35,552</u>	<u>3,338</u>	<u>8,128</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Assets	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
<b>Net Change in Fund Balances</b>	50,417	(17,335)	35,552	3,338	8,128
<b>Fund Balances - Beginning</b>	45,611	20,000	-	12,251	64,561
<b>Fund Balances - Ending</b>	<u>\$ 96,028</u>	<u>\$ 2,665</u>	<u>\$ 35,552</u>	<u>\$ 15,589</u>	<u>\$ 72,689</u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2015  
(continued)

	<u>Economic Development</u>	<u>Total</u>
<b>Revenues</b>		
Property Taxes	\$ -	\$ 1,002,801
Intergovernmental	-	269,601
Grants and Contributions	-	64,021
Charges for Services	-	70,021
Other Revenues	89,564	359,001
	<u>89,564</u>	<u>359,001</u>
 Total Revenues	 <u>89,564</u>	 <u>1,765,445</u>
 <b>Expenditures</b>		
Current:		
Salaries	41,372	425,213
Benefits	16,345	164,970
Operating Expenses	24,877	930,441
Capital Outlay	-	60,558
	<u>-</u>	<u>60,558</u>
 Total Expenditures	 <u>82,594</u>	 <u>1,581,182</u>
 <b>Excess (Deficiency) of Revenues Over Expenditures</b>	 <u>6,970</u>	 <u>184,263</u>
 <b>Other Financing Sources (Uses)</b>		
Sale of Assets	-	23,598
Total Other Financing Sources	<u>-</u>	<u>23,598</u>
 <b>Net Change in Fund Balances</b>	 6,970	 207,861
 <b>Fund Balances - Beginning</b>	 <u>5,543</u>	 <u>1,025,782</u>
<b>Fund Balances - Ending</b>	<u>\$ 12,513</u>	<u>\$ 1,233,643</u>



**Owyhee County, Idaho**  
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds  
September 30, 2015

	<u>State of Idaho</u>	<u>Special Taxing County</u>	<u>Miscellaneous Trust</u>	<u>Sensitive Species Research</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 112,690	\$ 101,814	\$ 1,938,988	\$ 50,103
Property Taxes Receivable	-	240,838	-	-
Other Receivables	-	-	10,926	-
Total Assets	<u>\$ 112,690</u>	<u>\$ 342,652</u>	<u>\$ 1,949,914</u>	<u>\$ 50,103</u>
 <b>Liabilities</b>				
Warrants and Accounts Payable	\$ 112,690	\$ 20,975	\$ 208,374	\$ -
Due to Other Funds or Taxing Units	-	321,677	1,741,540	50,103
Total Liabilities	<u>\$ 112,690</u>	<u>\$ 342,652</u>	<u>\$ 1,949,914</u>	<u>\$ 50,103</u>

**Owyhee County, Idaho**

Combining Statement of Fiduciary Assets and Liabilities - Agency Funds (continued)  
September 30, 2015

	<u>911 Trust Account</u>	<u>Hazardous Waste</u>	<u>Owyhee County Initiative</u>	<u>Total</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 382,544	\$ 384,309	\$ 1,952	\$ 2,972,400
Property Taxes Receivable	-	-	-	240,838
Other Receivables	-	-	-	10,926
Total Assets	<u>\$ 382,544</u>	<u>\$ 384,309</u>	<u>\$ 1,952</u>	<u>\$ 3,224,164</u>
 <b>Liabilities</b>				
Warrants and Accounts Payable	\$ -	\$ 13,543	\$ -	\$ 355,582
Due to Other Funds or Taxing Units	<u>382,544</u>	<u>370,766</u>	<u>1,952</u>	<u>2,868,582</u>
Total Liabilities	<u>\$ 382,544</u>	<u>\$ 384,309</u>	<u>\$ 1,952</u>	<u>\$ 3,224,164</u>

**Owyhee County, Idaho**  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30,2015

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of the Interior</u>		
Passed through State Department of Historical Society Historic Preservation Fund Grant	15.904	\$ 10,000
Direct:		
Payment in Lieu of Taxes	15.226	<u>1,288,764</u>
Total U.S. Department of the Interior		<u>1,298,764</u>
<u>U.S. Department of Transportation</u>		
Passed through State Department of Transportation		
Highway Planning and Construction	20.205	4,178
State & Community Highway Safety	20.600	9,224
Minimum Penalty for Repeat	20.608	363
National Priority Safety Programs	20.616	<u>6,065</u>
Total U.S. Department of Transportation		<u>19,830</u>
<u>U.S. Department of Homeland Security</u>		
Passed through State Military Division:		
Homeland Security Grant Program	97.067	55,127
Passed through Department of Park and Recreation:		
Boating Safety	97.012	<u>49,833</u>
Total U.S. Department of Homeland Security		<u>104,960</u>
Total Federal Financial Assistance Expended		<u>\$ 1,423,554</u>

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting

***FEDERAL REPORTS***



# Millington Zwygart

CERTIFIED PUBLIC ACCOUNTANTS

## **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, 2015, 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 29, 2016

### **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.

*Millington Zwysart CPAs, PLLC*

Caldwell, Idaho  
January 29, 2016



# Millington Zwygart

CERTIFIED PUBLIC ACCOUNTANTS

## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By *OMB Circular A-133***

Board of Commissioners  
Owyhee County  
Murphy, Idaho

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

We have audited Owyhee County, Idaho's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Owyhee County, Idaho's major federal programs for the year ended September 30, 2015. Owyhee County Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

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

Our responsibility is to express an opinion on compliance for each of Owyhee County, Idaho's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Owyhee County, Idaho's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Owyhee County, Idaho's compliance.

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

In our opinion, Owyhee County, Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

## **Report on Internal Control over Compliance**

Management of Owyhee County, Idaho, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Owyhee County, Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Owyhee County, Idaho's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Millington Zwyzart CPAs, PLLC*

Caldwell, Idaho  
January 29, 2016



**Owyhee County, Idaho**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30,2015

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Significant deficiency(ies) disclosed?  yes  none reported

Material weakness(es) disclosed?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal control over major programs:

Significant deficiency(ies) disclosed?  yes  none reported

Material weakness(es) disclosed?  yes  none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?  yes  no

Identification of major programs:

CFDA Numbers	Name of Federal Program
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15.226	Payment in Lieu of Taxes
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Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?  yes  no

**Section II - Financial Statement Findings**

None reported.

**Section III - Findings and Questioned Costs for Federal Awards**

None reported.