

OWYHEE COUNTY, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2017

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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, 2017, 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, 2017, 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 32 through 38 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 supplemental information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2018 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
April 23, 2018

Owyhee County, Idaho
Statement of Net Position
September 30, 2017

	Primary Governmental Activities	Component Unit
Assets		
Cash and Cash Equivalents	\$ 6,635,844	\$ 30,700
Receivables, Net:		
Property Taxes	244,334	-
Interest	147,415	-
Due From Other Governments	33,576	-
Prepaid Items	66,467	-
Noncurrent Cash and Cash Equivalents	-	-
Capital Assets:		
Land	726,628	-
Buildings and Improvements, Net	3,097,503	-
Equipment, Net	633,885	-
Total Capital Assets	4,458,016	-
Total Assets	11,585,652	30,700
Deferred Outflows		
Pension Related Items	310,772	-
Total Deferred Outflows	310,772	-
Liabilities		
Salaries and Benefits Payable	83,745	-
Warrants and Accounts Payable	508,236	-
Long-Term Liabilities:		
Due Within One Year:		
Compensated Absences	49,255	-
Municipal Lease	26,314	-
Due in More Than One Year:		
Other Post-Employment Benefits	22,815	-
Compensated Absences	49,255	-
Municipal Lease	53,152	-
Net Pension Liability	1,493,009	-
Total Liabilities	2,285,781	-
Deferred Inflows		
Pension Related Items	223,960	-
Total Deferred Inflows	223,960	-
Net Position		
Invested in Capital Assets, Net of Related Debt	4,378,550	-
Restricted	3,024,027	-
Unrestricted	1,984,106	30,700
Total Net Position	\$ 9,386,683	\$ 30,700

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

Owyhee County, Idaho
Statement of Activities
For the Year Ended September 30, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental Activities	
Primary Government:						
Governmental Activities:						
General Government	\$ 2,448,914	\$ 607,174	\$ 94,664	\$ -	\$ (1,747,076)	\$ -
Public Safety	2,969,651	456,354	121,359	-	(2,391,938)	-
Highways and Streets	1,788,092	58,907	23,024	-	(1,706,161)	-
Sanitation	302,478	2,310	19,811	-	(280,357)	-
Health	54,508	-	-	-	(54,508)	-
Welfare	492,172	-	82,884	-	(409,288)	-
Education	54,786	-	-	-	(54,786)	-
Culture and Recreation	198,432	-	-	-	(198,432)	-
Total Primary Government	<u>\$ 8,309,033</u>	<u>\$ 1,124,745</u>	<u>\$ 341,742</u>	<u>\$ -</u>	<u>(6,842,546)</u>	<u>-</u>
Component Unit:						
Fair Board	<u>\$ 46,071</u>	<u>\$ 38,682</u>	<u>\$ -</u>	<u>\$ -</u>		<u>(7,389)</u>
		General Revenues:				
			Property Taxes	3,072,012		-
			Intergovernmental	3,893,778		-
			Other	59,430		-
			Unrestricted Investment Earnings	83,870		-
			Change in Fair Market Value of Investments	(94,978)		-
			Disposal of Assets	33,090		-
			Total General Revenues and Special Items	<u>7,047,202</u>		<u>-</u>
			Change in Net Position	204,656		(7,389)
			Net Position, Beginning of Year	<u>9,182,027</u>		<u>38,089</u>
			Net Position, End of Year	<u>\$ 9,386,683</u>		<u>\$ 30,700</u>

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

Owyhee County, Idaho
 Balance Sheet -
 Governmental Funds
 September 30, 2017

	General	Road and Bridge	Indigent and Charity	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 3,387,357	\$ 1,351,053	\$ 355,107	\$ 1,542,327	\$ 6,635,844
Property Taxes Receivable, Net	124,556	12,941	13,000	93,837	244,334
Interest Receivable	147,415	-	-	-	147,415
Due From Other Governments	31,559	2,017	-	-	33,576
Prepaid Items	36,294	5,096	11,074	14,003	66,467
Total Assets	<u>\$ 3,727,181</u>	<u>\$ 1,371,107</u>	<u>\$ 379,181</u>	<u>\$ 1,650,167</u>	<u>\$ 7,127,636</u>
Liabilities:					
Salaries and Benefits Payable	\$ 61,286	\$ 8,033	\$ 1,278	\$ 13,148	\$ 83,745
Warrants and Accounts Payable	115,677	298,742	16,396	77,421	508,236
Total Liabilities	<u>176,963</u>	<u>306,775</u>	<u>17,674</u>	<u>90,569</u>	<u>591,981</u>
Deferred Inflows:					
Unavailable Revenue - Property Tax	87,710	10,928	11,166	52,449	162,253
Total Deferred Inflows	<u>87,710</u>	<u>10,928</u>	<u>11,166</u>	<u>52,449</u>	<u>162,253</u>
Fund Balances:					
Nonspendable - Prepaid Items	36,294	5,096	11,074	14,003	66,467
Restricted	-	1,048,308	482,127	1,493,592	3,024,027
Unassigned	3,426,214	-	(142,860)	(446)	3,282,908
Total Fund Balance	<u>3,462,508</u>	<u>1,053,404</u>	<u>350,341</u>	<u>1,507,149</u>	<u>6,373,402</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 3,727,181</u>	<u>\$ 1,371,107</u>	<u>\$ 379,181</u>	<u>\$ 1,650,167</u>	<u>\$ 7,127,636</u>

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, 2017

Total Fund Balances - Governmental Funds \$ 6,373,402

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 \$5,527,481 Accum. Depreciation		3,097,503	
Equipment, Net of \$3,600,349 Accumulated Depreciation		<u>633,885</u>	
			4,458,016

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.			162,253
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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	\$	(22,815)	
Compensated Absences		(98,510)	
Municipal Leases		<u>(79,466)</u>	
			(200,791)

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	\$	(1,493,009)	
Pension Related Deferred Inflows		(223,960)	
Pension Related Deferred Outflows		<u>310,772</u>	
			<u>(1,406,197)</u>

Net Position of Governmental Activities			<u>\$ 9,386,683</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, 2017

	General	Road and Bridge	Indigent and Charity	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 1,662,726	\$ 215,737	\$ 231,908	\$ 961,660	\$ 3,072,031
Intergovernmental	2,185,426	1,349,266	34,785	324,301	3,893,778
Grants and Contributions	98,979	10,500	82,884	149,379	341,742
Charges for Services	826,225	58,907	-	239,613	1,124,745
Other Revenues	6,468	27,756	39	25,167	59,430
Interest Earned	83,870	-	-	-	83,870
Total Revenues	<u>4,863,694</u>	<u>1,662,166</u>	<u>349,616</u>	<u>1,700,120</u>	<u>8,575,596</u>
Expenditures					
Current:					
General Government	1,781,988	-	-	471,042	2,253,030
Public Safety	2,460,598	-	-	382,082	2,842,680
Highways and Streets	-	1,557,115	-	-	1,557,115
Sanitation	-	-	-	295,003	295,003
Health	-	-	-	54,772	54,772
Welfare	-	-	492,476	-	492,476
Education	-	-	-	55,050	55,050
Culture and Recreation	-	-	-	120,661	120,661
Capital Outlay	191,796	323,611	-	104,237	619,644
Total Expenditures	<u>4,434,382</u>	<u>1,880,726</u>	<u>492,476</u>	<u>1,482,847</u>	<u>8,290,431</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>429,312</u>	<u>(218,560)</u>	<u>(142,860)</u>	<u>217,273</u>	<u>285,165</u>
Other Financing Sources (Uses)					
Sale of Assets	34,901	-	-	2,160	37,061
Proceeds from Municipal Lease	-	106,309	-	-	106,309
Change in Fair Market Value of Investments	(94,978)	-	-	-	(94,978)
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(60,077)</u>	<u>106,309</u>	<u>-</u>	<u>2,160</u>	<u>48,392</u>
Net Change in Fund Balances	369,235	(112,251)	(142,860)	219,433	333,557
Fund Balances - Beginning	3,093,273	1,165,655	493,201	1,287,716	6,039,845
Fund Balances - Ending	<u>\$ 3,462,508</u>	<u>\$ 1,053,404</u>	<u>\$ 350,341</u>	<u>\$ 1,507,149</u>	<u>\$ 6,373,402</u>

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

Owyhee County, Idaho
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of the
 Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2017

Total Net Change in Fund Balance - Governmental Funds \$ 333,557

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	\$ 265,575	
Depreciation Expense	(417,151)	
Disposed Assets	<u>(3,971)</u>	
Net		(155,547)

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. (19)

Compensated absences and other post-employment benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the net change in compensated absences and other post-employment benefits. 7,459

Some capital additions were financed through municipal leases payable. In governmental funds, a municipal lease payable arrangement is considered a source of financing, but in the statement of Net Position, the municipal lease obligation is reported as a liability. (106,309)

The repayment of the principal of a municipal lease consumes the current financial resources of governmental funds. The repayment of the principal, however, has no effect on Net Assets 99,139

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. 26,376

Change in Net Position of Governmental Activities \$ 204,656

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

Owyhee County, Idaho
Statement of Fiduciary Net Position - Fiduciary Funds
September 30, 2017

	<u>Agency Funds</u>
Assets	
Cash and Investments	\$ 3,625,885
Property Taxes Receivable	<u>279,120</u>
Total Assets	<u><u>\$ 3,905,005</u></u>
Liabilities	
Warrants and Accounts Payable	\$ 408,544
Due to Other Funds or Taxing Units	<u>3,496,461</u>
Total Liabilities	<u><u>\$ 3,905,005</u></u>

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

Owyhee County, Idaho
 Balance Sheet -
 Component Unit
 September 30, 2017

	<u>Fair Board</u>
Assets	
Cash and Cash Equivalents	\$ 30,700
Total Assets	30,700
 Liabilities	
Accounts Payable and Other Current Liabilities	\$ -
Total Liabilities	-
 Fund Balance	
Unassigned	30,700
Total Liabilities and Fund Balance	\$ 30,700

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, 2017

	Fair Board
Revenues	
Charges for Services	\$ 38,682
Total Revenues	38,682
 Expenditures	
Current:	
Operating Expenditures	46,071
Total Expenses	46,071
 Net Change in Fund Balances	(7,389)
 Fund Balances - Beginning	38,089
Fund Balances - Ending	\$ 30,700

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

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	<u>Capitalization</u> <u>Policy</u>	<u>Depreciation</u> <u>Method</u>	<u>Estimated</u> <u>Useful Life</u>
Buildings and Improvements	\$5,000	Straight-Line	10 – 52 Years
Equipment	\$5,000	Straight-Line	3 – 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, 2017.

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, 2017

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.

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2017, the carrying amount of the County's deposits was \$4,106,046 and the respective bank balances totaled \$2,898,171. 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, 2017, all of the County's deposits were 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. The County also had \$1,000 of cash on hand at the end of the year.

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 \$503,221. The certificates of deposits are issued through FDIC insured banks and, therefore, are insured. The County does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

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

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

2. CASH AND INVESTMENTS (continued)

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, 2017, are summarized below:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)		
			Less than 1	1 - 5	>5
External Investment Pool	None	\$ 1,561,565	\$ 1,561,565	\$ -	\$ -
Certificates of Deposit	N/A	503,221	85,020	348,461	69,740
U.S. Government Bonds	AAA	3,614,040	-	129,385	3,484,655
Asset Backed Securities	N/A	363,323	-	-	363,323
Money Market	N/A	251,039	251,039	-	-
		<u>\$ 6,293,188</u>	<u>\$ 1,897,624</u>	<u>\$ 477,846</u>	<u>\$ 3,917,718</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	\$ 614,362	\$ 30,700	\$ 645,062	\$ 3,501,594
Investments categorized as deposits	6,293,188	-	6,293,188	-
	<u>\$ 6,907,550</u>	<u>\$ 30,700</u>	<u>\$ 6,938,250</u>	<u>\$ 3,501,594</u>

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

	Book Balance	Bank Balance
Tax Collector	\$ 3,596	\$ 32,240
Tax Collector Trust	74,649	74,649
Inmate Trust	26,928	30,274
	<u>\$ 105,173</u>	<u>\$ 137,163</u>

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments consists of ag replacement tax revenue of \$31,559 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, 2017, was as follows:

	Balance 9/30/16	Additions	Disposals	Balance 9/30/17
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 726,628	\$ -	\$ -	\$ 726,628
Capital Assets Being Depreciated:				
Buildings and Improvements	8,624,984	-	-	8,624,984
Equipment	4,056,984	265,574	88,325	4,234,233
Total Historical Cost	<u>12,681,968</u>	<u>265,574</u>	<u>88,325</u>	<u>12,859,217</u>
Less: Accumulated Depreciation				
Buildings and Improvements	5,333,754	193,727	-	5,527,481
Equipment	3,461,279	223,424	84,354	3,600,349
Total Acc. Depr.	<u>8,795,033</u>	<u>417,151</u>	<u>84,354</u>	<u>9,127,830</u>
Net Depreciable Assets	<u>3,886,935</u>	<u>(151,577)</u>	<u>3,971</u>	<u>3,731,387</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 4,613,563</u>	<u>\$ (151,577)</u>	<u>\$ 3,971</u>	<u>\$ 4,458,015</u>

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

Governmental Activities:	
General Government	\$ 118,941
Public Safety	159,672
Sanitation	3,264
Highways and Streets	126,045
Culture and Recreation	9,229
	<u>\$ 417,151</u>

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

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.

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

Pension Benefits

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

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.

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

5. PENSION PLAN (continued)

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2017, it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% general employees and 11.66% for police and firefighters. Owyhee County's contributions were \$327,528 for the year ended September 30, 2017.

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

At September 30, 2017, Owyhee County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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 June 30, 2017, Owyhee County's proportion was .0949855 percent.

For the year ended September 30, 2017, Owyhee County recognized pension expense (revenue) of \$301,368. At September 30, 2017, 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, 2017

5. PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 206,829	\$ 134,508
Changes in assumptions or other inputs	27,610	-
Net difference between projected and actual earnings on pension plan investments	-	89,452
Owhyee County's contributions subsequent to the measurement date	76,333	-
Total	\$ 310,772	\$ 223,960

\$76,333 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, 2017.

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, 2016, the beginning of the measurement period ended June 30, 2017, is 4.9 and 5.5 for the measurement period June 30, 2017.

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

For the Year Ended September 30:	PERSI
2018	\$ 78,290
2019	1,957
2020	223,391
2021	122,922

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, 2017

5. PENSION PLAN (continued)

The total pension liability in the June, 30 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25 – 10.00%
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 for the period July 1, 2007 through June 30, 2013 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, 2017 is based on the results of an actuarial valuation date of July 1, 2017.

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, 2017.

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

5. PENSION PLAN (continued)

<u>Asset Class</u>	<u>Expected Return</u>	<u>Expected Risk</u>	<u>Strategic Normal</u>	<u>Strategic Ranges</u>
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
<u>Total Fund</u>	<u>Expected Return</u>	<u>Expected Inflation</u>	<u>Expected Real Return</u>	<u>Expected Risk</u>
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

* Expected arithmetic return net of fess and expenses

Assumed Inflation - Mean	3.25%
Assumed Inflation - Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	<u>7.10%</u>

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.

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

5. PENSION PLAN (continued)

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:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 3,470,060	\$ 1,493,009	\$ (149,973)

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.

6. COMPENSATED ABSENCES

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

	<u>9/30/16</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/17</u>	<u>Current</u>
Governmental Activities	\$ 104,275	\$ 120,993	\$ (126,758)	\$ 98,510	\$ 49,255

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

7. LEASE COMMITMENTS

The County entered into a lease for office space in October 2016. The lease is for 24 months ending September.

The County also entered into several copiers leases. Each is for 60 months. The County plans on returning all of the copiers at the end of the leases.

Future minimum lease payments are as follows:

Year Ending September 30,	Amount
2018	\$ 19,319
2019	10,919
2020	8,783
2021	5,815
2022	<u>5,815</u>
	<u>\$ 50,651</u>

Rent expenditures for the year ended September 30, 2017, were \$51,122.

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, 2017, the County made no employer contributions to the plan.

9. OTHER POST-EMPLOYMENT BENEFITS

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

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

9. OTHER POST-EMPLOYMENT BENEFITS (continued)

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

Other post-employment benefits (OPEB) have historically been funded on a pay-as-you-go basis. Under government accounting standards, plan sponsors may set up a trust and pre-fund benefits. There is no requirement to pre-fund benefits. However, if benefits are not pre-funded, a net OPEB obligation is created and will grow over time. The County has not pre-funded these benefits. The contribution requirement of plan members is established by the Board of Commissioners in conjunction with the insurance provider. Monthly contribution rates in effect for retirees under age 65 during fiscal year 2017 were \$582 for a single person or \$1,146 with a spouse.

Post-employment benefits are determined on an actuarial basis. Actuarial valuations of these benefits were done as of October 1, 2015, 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 \$135,935 or 7.6% of covered payroll. The annual required contribution (ARC) for fiscal year 2017 is \$15,428. 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	\$ 15,428
Interest on net OPEB obligation	858
ARC adjustment with interest	(1,310)
Estimated employer contribution	<u>(16,672)</u>
Increase in net OPEB obligation	(1,696)
Net OPEB obligation - beginning of year	<u>24,511</u>
Net OPEB obligation - end of year	<u><u>\$ 22,815</u></u>

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

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

9. OTHER POST-EMPLOYMENT BENEFITS (continued)

Year Ending	Annual	Estimated Contribution as a % of Annual	Net OPEB
<u>September 30,</u>	<u>OPEB Cost</u>	<u>OPEB Cost</u>	<u>Obligation</u>
2017	\$ 14,976	57%	\$ 22,815

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

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

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

In the October 1, 2015, 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 \$41,000. As of September 30, 2017, \$3,562 of the available credit was in use.

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

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 \$77,915.

13. LONG-TERM OBLIGATIONS

The County has leased two Caterpillar Loader under long-term lease agreements. These were recorded as a municipal lease, as the County expects to retain the equipment at the end of the lease. The municipal lease consists of:

Equipment	\$ 264,212
Less accumulated amortization (included as depreciation on the accompanying financial statements)	<u>(75,427)</u>
	<u>\$ 188,785</u>

Changes in long-term obligations for the year ended September 30, 2017, are as follows:

<u>Description</u>	<u>Maturity</u>	<u>Rate</u>	<u>9/30/16</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/17</u>	<u>Current Portion</u>
Case Loader 450F	2017	3.20%	\$ 72,296	\$ -	\$ (72,296)	\$ -	\$ -
Case Loader 420F2	2020	0.67%	-	106,309	(26,843)	79,466	26,313
			<u>\$ 72,296</u>	<u>\$ 106,309</u>	<u>\$ (99,139)</u>	<u>\$79,466</u>	<u>\$ 26,313</u>

Owyhee County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2017

13. LONG-TERM OBLIGATIONS (continued)

Debt service requirements on long-term debt as of September 30, 2017, are as follows:

Year Ending September 30,	Principal	Interest	Total
2018	\$ 26,313	\$ 530	\$ 26,843
2019	26,488	355	26,843
2020	<u>26,665</u>	<u>178</u>	<u>26,843</u>
	<u>\$ 79,466</u>	<u>\$ 1,063</u>	<u>\$ 80,529</u>

REQUIRED SUPPLEMENTARY INFORMATION

Owyhee County, Idaho
 Schedule of Funding Progress
 For the Year Ended September 30, 2017

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
10/1/2015	\$ -	\$ 135,935	\$ 135,935	0%	\$ 1,797,690	7.6%

Owyhee County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 General Fund
 For the Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 1,640,815	\$ 1,640,815	\$ 1,662,726	\$ 21,911
Intergovernmental	1,894,949	1,891,949	2,185,426	293,477
Grants and Contributions	82,000	82,000	98,979	16,979
Charges for Services	637,393	637,393	826,225	188,832
Other Revenues	550	550	6,468	5,918
Interest Earned	75,000	75,000	83,870	8,870
Total Revenues	<u>4,330,707</u>	<u>4,327,707</u>	<u>4,863,694</u>	<u>535,987</u>
Expenditures				
Current:				
Salaries	2,447,379	2,472,806	2,348,599	124,207
Benefits	984,841	991,647	912,654	78,993
Operating Expenses	1,443,004	1,410,773	981,333	429,440
Capital Outlay	235,000	235,000	191,796	43,204
Total Expenditures	<u>5,110,224</u>	<u>5,110,226</u>	<u>4,434,382</u>	<u>675,844</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>(779,517)</u>	<u>(782,519)</u>	<u>429,312</u>	<u>1,211,831</u>
Other Financing Sources (Uses)				
Sale of Assets	17,500	17,500	34,901	17,401
Change in Fair Market Value of Investments	-	-	(94,978)	(94,978)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>17,500</u>	<u>17,500</u>	<u>(60,077)</u>	<u>(77,577)</u>
Net Change in Fund Balances	(762,017)	(765,019)	369,235	1,134,254
Fund Balances - Beginning	762,017	765,019	3,093,273	2,328,254
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,462,508</u>	<u>\$ 3,462,508</u>

Owyhee County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Road and Bridge
 For the Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 206,794	\$ 206,794	\$ 215,737	\$ 8,943
Intergovernmental	1,232,086	1,232,086	1,349,266	117,180
Grants and Contributions	40,000	40,000	10,500	(29,500)
Charges for Services	65,520	65,520	58,907	(6,613)
Other Revenues	-	-	27,756	27,756
Total Revenues	<u>1,544,400</u>	<u>1,544,400</u>	<u>1,662,166</u>	<u>117,766</u>
Expenditures				
Current:				
Salaries	331,957	331,957	311,508	20,449
Benefits	151,509	151,509	132,973	18,536
Operating Expenses	1,434,000	1,434,000	1,112,634	321,366
Capital Outlay	232,000	232,000	323,611	(91,611)
Total Expenditures	<u>2,149,466</u>	<u>2,149,466</u>	<u>1,880,726</u>	<u>268,740</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(605,066)</u>	<u>(605,066)</u>	<u>(218,560)</u>	<u>386,506</u>
Other Financing Sources (Uses)				
Sale of Assets	-	-	-	-
Proceeds from Municipal Lease	-	-	106,309	106,309
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>106,309</u>	<u>106,309</u>
Net Change in Fund Balances	(605,066)	(605,066)	(112,251)	492,815
Fund Balances - Beginning	605,066	605,066	1,165,655	560,589
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,053,404</u>	<u>\$ 1,053,404</u>

Owyhee County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Indigent and Charity
 For the Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 227,805	\$ 227,805	\$ 231,908	4,103
Intergovernmental	72,900	72,900	34,785	(38,115)
Grants and Contributions	75,000	75,000	82,884	7,884
Charges for Services	-	-	-	-
Other Revenues	-	-	39	39
Total Revenues	<u>375,705</u>	<u>375,705</u>	<u>349,616</u>	<u>(26,089)</u>
Expenditures				
Current:				
Salaries	35,326	35,326	34,505	821
Benefits	15,155	15,155	14,856	299
Operating Expenses	574,100	574,100	443,115	130,985
Capital Outlay	-	-	-	-
Total Expenditures	<u>624,581</u>	<u>624,581</u>	<u>492,476</u>	<u>132,105</u>
Net Change in Fund Balances	(248,876)	(248,876)	(142,860)	106,016
Fund Balances - Beginning	<u>248,876</u>	<u>248,876</u>	<u>493,201</u>	<u>244,325</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,341</u>	<u>350,341</u>

Owyhee County, Idaho
Notes to Required Supplementary Information
For the Year Ended September 30, 2017

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*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
County proportion of the net pension liability (asset)	0.0949855%	0.0913585%	0.0908608%
County's proportionate share of the net pension liability (asset)	\$ 1,493,009	\$ 1,851,977	\$ 1,193,462
County's covered-employee payroll	\$ 2,865,779	\$ 2,687,031	\$ 2,532,950
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.10%	68.92%	47.12%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	82.26%	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 June 30, 2017

Owyhee County, Idaho
Schedule of County Contributions

Public Employees Retirement System of Idaho

Last 10 - Fiscal Years*

	2017	2016	2015
Contractually required contributions	\$ 327,528	\$ 307,145	\$ 289,517
Contributions in relation to the contractually required contribution	<u>327,528</u>	<u>307,145</u>	<u>289,517</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 2,865,779	\$ 2,687,031	\$ 2,532,950
Contributions as a percentage of covered-employee payroll	11.43%	11.43%	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, 2017

SUPPLEMENTAL INFORMATION

Owyhee County, Idaho
 Supplemental Schedule of Revenues by Source
 - Budget (GAAP Basis) and Actual - General Fund
 For the Year Ended September 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property Taxes	\$ 1,640,815	\$ 1,662,726	\$ 21,911
Intergovernmental	1,891,949	2,185,426	293,477
Grants and Contributions	82,000	98,979	16,979
Charges for Services	637,393	826,225	188,832
Other Revenues	550	6,468	5,918
Interest Earned	75,000	83,870	8,870
Disposition of Assets	17,501	34,901	17,400
Change in Fair Market Value of Investments	-	(94,978)	(94,978)
Total Revenues	<u>\$ 4,345,208</u>	<u>\$ 4,803,617</u>	<u>\$ 458,409</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, 2017

	Budget	Actual	Variance
Clerk/Auditor			
Salaries	\$ 292,074	\$ 284,629	\$ 7,445
Benefits	123,501	121,051	2,450
Operating Expenses	20,080	7,295	12,785
Capital Outlay	2,000	1,805	195
	<u>437,655</u>	<u>414,780</u>	<u>22,875</u>
Assessor			
Salaries	217,186	202,054	15,132
Benefits	94,172	86,543	7,629
Operating Expenses	16,550	6,997	9,553
Capital Outlay	1,000	-	1,000
	<u>328,908</u>	<u>295,594</u>	<u>33,314</u>
Treasurer/Tax Collector			
Salaries	118,812	116,930	1,882
Benefits	48,186	44,132	4,054
Operating Expenses	11,800	7,577	4,223
	<u>178,798</u>	<u>168,639</u>	<u>10,159</u>
Sheriff			
Salaries	726,392	685,322	41,070
Benefits	281,492	262,917	18,575
Operating Expenses	282,928	235,348	47,580
Capital Outlay	90,000	87,834	2,166
	<u>1,380,812</u>	<u>1,271,421</u>	<u>109,391</u>
Commissioners			
Salaries	80,181	80,181	-
Benefits	40,266	38,300	1,966
Operating Expenses	92,750	46,548	46,202
	<u>213,197</u>	<u>165,029</u>	<u>48,168</u>
Coroner			
Salaries	22,617	22,628	(11)
Benefits	12,635	11,624	1,011
Operating Expenses	27,100	32,210	(5,110)
Capital Outlay	3,500	-	3,500
	<u>65,852</u>	<u>66,462</u>	<u>(610)</u>
Prosecuting Attorney			
Salaries	178,230	177,692	538
Benefits	51,721	49,364	2,357
Operating Expenses	20,900	19,025	1,875
	<u>250,851</u>	<u>246,081</u>	<u>4,770</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, 2017
 (continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Buildings and Grounds			
Salaries	\$ 31,563	\$ 25,204	\$ 6,359
Benefits	15,788	12,522	3,266
Operating Expenses	155,800	85,304	70,496
Capital Outlay	94,000	83,677	10,323
	<u>297,151</u>	<u>206,707</u>	<u>90,444</u>
Civil Defense			
Operating Expenses	35,000	874	
Capital Outlay	30,000	14,090	15,910
	<u>65,000</u>	<u>14,964</u>	<u>15,910</u>
County Agent			
Salaries	78,360	77,877	483
Benefits	30,035	28,197	1,838
Operating Expenses	39,300	35,737	3,563
Capital Outlay	2,000	2,125	(125)
	<u>149,695</u>	<u>143,936</u>	<u>5,759</u>
Elections			
Salaries	15,000	9,188	5,812
Benefits	375	-	375
Operating Expenses	14,850	8,363	6,487
	<u>30,225</u>	<u>17,551</u>	<u>12,674</u>
Building Department			
Salaries	50,085	36,223	13,862
Benefits	18,683	15,303	3,380
Operating Expenses	11,830	6,315	5,515
Capital Outlay	5,000	-	
	<u>85,598</u>	<u>57,841</u>	<u>22,757</u>
Planning and Zoning			
Salaries	59,486	58,010	1,476
Benefits	20,926	20,857	69
Operating Expenses	15,023	15,312	(289)
	<u>95,435</u>	<u>94,179</u>	<u>1,256</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, 2017
 (continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General			
Operating Expenses	\$ 310,362	\$ 163,191	\$ 147,171
	<u>310,362</u>	<u>163,191</u>	<u>147,171</u>
Technology			
Operating Expenses	193,000	142,148	50,852
	<u>193,000</u>	<u>142,148</u>	<u>50,852</u>
Jail			
Salaries	602,820	572,661	30,159
Benefits	253,867	221,844	32,023
Operating Expenses	163,500	169,089	(5,589)
Capital Outlay	7,500	2,265	5,235
	<u>1,027,687</u>	<u>965,859</u>	<u>61,828</u>
 Total Expenditures	 <u>\$ 5,110,226</u>	 <u>\$ 4,434,382</u>	 <u>\$ 636,718</u>

Owyhee County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017

	Airport	Bond Redemption	District Court	County Fair	Fair Grounds
Assets					
Cash and Cash Equivalents	\$ 29,648	\$ 34	\$ 354,333	\$ 22,426	\$ 82,581
Property Taxes Receivable	114	-	33,752	2,180	5,087
Prepaid Items	-	-	-	-	-
Total Assets	\$ 29,762	\$ 34	\$ 388,085	\$ 24,606	\$ 87,668
Liabilities					
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ 583	\$ -
Warrants and Accounts Payable	-	-	10,552	1,352	6,636
Total Liabilities	-	-	10,552	1,935	6,636
Deferred Inflows:					
Unavailable Revenue - Property Tax	-	-	-	1,925	4,375
Total Deferred Inflows	-	-	-	1,925	4,375
Fund Balances					
Nonspendable - Prepaid Items	-	-	-	-	-
Restricted	29,762	34	377,533	20,746	76,657
Unrestricted	-	-	-	-	-
Total Fund Balances	29,762	34	377,533	20,746	76,657
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 29,762	\$ 34	\$ 388,085	\$ 24,606	\$ 87,668

Owyhee County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017
(continued)

	Probation	Health District	Historical Society	Junior College	Pest
Assets					
Cash and Cash Equivalents	\$ 69,811	\$ 10,089	\$ 28,977	\$ 126,833	\$ 4,250
Property Taxes Receivable	7,790	2,571	3,120	-	160
Prepaid Items	1,313	-	656	8,750	-
Total Assets	<u>\$ 78,914</u>	<u>\$ 12,660</u>	<u>\$ 32,753</u>	<u>\$ 135,583</u>	<u>\$ 4,410</u>
Liabilities					
Salaries and Benefits Payable	\$ 2,592	\$ -	\$ 1,185	\$ -	\$ -
Warrants and Accounts Payable	1,164	-	533	-	-
Total Liabilities	<u>3,756</u>	<u>-</u>	<u>1,718</u>	<u>-</u>	<u>-</u>
Deferred Inflows:					
Unavailable Revenue - Property Tax	6,964	2,263	2,699	-	-
Total Deferred Inflows	<u>6,964</u>	<u>2,263</u>	<u>2,699</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable - Prepaid Items	1,313	-	656	8,750	-
Restricted	66,881	10,397	27,680	126,833	4,410
Unrestricted	-	-	-	-	-
Total Fund Balances	<u>68,194</u>	<u>10,397</u>	<u>28,336</u>	<u>135,583</u>	<u>4,410</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 78,914</u>	<u>\$ 12,660</u>	<u>\$ 32,753</u>	<u>\$ 135,583</u>	<u>\$ 4,410</u>

Owyhee County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017
(continued)

	<u>Revaluation</u>	<u>Solid Waste</u>	<u>Tort</u>	<u>Veterans Memorial</u>	<u>Weeds</u>
Assets					
Cash and Cash Equivalents	\$ 170,452	\$ 99,935	\$ 176,105	\$ 719	\$ 42,005
Property Taxes Receivable	11,552	20,104	6,168	35	1,204
Prepaid Items	2,628	-	-	-	-
Total Assets	<u>\$ 184,632</u>	<u>\$ 120,039</u>	<u>\$ 182,273</u>	<u>\$ 754</u>	<u>\$ 43,209</u>
Liabilities					
Salaries and Benefits Payable	\$ 5,147	\$ 789	\$ 46	\$ -	\$ -
Warrants and Accounts Payable	1,521	6,057	2,556	1,200	-
Total Liabilities	<u>6,668</u>	<u>6,846</u>	<u>2,602</u>	<u>1,200</u>	<u>-</u>
Deferred Inflows:					
Unavailable Revenue - Property Tax	10,029	17,835	5,329	-	1,030
Total Deferred Inflows	<u>10,029</u>	<u>17,835</u>	<u>5,329</u>	<u>-</u>	<u>1,030</u>
Fund Balances					
Nonspendable - Prepaid Items	2,628	-	-	-	-
Restricted	165,307	95,358	174,342	-	42,179
Unrestricted	-	-	-	(446)	-
Total Fund Balances	<u>167,935</u>	<u>95,358</u>	<u>174,342</u>	<u>(446)</u>	<u>42,179</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 184,632</u>	<u>\$ 120,039</u>	<u>\$ 182,273</u>	<u>\$ 754</u>	<u>\$ 43,209</u>

Owyhee County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017
(continued)

	911	County Vessel	Waterway	Off Highway Vehicles	Taxing District Election
Assets					
Cash and Cash Equivalents	\$ 92,721	\$ 7,747	\$ 28,505	\$ 32,393	\$ 147,798
Property Taxes Receivable	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 92,721</u>	<u>\$ 7,747</u>	<u>\$ 28,505</u>	<u>\$ 32,393</u>	<u>\$ 147,798</u>
Liabilities					
Salaries and Benefits Payable	\$ -	\$ -	\$ 437	\$ 885	\$ -
Warrants and Accounts Payable	540	80	912	1,199	42,249
Total Liabilities	<u>540</u>	<u>80</u>	<u>1,349</u>	<u>2,084</u>	<u>42,249</u>
Deferred Inflows:					
Unavailable Revenue - Property Tax	-	-	-	-	-
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable - Prepaid Items	-	-	-	-	-
Restricted	92,181	7,667	27,156	30,309	105,549
Unrestricted	-	-	-	-	-
Total Fund Balances	<u>92,181</u>	<u>7,667</u>	<u>27,156</u>	<u>30,309</u>	<u>105,549</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 92,721</u>	<u>\$ 7,747</u>	<u>\$ 28,505</u>	<u>\$ 32,393</u>	<u>\$ 147,798</u>

Owyhee County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017
(continued)

	Economic Development	Total
Assets		
Cash and Cash Equivalents	\$ 14,965	\$ 1,542,327
Property Taxes Receivable	-	93,837
Prepaid Items	656	14,003
Total Assets	\$ 15,621	\$ 1,650,167
Liabilities		
Salaries and Benefits Payable	\$ 1,484	\$ 13,148
Warrants and Accounts Payable	870	77,421
Total Liabilities	2,354	90,569
Deferred Inflows:		
Unavailable Revenue - Property Tax	-	52,449
Total Deferred Inflows	-	52,449
Fund Balances		
Nonspendable - Prepaid Items	656	14,003
Restricted	12,611	1,493,592
Unrestricted	-	(446)
Total Fund Balances	13,267	1,507,149
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 15,621	\$ 1,650,167

Owyhee County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended September 30, 2017

	Airport	Bond Redemption	District Court	County Fair	Fair Grounds
Revenues					
Property Taxes	\$ 18	\$ -	\$ 31,622	\$ 33,731	\$ 99,645
Intergovernmental	103	-	23,552	10,332	12,857
Grants and Contributions	-	-	-	-	-
Charges for Services	-	-	82,365	-	-
Other Revenues	-	-	308	-	-
Total Revenues	<u>121</u>	<u>-</u>	<u>137,847</u>	<u>44,063</u>	<u>112,502</u>
Expenditures					
Current:					
Salaries	-	-	-	16,597	-
Benefits	-	-	-	2,149	-
Operating Expenses	-	-	88,715	26,000	13,000
Capital Outlay	-	-	500	-	53,773
Total Expenditures	<u>-</u>	<u>-</u>	<u>89,215</u>	<u>44,746</u>	<u>66,773</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>121</u>	<u>-</u>	<u>48,632</u>	<u>(683)</u>	<u>45,729</u>
Other Financing Sources (Uses)					
Sale of Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	121	-	48,632	(683)	45,729
Fund Balances - Beginning	29,641	34	328,901	21,429	30,928
Fund Balances - Ending	<u>\$ 29,762</u>	<u>\$ 34</u>	<u>\$ 377,533</u>	<u>\$ 20,746</u>	<u>\$ 76,657</u>

Owyhee County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended September 30, 2017
(continued)

	Probation	Health District	Historical Society	Junior College	Pest
Revenues					
Property Taxes	\$ 127,971	\$ 41,442	\$ 50,925	\$ -	\$ 2,490
Intergovernmental	27,205	10,420	11,952	70,473	594
Grants and Contributions	45,837	-	-	-	-
Charges for Services	14,748	-	-	-	-
Other Revenues	967	-	190	20,550	-
Total Revenues	<u>216,728</u>	<u>51,862</u>	<u>63,067</u>	<u>91,023</u>	<u>3,084</u>
Expenditures					
Current:					
Salaries	92,129	-	35,877	-	-
Benefits	42,075	-	14,577	-	-
Operating Expenses	19,951	54,772	12,461	55,050	-
Capital Outlay	14,874	-	15,000	-	-
Total Expenditures	<u>169,029</u>	<u>54,772</u>	<u>77,915</u>	<u>55,050</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>47,699</u>	<u>(2,910)</u>	<u>(14,848)</u>	<u>35,973</u>	<u>3,084</u>
Other Financing Sources (Uses)					
Sale of Assets	1,530	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources	<u>1,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	49,229	(2,910)	(14,848)	35,973	3,084
Fund Balances - Beginning	18,965	13,307	43,184	99,610	1,326
Fund Balances - Ending	<u>\$ 68,194</u>	<u>\$ 10,397</u>	<u>\$ 28,336</u>	<u>\$ 135,583</u>	<u>\$ 4,410</u>

Owyhee County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended September 30, 2017
(continued)

	<u>Revaluation</u>	<u>Solid Waste</u>	<u>Tort</u>	<u>Veterans Memorial</u>	<u>Weeds</u>
Revenues					
Property Taxes	\$ 184,295	\$ 253,301	\$ 96,686	\$ 982	\$ 26,806
Intergovernmental	52,544	564	24,663	30	1,371
Grants and Contributions	-	-	-	-	-
Charges for Services	-	2,310	-	-	-
Other Revenues	-	119	-	-	-
Total Revenues	<u>236,839</u>	<u>256,294</u>	<u>121,349</u>	<u>1,012</u>	<u>28,177</u>
Expenditures					
Current:					
Salaries	139,958	39,962	643	-	-
Benefits	55,001	7,719	113,931	-	-
Operating Expenses	19,683	208,944	3,463	1,200	16,354
Capital Outlay	-	4,739	-	-	-
Total Expenditures	<u>214,642</u>	<u>261,364</u>	<u>118,037</u>	<u>1,200</u>	<u>16,354</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>22,197</u>	<u>(5,070)</u>	<u>3,312</u>	<u>(188)</u>	<u>11,823</u>
Other Financing Sources (Uses)					
Sale of Assets	630	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources	<u>630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	22,827	(5,070)	3,312	(188)	11,823
Fund Balances - Beginning	145,108	100,428	171,030	(258)	30,356
Fund Balances - Ending	<u>\$ 167,935</u>	<u>\$ 95,358</u>	<u>\$ 174,342</u>	<u>\$ (446)</u>	<u>\$ 42,179</u>

Owyhee County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended September 30, 2017
(continued)

	911	County Vessel	Waterway	Off Highway Vehicles	Taxing District Election
Revenues					
Property Taxes	\$ 11,746	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	11,825	65,816
Grants and Contributions	-	-	19,811	-	-
Charges for Services	120,190	10,000	-	10,000	-
Other Revenues	-	-	-	2,358	-
Total Revenues	<u>131,936</u>	<u>10,000</u>	<u>19,811</u>	<u>24,183</u>	<u>65,816</u>
Expenditures					
Current:					
Salaries	-	-	13,297	13,718	5,853
Benefits	-	-	2,197	3,429	160
Operating Expenses	116,220	10,416	6,530	5,845	49,358
Capital Outlay	9,678	-	-	-	-
Total Expenditures	<u>125,898</u>	<u>10,416</u>	<u>22,024</u>	<u>22,992</u>	<u>55,371</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,038</u>	<u>(416)</u>	<u>(2,213)</u>	<u>1,191</u>	<u>10,445</u>
Other Financing Sources (Uses)					
Sale of Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	6,038	(416)	(2,213)	1,191	10,445
Fund Balances - Beginning	86,143	8,083	29,369	29,118	95,104
Fund Balances - Ending	<u>\$ 92,181</u>	<u>\$ 7,667</u>	<u>\$ 27,156</u>	<u>\$ 30,309</u>	<u>\$ 105,549</u>

Owyhee County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended September 30, 2017
(continued)

	Economic Development	Total
Revenues		
Property Taxes	\$ -	\$ 961,660
Intergovernmental	-	324,301
Grants and Contributions	83,731	149,379
Charges for Services	-	239,613
Other Revenues	675	25,167
	<hr/>	<hr/>
Total Revenues	84,406	1,700,120
	<hr/>	<hr/>
Expenditures		
Current:		
Salaries	44,999	403,033
Benefits	16,762	258,000
Operating Expenses	9,615	717,577
Capital Outlay	5,673	104,237
	<hr/>	<hr/>
Total Expenditures	77,049	1,482,847
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	7,357	217,273
	<hr/>	<hr/>
Other Financing Sources (Uses)		
Sale of Assets	-	2,160
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources	<hr/>	<hr/>
	-	2,160
	<hr/>	<hr/>
Net Change in Fund Balances	7,357	219,433
	<hr/>	<hr/>
Fund Balances - Beginning	5,910	1,287,716
Fund Balances - Ending	<hr/>	<hr/>
	\$ 13,267	\$ 1,507,149
	<hr/>	<hr/>

Owyhee County, Idaho
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds
September 30, 2017

	<u>State of Idaho</u>	<u>Special Taxing County</u>	<u>Miscellaneous Trust</u>	<u>Sensitive Species Research</u>
Assets				
Cash and Cash Equivalents	\$ 124,291	\$ 116,735	\$ 2,537,555	\$ 82,708
Property Taxes Receivable	-	279,120	-	-
Total Assets	<u>\$ 124,291</u>	<u>\$ 395,855</u>	<u>\$ 2,537,555</u>	<u>\$ 82,708</u>
Liabilities				
Warrants and Accounts Payable	\$ 124,291	\$ 32,463	\$ 229,790	\$ 22,000
Due to Other Funds or Taxing Units	-	363,392	2,307,765	60,708
Total Liabilities	<u>\$ 124,291</u>	<u>\$ 395,855</u>	<u>\$ 2,537,555</u>	<u>\$ 82,708</u>

Owyhee County, Idaho
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds
September 30, 2017

	<u>911 Trust Account</u>	<u>Hazardous Waste</u>	<u>Owyhee County Initiative</u>	<u>Total</u>
Assets				
Cash and Cash Equivalents	\$ 382,544	\$ 380,100	\$ 1,952	\$ 3,625,885
Property Taxes Receivable	-	-	-	279,120
Total Assets	<u><u>\$ 382,544</u></u>	<u><u>\$ 380,100</u></u>	<u><u>\$ 1,952</u></u>	<u><u>\$ 3,905,005</u></u>
 Liabilities				
Warrants and Accounts Payable	\$ -	\$ -	\$ -	\$ 408,544
Due to Other Funds or Taxing Units	<u>382,544</u>	<u>380,100</u>	<u>1,952</u>	<u>3,496,461</u>
Total Liabilities	<u><u>\$ 382,544</u></u>	<u><u>\$ 380,100</u></u>	<u><u>\$ 1,952</u></u>	<u><u>\$ 3,905,005</u></u>

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, 2017, 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 April 23, 2018.

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 Zwyzart CPAs, PLLC

Caldwell, Idaho
April 28, 2018