

**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, 2019

## Table of Contents

	<u>Page</u>
<b>Independent Auditor’s Report</b>	1
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds	5
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	8
Statement of Fiduciary Net Position – Fiduciary Funds	9
Balance Sheet – Component Unit	10
Statement of Revenues, Expenditures, and Changes in Fund Balance – Component Unit	11
Notes to Financial Statements	12
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary (GAAP Basis) Comparison Schedule:	
General Fund	34
Road and Bridge	35

## Table of Contents (continued)

Indigent and Charity	36
Notes to Required Supplementary Information	37
Schedule of the County's Proportionate Share of Net Pension Liability	38
Schedule of County Contributions	39
Schedule of Changes in Net OPEB Liability and Related Ratios	40
<b>SUPPLEMENTAL INFORMATION</b>	
Supplemental Schedule of Revenues by Source - Budget (GAAP Basis) and Actual - General Fund	41
Supplemental Schedule of Expenditures by Object of Expenditure - Budget (GAAP Basis) and Actual - General Fund	42
Combining Balance Sheet – Nonmajor Governmental Funds	43
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	50
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	55
<b>FEDERAL REPORTS</b>	
Schedule of Expenditures of Federal Awards	57
Notes to the Schedule of Expenditures of Federal Awards	58
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 <i>Government Auditing Standards</i>	59
Independent Auditor's Report on Compliance for Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance	61
Schedule of Findings and Questioned Costs	63



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CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditor's Report

Board of Commissioners  
Owyhee County, Idaho  
Murphy, Idaho

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Owyhee County, Idaho (the County) as of and for the year ended September 30, 2019, 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, 2019, 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 34 through 40 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 January 16, 2020 on our consideration of Owyhee County, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Owyhee County, Idaho's internal control over financial reporting and compliance.

**Zwyzart John & Associates, CPAs PLLC**

Nampa, Idaho  
January 16, 2020

**Owyhee County, Idaho**  
Statement of Net Position  
September 30, 2019

	Primary Governmental Activities	Component Unit
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,354,609	\$ 21,982
Receivables, Net:		
Property Taxes	191,470	-
Interest	21,654	-
Prepaid Items	60,664	-
Noncurrent Cash and Cash Equivalents	5,035,289	-
Capital Assets:		
Land	726,628	-
Buildings and Improvements, Net	3,675,192	-
Equipment, Net	1,069,008	-
Total Capital Assets	5,470,828	-
Total Assets	13,782,286	21,982
<b>Deferred Outflows</b>		
Pension Related Items	236,401	-
OPEB Related Items	19,011	-
Total Deferred Outflows	255,412	-
<b>Liabilities</b>		
Salaries and Benefits Payable	112,072	-
Warrants and Accounts Payable	473,550	-
Long-Term Liabilities:		
Due Within One Year:		
Compensated Absences	63,220	-
Municipal Lease	93,330	-
Due in More Than One Year:		
Other Post-Employment Benefits	237,595	-
Compensated Absences	63,219	-
Municipal Lease	311,934	-
Net Pension Liability	1,031,795	-
Total Liabilities	2,386,715	-
<b>Deferred Inflows</b>		
Pension Related Items	473,105	-
Total Deferred Inflows	473,105	-
<b>Net Position</b>		
Invested in Capital Assets, Net of Related Debt	5,065,564	-
Restricted	3,868,735	-
Unrestricted	2,243,579	21,982
Total Net Position	\$ 11,177,878	\$ 21,982

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



**Owyhee County, Idaho**  
Balance Sheet -  
Governmental Funds  
September 30, 2019

	General	Road and Bridge	Indigent and Charity	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Cash Equivalents	\$ 3,898,819	\$ 1,423,119	\$ 264,339	\$ 1,803,621	\$ 7,389,898
Property Taxes Receivable, Net	99,570	5,008	27,459	59,433	191,470
Interest Receivable	21,654	-	-	-	21,654
Due From Other Governments	236,953	359,038	8,266	43,515	647,772
Prepaid Items	40,540	4,812	11,187	4,125	60,664
<b>Total Assets</b>	<b>\$ 4,297,536</b>	<b>\$ 1,791,977</b>	<b>\$ 311,251</b>	<b>\$ 1,910,694</b>	<b>\$ 8,311,458</b>
<b>Liabilities:</b>					
Salaries and Benefits Payable	\$ 84,417	\$ 13,025	\$ 1,535	\$ 13,095	\$ 112,072
Warrants and Accounts Payable	198,202	104,573	54,752	116,023	473,550
<b>Total Liabilities</b>	<b>282,619</b>	<b>117,598</b>	<b>56,287</b>	<b>129,118</b>	<b>585,622</b>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	94,541	4,550	26,406	55,860	181,357
<b>Total Deferred Inflows</b>	<b>94,541</b>	<b>4,550</b>	<b>26,406</b>	<b>55,860</b>	<b>181,357</b>
<b>Fund Balances:</b>					
Nonspendable - Prepaid Items	40,540	4,812	11,187	4,125	60,664
Restricted	-	1,665,017	482,127	1,721,591	3,868,735
Unassigned	3,879,836	-	(264,756)	-	3,615,080
<b>Total Fund Balance</b>	<b>3,920,376</b>	<b>1,669,829</b>	<b>228,558</b>	<b>1,725,716</b>	<b>7,544,479</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 4,297,536</b>	<b>\$ 1,791,977</b>	<b>\$ 311,251</b>	<b>\$ 1,910,694</b>	<b>\$ 8,311,458</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, 2019

Total Fund Balances - Governmental Funds \$ 7,544,479

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 \$5,764,663 Accum. Depreciation	3,675,192	
Equipment, Net of \$3,976,350 Accumulated Depreciation	<u>1,069,008</u>	
		5,470,828

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.		181,357
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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	\$ (237,595)	
Compensated Absences	(126,439)	
OPEB Related Deferred Outflows	19,011	
Municipal Leases	<u>(405,264)</u>	
		(750,287)

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	\$ (1,031,795)	
Pension Related Deferred Inflows	(473,105)	
Pension Related Deferred Outflows	<u>236,401</u>	
		<u>(1,268,499)</u>

Net Position of Governmental Activities		<u><u>\$ 11,177,878</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, 2019

	General	Road and Bridge	Indigent and Charity	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$ 1,727,624	\$ 6,171	\$ 637,602	\$ 985,218	\$ 3,356,615
Intergovernmental	1,358,466	1,463,395	36,490	304,741	3,163,092
Payment in Lieu of Taxes	900,000	-	-	50,000	950,000
Grants and Contributions	1,277,145	192,045	251,785	94,620	1,815,595
Charges for Services	835,412	38,000	-	182,261	1,055,673
Other Revenues	56,125	19,198	2,647	33,997	111,967
Interest Earned	175,798	-	-	-	175,798
Total Revenues	<u>6,330,570</u>	<u>1,718,809</u>	<u>928,524</u>	<u>1,650,837</u>	<u>10,628,740</u>
<b>Expenditures</b>					
Current:					
General Government	2,015,377	-	-	406,048	2,421,425
Public Safety	2,835,333	-	-	464,888	3,300,221
Highways and Streets	-	1,655,161	-	-	1,655,161
Sanitation	-	-	-	296,445	296,445
Health	-	-	-	55,920	55,920
Welfare	-	-	910,988	-	910,988
Education	-	-	-	25,500	25,500
Culture and Recreation	-	-	-	111,196	111,196
Capital Outlay	1,822,348	130,512	-	107,486	2,060,346
Total Expenditures	<u>6,673,058</u>	<u>1,785,673</u>	<u>910,988</u>	<u>1,467,483</u>	<u>10,837,202</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(342,488)</u>	<u>(66,864)</u>	<u>17,536</u>	<u>183,354</u>	<u>(208,462)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Assets	-	9,536	-	-	9,536
Proceeds from Municipal Lease	520,884	-	-	-	520,884
Change in Fair Market Value of Investments	47,779	-	-	-	47,779
Total Other Financing Sources (Uses)	<u>568,663</u>	<u>9,536</u>	<u>-</u>	<u>-</u>	<u>578,199</u>
Net Change in Fund Balances	226,175	(57,328)	17,536	183,354	369,737
Fund Balances - Beginning	3,694,201	1,727,157	211,022	1,542,362	7,174,742
Fund Balances - Ending	<u>\$ 3,920,376</u>	<u>\$ 1,669,829</u>	<u>\$ 228,558</u>	<u>\$ 1,725,716</u>	<u>\$ 7,544,479</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, 2019

Total Net Change in Fund Balance - Governmental Funds \$ 369,737

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	\$ 1,751,680	
Depreciation Expense	(433,302)	
Disposed Assets	<u>(111,108)</u>	
Net		1,207,270

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. 10,388

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. 69,545

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. (520,884)

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 115,620

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. 26,152

Change in Net Position of Governmental Activities \$ 1,277,828

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

**Owyhee County, Idaho**  
Statement of Fiduciary Net Position - Fiduciary Funds  
September 30, 2019

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and Investments	\$ 3,946,171
Property Taxes Receivable	<u>293,449</u>
Total Assets	<u><u>\$ 4,239,620</u></u>
<b>Liabilities</b>	
Warrants and Accounts Payable	\$ 281,977
Due to Other Funds or Taxing Units	<u>3,957,643</u>
Total Liabilities	<u><u>\$ 4,239,620</u></u>

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

**Owyhee County, Idaho**  
 Balance Sheet -  
 Component Unit  
 September 30, 2019

	<u>Fair Board</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 21,982
Total Assets	\$ 21,982
 <b>Liabilities</b>	
Accounts Payable and Other Current Liabilities	\$ -
Total Liabilities	-
 <b>Fund Balance</b>	
Unassigned	21,982
Total Liabilities and Fund Balance	\$ 21,982

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, 2019

	<u>Fair Board</u>
<b>Revenues</b>	
Charges for Services	\$ 46,656
Total Revenues	46,656
 <b>Expenditures</b>	
Current:	
Operating Expenditures	40,543
Total Expenses	40,543
 <b>Net Change in Fund Balances</b>	6,113
 <b>Fund Balances - Beginning</b>	15,869
<b>Fund Balances - Ending</b>	\$ 21,982

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

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

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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.

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.
- Owyhee County EMS was created for the purpose of providing emergency medical services within the County. The EMS is governed by the county commissioners, even though it is a legally separate entity. The EMS was audited along with the County and its financial statements and is presented as a blended 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, 2019

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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, 2019

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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, 2019

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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, 2019

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

<u>Fund</u>	<u>Purpose</u>
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, 2019

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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	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, 2019.

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, 2019

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Post-Employment Benefits

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Other Post-Employment Benefit Plan (the County's OPEB Plan) and additions to/deductions from the County's OPEB Plan fiduciary net position have been determined on the same basis as they are reported by the County's OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, 2019, the carrying amount of the County's deposits was \$3,828,918 and the respective bank balances totaled \$3,274,477. 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, 2019, 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.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

2. CASH AND INVESTMENTS (continued)

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 \$83,956. The certificates of deposits are issued through FDIC insured banks and, therefore, are insured. The County does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

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

Investments

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

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, 2019, are summarized below:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)		
			Less than 1	1 - 5	>5
External Investment Pool	None	\$ 2,133,645	\$ 2,133,645	\$ -	\$ -
Certificates of Deposit	N/A	609,871	-	537,295	72,576
U.S. Government Bonds	AAA	3,917,584	-	2,301,763	1,615,821
Asset Backed Securities	N/A	507,834	-	203,687	304,147
Money Market	N/A	253,261	253,261	-	-
		<u>\$ 7,422,195</u>	<u>\$ 2,386,906</u>	<u>\$ 3,042,745</u>	<u>\$ 1,992,544</u>

**Owyhee County, Idaho**  
**Notes to Financial Statements**  
For the Year Ended September 30, 2019

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2. CASH AND INVESTMENTS (continued)

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	\$ (32,297)	\$ 21,982	\$ (10,315)	\$ 3,946,171
Investments categorized as deposits	7,422,195	-	7,422,195	-
	<u>\$ 7,389,898</u>	<u>\$ 21,982</u>	<u>\$ 7,411,880</u>	<u>\$ 3,946,171</u>

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

	<u>Book Balance</u>	<u>Bank Balance</u>
Tax Collector	\$ 33,690	\$ 33,960
Tax Collector Trust	42,795	42,795
Inmate Trust	5,517	12,455
	<u>\$ 82,002</u>	<u>\$ 89,210</u>

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments consists of ag replacement tax revenue of \$236,953 and highway user funds of \$359,038 both due from the State of Idaho.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2019, was as follows:

	Balance 9/30/2018	Additions	Disposals	Balance 9/30/2019
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 726,628	\$ -	\$ -	\$ 726,628
Capital Assets Being Depreciated:				
Buildings and Improvements	8,363,452	1,076,403	-	9,439,855
Equipment	4,318,720	792,062	65,424	5,045,358
Total Historical Cost	<u>12,682,172</u>	<u>1,868,465</u>	<u>65,424</u>	<u>14,485,213</u>
Less: Accumulated Depreciation				
Buildings and Improvements	5,570,784	193,879	-	5,764,663
Equipment	3,802,351	239,423	65,424	3,976,350
Total Acc. Depr.	<u>9,373,135</u>	<u>433,302</u>	<u>65,424</u>	<u>9,741,013</u>
Net Depreciable Assets	<u>3,309,037</u>	<u>1,435,163</u>	<u>-</u>	<u>4,744,200</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 4,035,665</u>	<u>\$ 1,435,163</u>	<u>\$ -</u>	<u>\$ 5,470,828</u>

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

Governmental Activities:	
General Government	\$ 126,179
Public Safety	184,296
Highways and Streets	113,598
Culture and Recreation	9,229
	<u>\$ 433,302</u>



**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

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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.

*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.

*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.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

5. PENSION PLAN (continued)

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, 2019, 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 \$349,952 for the year ended September 30, 2019.

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

At September 30, 2019, Owyhee County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, Owyhee County's proportion was 0.0903916 percent.

For the year ended September 30, 2019, Owyhee County recognized pension expense (revenue) of \$323,800. At September 30, 2019, Owyhee County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 95,889	\$ 121,602
Changes in assumptions or other inputs	57,394	-
Net difference between projected and actual earnings on pension plan investments	-	351,503
Owyhee County's contributions subsequent to the measurement date	83,117	-
<b>Total</b>	<b>\$ 236,400</b>	<b>\$ 473,105</b>

\$83,117 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, 2019.

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, 2018, the beginning of the measurement period ended June 30, 2019, is 4.8 and 4.8 for the measurement period June 30, 2019.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

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5. PENSION PLAN (continued)

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

<b>For the Year Ended</b>	
<b>September 30:</b>	<b>PERSI</b>
2020	\$ 45,963
2021	(159,178)
2022	(77,538)
2023	(45,952)

*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.

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	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expense
Cost-of-living adjustments	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, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2019 is based on the results of an actuarial valuation date of July 1, 2019.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

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5. PENSION PLAN (continued)

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, 2019

5. PENSION PLAN (continued)

<u>Asset Class</u>		<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Core Fixed Income	Barclays Aggregate	30.00%	3.05%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	8.30%	6.05%
Developed Foreign Equities	MSCI EAFE/World ex US	15.00%	8.45%	6.20%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.75%	4.50%
Portfolio Standard Deviation			12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.13%	3.77%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.19%
Portfolio Standard Deviation				14.16%
<b>Valuation Assumptions Chosen by PERSI Board</b>				
Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.05%
Assumed Inflation				3.00%
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>				<b><u>7.05%</u></b>

*Discount Rate*

The discount rate used to measure the total pension liability was 7.05%. 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, 2019

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 7.05 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 (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	<b>1% Decrease (6.05%)</b>	<b>Current Discount Rate (7.05%)</b>	<b>1% Increase (8.05%)</b>
Employer's proportionate share of the net pension liability (asset)	\$ 3,116,418	\$ 1,031,795	\$ (692,122)

*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.

	<u>9/30/2018</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2019</u>	<u>Current</u>
Governmental Activities	<u>\$ 119,267</u>	<u>\$ 138,479</u>	<u>\$ (131,307)</u>	<u>\$ 126,439</u>	<u>\$ 63,220</u>

7. LEASE COMMITMENTS

The County entered into a lease for office space in October 2016. The lease is for 24 months ending September 2019.

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

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

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7. LEASE COMMITMENTS (continued)

The County also entered into an equipment lease for two graders. This is for a 5-year lease with a balloon payment. The County plans on returning both graders at the end of the lease.

Future minimum lease payments are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2020	\$ 64,887
2021	61,908
2022	61,908
	<u>\$ 188,703</u>

Rent expenditures for the year ended September 30, 2019, were \$90,495.

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, 2019, the County made no employer contributions to the plan.

9. OTHER POST-EMPLOYMENT BENEFITS

*Plan Description*

The County's Other Post-Employment Benefit Plan (the County's OPEB Plan) is a single-employer defined benefit healthcare plan administered by GemPlan. The County's OPEB plan does not include the PERSI pension benefits otherwise discussed in these financial statements and does not issue a publicly available financial report.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

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9. OTHER POST-EMPLOYMENT BENEFITS (continued)

*Benefits Provided*

GemPlan, as administrator of the County's OPEB Plan, contracts with Blue Cross/Blue Shield of Idaho to provide health 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. Eligibility for the County's OPEB Plan is further determined by employees having obtained a minimum age of 55 with at least 20 years of service with the County for general employees and obtaining a minimum 5 years of service with the County for elected officials. Retirees are on the same medical plan as the County's active employees.

*Contributions and Implicit Rate Subsidy*

OPEB benefits 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 the benefits. There is no requirement to pre-fund benefits under government accounting standards. However, if benefits are not pre-funded, OPEB liabilities are created and will grow over time. The County has not pre-funded these benefits.

Government accounting standards require employers recognize the implicit rate subsidy that exists in most post-employment benefit plans. The implicit rate subsidy refers to the concept that retirees under the age of 65 (those not Medicare eligible) generate higher claims on average than active participants.

When a medical plan is self-insured through a third-party administrator or fully insured, a premium is usually determined by analyzing the claims of the entire population in that plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired participants. Since individuals generally have more and higher claims as they get older, the blended premium paid for retirees is lower than their expected claims. Another way of considering this is that if the retirees were removed from the plan, the premium for the active group would be lower. Therefore, the retirees' premiums are being subsidized by the active group. The difference between the expected claims for the retiree group and the blended premium is called the implicit rate subsidy. Accordingly, the County's implicit subsidy contributions were \$19,011 for the year ended September 30, 2019.



**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

9. OTHER POST-EMPLOYMENT BENEFITS (continued)

*Net OPEB Liability of the County*

The components of the net OPEB liability of the County at year-end were as follows:

Total OPEB Liability	\$ 237,595
OPEB Plan Fiduciary Net Position	-
Net OPEB obligation - end of year	<u>\$ 237,595</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>0%</u>
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*OPEB Revenue (Expense) and Deferred Outflows of Resources to OPEB*

For the year ended September 30, 2019, the County recognized OPEB revenue (expense) of \$19,818. At September 30, 2019, the County reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
County Implicit subsidy contributions subsequent to the measurement date	<u>\$ 15,076</u>

*Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of October 1, 2017 which was also the measurement date. The following actuarial assumptions applied to all periods included in the measurement:

Actuarial cost method	Entry age, level percentage of pay
Inflation	2.50%
Salary increases	3.00%
Medical trend rate	6.50% as of October 1, 2017 grading to 5.00% over 6 years
Mortality	RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel)

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.50%. Since the County's OPEB plan is not pre-funded, the discount rate is equal to the 20-Year Municipal Bond Yield of 3.50%.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

9. OTHER POST-EMPLOYMENT BENEFITS (continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning of Year	\$ 236,788	\$ -	\$ 236,788
Changes for the Year			
Service Cost	11,459	-	11,459
Interest Cost	8,359	-	8,359
Benefit Payments	(19,011)	-	(19,011)
Net Change in Total OPEB liability	807	-	807
End of Year	\$ 237,595	\$ -	\$ 237,595

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1 % Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB Liability	\$ 223,551	\$ 237,595	\$ 252,804

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease (5.5% Decreasing to 4%)	Current Healthcare Cost Trend Rate (6.50% Decreasing to 5%)	1% Decrease (7.5% Decreasing to 6%)
Net OPEB Liability	\$ 218,392	\$ 237,595	\$ 259,917

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

10. OTHER COMMITMENTS

The County currently holds several credit cards with a combined credit limit of \$48,000. As of September 30, 2019, \$12,232 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 #VALUE!.

13. LONG-TERM DEBT

The County leased several vehicles for law enforcement under a long-term lease agreement. 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	\$ 520,884
Less accumulated amortization (included as depreciation on the accompanying financial statements)	<u>(43,407)</u>
	<u>\$ 477,477</u>

Changes in long-term debt for the year ended September 30, 2019, are as follows:

<u>Description</u>	<u>Maturity</u>	<u>Rate</u>	<u>9/30/2018</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2019</u>	<u>Current Portion</u>
Sherriff Vehicles	2023	5.50%	<u>\$ -</u>	<u>\$ 520,884</u>	<u>\$ (115,620)</u>	<u>\$ 405,264</u>	<u>\$ 93,330</u>

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2019

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13. LONG-TERM DEBT (CONTINUED)

Debt service requirements on long-term debt as of September 30, 2019, are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 93,330	\$ 22,290	\$ 115,620
2021	98,463	17,157	115,620
2022	103,879	11,741	115,620
2023	109,592	6,028	115,620
	<u>\$ 405,264</u>	<u>\$ 57,216</u>	<u>\$ 462,480</u>

***REQUIRED SUPPLEMENTARY INFORMATION***

**Owyhee County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 General Fund  
 For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,710,488	\$ 1,710,488	\$ 1,727,624	\$ 17,136
Intergovernmental	1,103,126	1,103,126	1,358,466	255,340
Payment in Lieu of Taxes	900,000	900,000	900,000	-
Grants and Contributions	124,000	124,000	1,277,145	1,153,145
Charges for Services	644,593	644,593	835,412	190,819
Other Revenues	6,000	6,000	56,125	50,125
Interest Earned	87,500	87,500	175,798	88,298
Total Revenues	<u>4,575,707</u>	<u>4,575,707</u>	<u>6,330,570</u>	<u>1,754,863</u>
<b>Expenditures</b>				
Current:				
Salaries	2,739,495	2,739,495	2,624,331	115,164
Benefits	1,086,442	1,086,442	1,003,061	83,381
Operating Expenses	1,606,718	1,606,718	1,223,318	383,400
Capital Outlay	282,950	282,950	1,822,348	(1,539,398)
Total Expenditures	<u>5,715,605</u>	<u>5,715,605</u>	<u>6,673,058</u>	<u>(957,453)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,139,898)</u>	<u>(1,139,898)</u>	<u>(342,488)</u>	<u>797,410</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	21,000	21,000	-	(21,000)
Proceeds from Lease	-	-	520,884	520,884
Change in Fair Market Value of Investments	-	-	47,779	47,779
Total Other Financing Sources	<u>21,000</u>	<u>21,000</u>	<u>568,663</u>	<u>547,663</u>
Net Change in Fund Balances	(1,118,898)	(1,118,898)	226,175	1,345,073
Fund Balances - Beginning	1,118,898	1,118,898	3,694,201	2,575,303
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,920,376</u>	<u>\$ 3,920,376</u>

**Owyhee County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Road and Bridge  
 For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ -	\$ -	\$ 6,171	\$ 6,171
Intergovernmental	1,287,086	1,287,086	1,463,395	176,309
Grants and Contributions	125,000	125,000	192,045	67,045
Charges for Services	31,500	31,500	38,000	6,500
Other Revenues	3,000	3,000	19,198	16,198
Total Revenues	<u>1,446,586</u>	<u>1,446,586</u>	<u>1,718,809</u>	<u>272,223</u>
<b>Expenditures</b>				
Current:				
Salaries	374,060	374,060	334,385	39,675
Benefits	162,600	162,600	142,182	20,418
Operating Expenses	1,639,000	1,639,000	1,178,594	460,406
Capital Outlay	189,000	189,000	130,512	58,488
Total Expenditures	<u>2,364,660</u>	<u>2,364,660</u>	<u>1,785,673</u>	<u>578,987</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(918,074)</u>	<u>(918,074)</u>	<u>(66,864)</u>	<u>851,210</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	-	-	9,536	9,536
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>9,536</u>	<u>9,536</u>
Net Change in Fund Balances	(918,074)	(918,074)	(57,328)	860,746
Fund Balances - Beginning	918,074	918,074	1,727,157	809,083
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,669,829</u>	<u>\$ 1,669,829</u>

**Owyhee County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Indigent and Charity  
 For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$ 641,892	\$ 641,892	\$ 637,602	\$ (4,290)
Intergovernmental	34,900	34,900	36,490	1,590
Grants and Contributions	360,000	360,000	251,785	(108,215)
Other Revenues	-	-	2,647	2,647
Total Revenues	<u>1,036,792</u>	<u>1,036,792</u>	<u>928,524</u>	<u>(108,268)</u>
<b>Expenditures</b>				
Current:				
Salaries	40,917	40,917	39,917	1,000
Benefits	16,303	16,303	15,919	384
Operating Expenses	1,060,200	1,060,200	855,152	205,048
Total Expenditures	<u>1,117,420</u>	<u>1,117,420</u>	<u>910,988</u>	<u>206,432</u>
Net Change in Fund Balances	(80,628)	(80,628)	17,536	98,164
Fund Balances - Beginning	<u>80,628</u>	<u>80,628</u>	<u>211,022</u>	<u>130,394</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,558</u>	<u>\$ 228,558</u>



Owyhee County, Idaho  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2019

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1. 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\*

	2019	2018	2017	2016	2015
County proportion of the net pension liability (asset)	0.0903916%	0.0921564%	0.0949855%	0.0913585%	0.0908608%
County's proportionate share of the net pension liability (asset)	\$ 1,031,795	\$ 1,359,323	\$ 1,493,009	\$ 1,851,977	\$ 1,193,462
County's covered-employee payroll	\$ 3,031,155	\$ 2,975,904	\$ 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	34.04%	45.68%	52.10%	68.92%	47.12%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	87.26%	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, 2019

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

Public Employees Retirement System of Idaho

Last 10 - Fiscal Years\*

	2019	2018	2017	2016	2015
Contractually required contributions	\$ 349,952	\$ 340,001	\$ 327,528	\$ 307,145	\$ 289,517
Contributions in relation to the contractually required contribution	349,952	340,001	327,528	307,145	289,517
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 3,031,155	\$ 2,975,904	\$ 2,865,779	\$ 2,687,031	\$ 2,532,950
Contributions as a percentage of covered-employee payroll	11.55%	11.43%	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, 2019

**Owyhee County, Idaho**  
Schedule of Changes in Net OPEB Liability and Related Ratios

Other Post-Employment Benefit Plan

Last 10 - Fiscal Years\*

	2019	2018
<b>Fiscal Year</b>		
Total OPEB Liability		
Service Cost	\$ 11,459	\$ 11,125
Interest Cost	8,359	8,292
Benefit Payments	(19,011)	(16,672)
Net Change in Total OPEB Liability	807	2,745
Total OPEB Liability - Beginning	236,788	234,043
Total OPEB Liability - Ending (a)	\$ 237,595	\$ 236,788
Plan Fiduciary Net Position - Beginning	-	-
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -
County's Net OPEB Liability - Ending (a) - (b)	\$ 237,595	\$ 236,788
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%
Covered Employee Payroll	\$ 2,606,183	\$ 2,530,275
Net OPEB Liability as a Percentage of Covered Employee Payroll	9%	9%

\*GASB 75 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

**NOTES:**

A. The net OPEB liability amount presented for each fiscal year was determined as of the fiscal year end.

B. The County has not presented a schedule of employer contributions or schedule of investment returns since the County does not prefund the County's OPEB Plan with contributions, and accordingly, actuarially determined contributions have not been calculated and there are no contractually or statutorily determined contributions applicable to the employer.

***SUPPLEMENTARY INFORMATION***

**Owyhee County, Idaho**  
 Supplemental Schedule of Revenues by Source  
 - Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property Taxes	\$ 1,710,488	\$ 1,727,624	\$ 17,136
Intergovernmental	1,103,126	1,358,466	255,340
Payment in Lieu of Taxes	900,000	900,000	-
Grants and Contributions	124,000	1,277,145	1,153,145
Charges for Services	644,593	835,412	190,819
Other Revenues	6,000	56,125	50,125
Interest Earned	87,500	175,798	88,298
Disposition of Assets	21,000	-	(21,000)
Proceeds from Lease	-	520,884	520,884
Change in Fair Market Value of Investments	-	47,779	47,779
<b>Total Revenues</b>	<u><u>\$ 4,596,707</u></u>	<u><u>\$ 6,899,233</u></u>	<u><u>\$ 2,302,526</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Clerk/Auditor</b>			
Salaries	\$ 330,760	\$ 329,397	\$ 1,363
Benefits	147,619	144,578	3,041
Operating Expenses	20,830	17,416	3,414
Capital Outlay	2,000	-	2,000
	<u>501,209</u>	<u>491,391</u>	<u>9,818</u>
<b>Assessor</b>			
Salaries	215,640	212,260	3,380
Benefits	91,840	87,572	4,268
Operating Expenses	10,050	8,024	2,026
Capital Outlay	1,000	-	1,000
	<u>318,530</u>	<u>307,856</u>	<u>10,674</u>
<b>Treasurer/Tax Collector</b>			
Salaries	122,006	116,331	5,675
Benefits	48,718	45,802	2,916
Operating Expenses	16,250	9,286	6,964
Capital Outlay	950	140	810
	<u>187,924</u>	<u>171,559</u>	<u>16,365</u>
<b>Sheriff</b>			
Salaries	775,890	727,232	48,658
Benefits	301,234	275,179	26,055
Operating Expenses	280,228	283,053	(2,825)
Capital Outlay	114,500	721,397	(606,897)
	<u>1,471,852</u>	<u>2,006,861</u>	<u>(535,009)</u>
<b>Commissioners</b>			
Salaries	85,065	85,065	-
Benefits	41,288	40,341	947
Operating Expenses	162,405	60,788	101,617
Capital Outlay	-	-	-
	<u>288,758</u>	<u>186,194</u>	<u>102,564</u>
<b>Coroner</b>			
Salaries	23,994	23,997	(3)
Benefits	12,927	12,221	706
Operating Expenses	54,160	50,162	3,998
Capital Outlay	16,000	335	15,665
	<u>107,081</u>	<u>86,715</u>	<u>20,366</u>
<b>Prosecuting Attorney</b>			
Salaries	254,710	233,541	21,169
Benefits	78,056	64,264	13,792
Operating Expenses	26,000	21,701	4,299
Capital Outlay	2,500	2,474	26
	<u>361,266</u>	<u>321,980</u>	<u>39,286</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, 2019  
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Buildings and Grounds</b>			
Salaries	\$ 32,981	\$ 27,660	\$ 5,321
Benefits	15,900	14,703	1,197
Operating Expenses	160,400	97,133	63,267
Capital Outlay	94,000	1,090,083	(996,083)
	<u>303,281</u>	<u>1,229,579</u>	<u>(926,298)</u>
<b>Civil Defense</b>			
Operating Expenses	34,500	1,794	
Capital Outlay	30,000	5,902	24,098
	<u>64,500</u>	<u>7,696</u>	<u>24,098</u>
<b>County Agent</b>			
Salaries	79,036	78,696	340
Benefits	30,296	29,857	439
Operating Expenses	39,400	29,268	10,132
Capital Outlay	2,000	1,968	32
	<u>150,732</u>	<u>139,789</u>	<u>10,943</u>
<b>Elections</b>			
Salaries	15,000	13,644	1,356
Benefits	375	-	375
Operating Expenses	14,850	5,369	9,481
	<u>30,225</u>	<u>19,013</u>	<u>11,212</u>
<b>Building Department</b>			
Salaries	45,096	37,596	7,500
Benefits	17,642	15,745	1,897
Operating Expenses	21,830	4,494	17,336
Capital Outlay	15,000	-	15,000
	<u>99,568</u>	<u>57,835</u>	<u>41,733</u>
<b>Planning and Zoning</b>			
Salaries	77,366	76,616	750
Benefits	31,499	31,129	370
Operating Expenses	16,475	11,058	5,417
	<u>125,340</u>	<u>118,803</u>	<u>6,537</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, 2019  
 (continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>General</b>			
Operating Expenses	\$ 272,341	\$ 175,526	\$ 96,815
Capital Outlay	-	-	-
	<u>272,341</u>	<u>175,526</u>	<u>96,815</u>
<b>Technology</b>			
Operating Expenses	227,000	210,023	16,977
Capital Outlay	-	-	-
	<u>227,000</u>	<u>210,023</u>	<u>16,977</u>
<b>Jail</b>			
Salaries	681,951	662,296	19,655
Benefits	269,048	241,670	27,378
Operating Expenses	249,999	238,223	11,776
Capital Outlay	5,000	49	4,951
	<u>1,205,998</u>	<u>1,142,238</u>	<u>63,760</u>
 Total Expenditures	 <u>\$ 5,715,605</u>	 <u>\$ 6,673,058</u>	 <u>\$ (990,159)</u>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2019

	Airport	Bond Redemption	District Court	County Fair	Fair Grounds
<b>Assets</b>					
Cash and Cash Equivalents	\$ 30,036	\$ 34	\$ 393,888	\$ 17,151	\$ 104,034
Property Taxes Receivable	3	-	25	2,215	5,242
Due From Other Governments	-	-	5,787	2,712	3,428
Prepaid Items	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 30,039</b>	<b>\$ 34</b>	<b>\$ 399,700</b>	<b>\$ 22,078</b>	<b>\$ 112,704</b>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ 649	\$ -
Warrants and Accounts Payable	-	-	26,565	1,108	1,825
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>26,565</b>	<b>1,757</b>	<b>1,825</b>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	-	-	-	1,925	5,012
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,925</b>	<b>5,012</b>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	-	-	-	-	-
Restricted	30,039	34	373,135	18,396	105,867
<b>Total Fund Balances</b>	<b>30,039</b>	<b>34</b>	<b>373,135</b>	<b>18,396</b>	<b>105,867</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 30,039</b>	<b>\$ 34</b>	<b>\$ 399,700</b>	<b>\$ 22,078</b>	<b>\$ 112,704</b>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2019  
(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	\$ 35,681	\$ 27,436	\$ 49,234	\$ 167,848	\$ 3,366
Property Taxes Receivable	4,056	3,142	3,573	-	138
Due From Other Governments	5,735	2,679	3,081	-	-
Prepaid Items	1,374	-	687	-	-
Total Assets	<u>\$ 46,846</u>	<u>\$ 33,257</u>	<u>\$ 56,575</u>	<u>\$ 167,848</u>	<u>\$ 3,504</u>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ 3,906	\$ -	\$ 1,842	\$ -	\$ -
Warrants and Accounts Payable	3,315	-	1,377	850	-
Total Liabilities	<u>7,221</u>	<u>-</u>	<u>3,219</u>	<u>850</u>	<u>-</u>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	<u>3,729</u>	<u>2,993</u>	<u>3,405</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows	<u>3,729</u>	<u>2,993</u>	<u>3,405</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	1,374	-	687	-	-
Restricted	34,522	30,264	49,264	166,998	3,504
Total Fund Balances	<u>35,896</u>	<u>30,264</u>	<u>49,951</u>	<u>166,998</u>	<u>3,504</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 46,846</u>	<u>\$ 33,257</u>	<u>\$ 56,575</u>	<u>\$ 167,848</u>	<u>\$ 3,504</u>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2019  
(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	\$ 218,795	\$ 136,822	\$ 185,750	\$ 1,470	\$ 35,247
Property Taxes Receivable	10,905	22,137	6,536	78	1,213
Due From Other Governments	13,947	-	6,146	-	-
Prepaid Items	2,064	-	-	-	-
Total Assets	<u>\$ 245,711</u>	<u>\$ 158,959</u>	<u>\$ 198,432</u>	<u>\$ 1,548</u>	<u>\$ 36,460</u>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ 4,558	\$ 1,716	\$ 50	\$ -	\$ -
Warrants and Accounts Payable	3,029	19,255	-	-	722
Total Liabilities	<u>7,587</u>	<u>20,971</u>	<u>50</u>	<u>-</u>	<u>722</u>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	10,319	20,979	6,221	-	1,277
Total Deferred Inflows	<u>10,319</u>	<u>20,979</u>	<u>6,221</u>	<u>-</u>	<u>1,277</u>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	2,064	-	-	-	-
Restricted	225,741	117,009	192,161	1,548	34,461
Total Fund Balances	<u>227,805</u>	<u>117,009</u>	<u>192,161</u>	<u>1,548</u>	<u>34,461</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 245,711</u>	<u>\$ 158,959</u>	<u>\$ 198,432</u>	<u>\$ 1,548</u>	<u>\$ 36,460</u>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2019  
(continued)

	911	County Vessel	Waterway	Off Highway Vehicles	Taxing District Election
<b>Assets</b>					
Cash and Cash Equivalents	\$ 136,219	\$ 7,363	\$ 18,986	\$ 72,004	\$ 161,671
Property Taxes Receivable	170	-	-	-	-
Due From Other Governments	-	-	-	-	-
Prepaid Items	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 136,389</b>	<b>\$ 7,363</b>	<b>\$ 18,986</b>	<b>\$ 72,004</b>	<b>\$ 161,671</b>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ -	\$ -	\$ 207	\$ 167	\$ -
Warrants and Accounts Payable	1,105	2,728	22	2,226	51,896
<b>Total Liabilities</b>	<b>1,105</b>	<b>2,728</b>	<b>229</b>	<b>2,393</b>	<b>51,896</b>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	-	-	-	-	-
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	-	-	-	-	-
Restricted	135,284	4,635	18,757	69,611	109,775
<b>Total Fund Balances</b>	<b>135,284</b>	<b>4,635</b>	<b>18,757</b>	<b>69,611</b>	<b>109,775</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 136,389</b>	<b>\$ 7,363</b>	<b>\$ 18,986</b>	<b>\$ 72,004</b>	<b>\$ 161,671</b>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2019  
(continued)

	Taxing District Election	Ambulance District	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ -	\$ 586	\$ 1,803,621
Property Taxes Receivable	-	-	59,433
Due From Other Governments	-	-	43,515
Prepaid Items	-	-	4,125
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 586</b>	<b>\$ 1,910,694</b>
<b>Liabilities</b>			
Salaries and Benefits Payable	\$ -	\$ -	\$ 13,095
Warrants and Accounts Payable	-	-	116,023
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>129,118</b>
<b>Deferred Inflows:</b>			
Unavailable Revenue - Property Tax	-	-	55,860
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>55,860</b>
<b>Fund Balances</b>			
Nonspendable - Prepaid Items	-	-	4,125
Restricted	-	586	1,721,591
<b>Total Fund Balances</b>	<b>-</b>	<b>586</b>	<b>1,725,716</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ -</b>	<b>\$ 586</b>	<b>\$ 1,910,694</b>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2019

	Airport	Bond Redemption	District Court	County Fair	Fair Grounds
<b>Revenues</b>					
Property Taxes	\$ 29	\$ -	\$ 1,058	\$ 40,927	\$ 65,330
Intergovernmental	108	-	38,824	10,892	13,565
Payment in Lieu of Taxes	-	-	-	-	-
Grants and Contributions	-	-	-	-	-
Charges for Services	-	-	56,969	-	-
Other Revenues	-	-	8,952	-	-
<b>Total Revenues</b>	<u>137</u>	<u>-</u>	<u>105,803</u>	<u>51,819</u>	<u>78,895</u>
<b>Expenditures</b>					
Current:					
Salaries	-	-	-	17,654	-
Benefits	-	-	-	2,569	-
Operating Expenses	-	-	66,642	30,000	3,892
Capital Outlay	-	-	-	-	91,827
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>66,642</u>	<u>50,223</u>	<u>95,719</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>137</u>	<u>-</u>	<u>39,161</u>	<u>1,596</u>	<u>(16,824)</u>
<b>Net Change in Fund Balances</b>	137	-	39,161	1,596	(16,824)
<b>Fund Balances - Beginning</b>	29,902	34	333,974	16,800	122,691
<b>Fund Balances - Ending</b>	<u>\$ 30,039</u>	<u>\$ 34</u>	<u>\$ 373,135</u>	<u>\$ 18,396</u>	<u>\$ 105,867</u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2019  
(continued)

	Probation	Health District	Historical Society	Junior College	Pest
<b>Revenues</b>					
Property Taxes	\$ 52,468	\$ 64,589	\$ 65,378	\$ -	\$ 1,860
Intergovernmental	27,917	10,972	12,588	26,294	628
Payment in Lieu of Taxes	-	-	-	-	-
Grants and Contributions	73,016	-	-	-	-
Charges for Services	7,322	-	-	-	-
Other Revenues	2,785	-	-	-	-
<b>Total Revenues</b>	<u>163,508</u>	<u>75,561</u>	<u>77,966</u>	<u>26,294</u>	<u>2,488</u>
<b>Expenditures</b>					
Current:					
Salaries	96,493	-	33,518	-	-
Benefits	41,635	-	13,086	-	-
Operating Expenses	28,601	55,920	10,477	25,500	3,501
Capital Outlay	-	-	10,000	-	-
<b>Total Expenditures</b>	<u>166,729</u>	<u>55,920</u>	<u>67,081</u>	<u>25,500</u>	<u>3,501</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(3,221)</u>	<u>19,641</u>	<u>10,885</u>	<u>794</u>	<u>(1,013)</u>
<b>Net Change in Fund Balances</b>	(3,221)	19,641	10,885	794	(1,013)
<b>Fund Balances - Beginning</b>	39,117	10,623	39,066	166,204	4,517
<b>Fund Balances - Ending</b>	<u>\$ 35,896</u>	<u>\$ 30,264</u>	<u>\$ 49,951</u>	<u>\$ 166,998</u>	<u>\$ 3,504</u>



**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2019  
(continued)

	<u>Revaluation</u>	<u>Solid Waste</u>	<u>Tort</u>	<u>Veterans Memorial</u>	<u>Weeds</u>
<b>Revenues</b>					
Property Taxes	\$ 171,997	\$ 286,587	\$ 122,257	\$ 1,292	\$ 17,102
Intergovernmental	55,422	564	25,932	32	1,449
Payment in Lieu of Taxes	-	-	-	-	-
Grants and Contributions	-	-	-	-	-
Charges for Services	-	549	-	-	-
Other Revenues	-	2,260	-	-	-
<b>Total Revenues</b>	<u>227,419</u>	<u>289,960</u>	<u>148,189</u>	<u>1,324</u>	<u>18,551</u>
<b>Expenditures</b>					
Current:					
Salaries	129,609	40,932	200	-	-
Benefits	51,638	8,834	127,965	-	-
Operating Expenses	17,472	215,158	3,048	1,198	28,020
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>198,719</u>	<u>264,924</u>	<u>131,213</u>	<u>1,198</u>	<u>28,020</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>28,700</u>	<u>25,036</u>	<u>16,976</u>	<u>126</u>	<u>(9,469)</u>
<b>Net Change in Fund Balances</b>	28,700	25,036	16,976	126	(9,469)
<b>Fund Balances - Beginning</b>	199,105	91,973	175,185	1,422	43,930
<b>Fund Balances - Ending</b>	<u>\$ 227,805</u>	<u>\$ 117,009</u>	<u>\$ 192,161</u>	<u>\$ 1,548</u>	<u>\$ 34,461</u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2019  
(continued)

	911	County Vessel	Waterway	Off Highway Vehicles	Taxing District Election
<b>Revenues</b>					
Property Taxes	\$ 4,333	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	12,362	67,192
Payment in Lieu of Taxes	-	-	-	50,000	-
Grants and Contributions	-	-	21,604	-	-
Charges for Services	117,421	-	-	-	-
Other Revenues	-	20,000	-	-	-
<b>Total Revenues</b>	<u>121,754</u>	<u>20,000</u>	<u>21,604</u>	<u>62,362</u>	<u>67,192</u>
<b>Expenditures</b>					
Current:					
Salaries	-	-	20,433	2,250	2,132
Benefits	-	-	2,283	1,074	250
Operating Expenses	109,958	17,067	924	4,364	54,813
Capital Outlay	365	-	-	-	5,294
<b>Total Expenditures</b>	<u>110,323</u>	<u>17,067</u>	<u>23,640</u>	<u>7,688</u>	<u>62,489</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>11,431</u>	<u>2,933</u>	<u>(2,036)</u>	<u>54,674</u>	<u>4,703</u>
<b>Net Change in Fund Balances</b>	<u>11,431</u>	<u>2,933</u>	<u>(2,036)</u>	<u>54,674</u>	<u>4,703</u>
<b>Fund Balances - Beginning</b>	<u>123,853</u>	<u>1,702</u>	<u>20,793</u>	<u>14,937</u>	<u>105,072</u>
<b>Fund Balances - Ending</b>	<u>\$ 135,284</u>	<u>\$ 4,635</u>	<u>\$ 18,757</u>	<u>\$ 69,611</u>	<u>\$ 109,775</u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2019  
(continued)

	Economic Development	Ambulance District	Total
<b>Revenues</b>			
Property Taxes	\$ -	\$ 90,011	\$ 985,218
Intergovernmental	-	-	304,741
Payment in Lieu of Taxes	-	-	50,000
Grants and Contributions	-	-	94,620
Charges for Services	-	-	182,261
Other Revenues	-	-	33,997
<b>Total Revenues</b>	<u>-</u>	<u>90,011</u>	<u>1,650,837</u>
<b>Expenditures</b>			
Current:			
Salaries	-	-	343,221
Benefits	-	-	249,334
Operating Expenses	656	90,231	767,442
Capital Outlay	-	-	107,486
<b>Total Expenditures</b>	<u>656</u>	<u>90,231</u>	<u>1,467,483</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(656)</u>	<u>(220)</u>	<u>183,354</u>
<b>Net Change in Fund Balances</b>	<u>(656)</u>	<u>(220)</u>	<u>183,354</u>
<b>Fund Balances - Beginning</b>	656	806	1,542,362
<b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ 586</u>	<u>\$ 1,725,716</u>

**Owyhee County, Idaho**  
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds  
September 30, 2019

	<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	\$ 156,030	\$ 122,176	\$ 2,820,666	\$ 44,782
Property Taxes Receivable	-	293,449	-	-
Total Assets	<u>\$ 156,030</u>	<u>\$ 415,625</u>	<u>\$ 2,820,666</u>	<u>\$ 44,782</u>
 <b>Liabilities</b>				
Warrants and Accounts Payable	\$ 15,465	\$ 8,323	\$ 258,189	\$ -
Due to Other Funds or Taxing Units	140,565	407,302	2,562,477	44,782
Total Liabilities	<u>\$ 156,030</u>	<u>\$ 415,625</u>	<u>\$ 2,820,666</u>	<u>\$ 44,782</u>

**Owyhee County, Idaho**  
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds  
September 30, 2019  
(continued)

	<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	\$ 418,021	\$ 1,952	\$ 3,946,171
Property Taxes Receivable	-	-	-	293,449
Total Assets	<u>\$ 382,544</u>	<u>\$ 418,021</u>	<u>\$ 1,952</u>	<u>\$ 4,239,620</u>
<b>Liabilities</b>				
Warrants and Accounts Payable	\$ -	\$ -	\$ -	\$ 281,977
Due to Other Funds or Taxing Units	382,544	418,021	1,952	3,957,643
Total Liabilities	<u>\$ 382,544</u>	<u>\$ 418,021</u>	<u>\$ 1,952</u>	<u>\$ 4,239,620</u>

***FEDERAL REPORTS***

Owyhee County, Idaho  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30,2019

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Flowthrough Number</u>	<u>Program Expenditures</u>
<u>U.S. Department of Housing &amp; Urban Development</u>			
Passed through State Department of Commerce:			
Community Development Block Grant	14.228	B18DC16001	\$ 31,894
Total U.S. Department of Housing & Urban Development			<u>31,894</u>
<u>U.S. Department of the Interior</u>			
Direct:			
Payment in Lieu of Taxes	15.226		\$ 1,484,775
Total U.S. Department of the Interior			<u>1,484,775</u>
<u>U.S. Department of Justice</u>			
Passed through State Department of Health & Welfare			
Crime Victim Assistance	16.575	2016-VA-GX-0060	\$ 37,704
Passed through State Police			
Support for Adam Walsh Implementation Grant	16.750	2017-AW-BX-0040	19,592
Direct:			
Total U.S. Department of the Interior			<u>57,296</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation			
State & Community Highway Safety	20.600		1,986
National Priority Safety Programs	20.616		77,780
Total Highway Safety Cluster			<u>79,766</u>
Minimum Penalty for Repeat	20.608		1,751
Total U.S. Department of Transportation			<u>81,517</u>
<u>U.S. Department of Homeland Security</u>			
Passed through State Military Division:			
Emergency Management Performance	97.042	EMS2017EP00003	13,703
Homeland Security Grant Program	97.067	EMS2018SS00040	21,512
Passed through Department of Park and Recreation:			
Boating Safety	97.012	14.01.16	21,604
Total U.S. Department of Homeland Security			<u>56,819</u>
Total Federal Financial Assistance Expended			<u>\$ 1,712,301</u>

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

**Owyhee County, Idaho**  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2019

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1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Owyhee County, Idaho under programs of the Federal Government for the year ended September 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Owyhee County, Idaho, it is not intended to and does not present the financial position or changes in Net Position of Owyhee County, Idaho.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COST RATE

Owyhee County, Idaho has not elected to use the 10-percent de minimis indirect cost rate.





**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, 2019, 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 16, 2020.

**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.

*Zwygart John & Associates, CPAs PLLC*

Nampa, Idaho  
January 16, 2020



**Independent Auditor's Report on Compliance For Each  
Major Program and on Internal Control Over Compliance  
Required by Uniform Guidance**

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 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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that 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, 2019.

## 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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Zwyzart John & Associates, CPAs PLLC*

Nampa, Idaho  
January 16, 2020

**Owyhee County, Idaho**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30,2019

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

*Financial Statements*

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

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: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  yes  no

Identification of major programs:

CFDA Numbers	Name of Federal Program
--------------	-------------------------

15.226	Payment in Lieu of Taxes
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Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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.