

***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, 2020

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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, 2020, 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, 2020, 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 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Owyhee County, Idaho has not presented management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Owyhee County, Idaho's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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 February 13, 2021 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.

**Zwysart John & Associates, CPAs PLLC**

Nampa, Idaho  
February 13, 2021

**Owyhee County, Idaho**  
Statement of Net Position  
September 30, 2020

	Primary Government Governmental Activities	Component Unit
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,219,053	\$ 29,062
Receivables, Net:		
Property Taxes	159,797	-
Interest	17,502	-
Due From Other Governments	680,426	-
Prepaid Items	50,448	-
Noncurrent Cash and Cash Equivalents	5,488,082	-
Capital Assets:		
Land	726,628	-
Buildings and Improvements, Net	3,768,902	-
Equipment, Net	1,725,534	-
Total Capital Assets	6,221,064	-
Total Assets	14,836,372	29,062
<b>Deferred Outflows</b>		
Pension Related Items	521,128	-
OPEB Related Items	19,011	-
Total Deferred Outflows	540,139	-
<b>Liabilities</b>		
Salaries and Benefits Payable	161,959	-
Warrants and Accounts Payable	807,495	-
Unearned Revenue	82,500	-
Long-Term Liabilities:		
Due Within One Year:		
Compensated Absences	69,392	-
Municipal Lease	203,180	-
Due in More Than One Year:		
Other Post-Employment Benefits	272,347	-
Compensated Absences	69,392	-
Municipal Lease	608,455	-
Net Pension Liability	2,062,248	-
Total Liabilities	4,336,968	-
<b>Deferred Inflows</b>		
Pension Related Items	67,337	-
Total Deferred Inflows	67,337	-
<b>Net Position</b>		
Invested in Capital Assets, Net of Related Debt	5,409,429	-
Restricted	3,498,842	-
Unrestricted	2,063,935	29,062
Total Net Position	\$ 10,972,206	\$ 29,062

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

**Owyhee County, Idaho**  
 Statement of Activities  
 For the Year Ended September 30, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for			Primary		
Expenses	Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Government Governmental Activities	Component Unit	
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 2,740,986	\$ 709,494	\$ 63,379	\$ -	\$ (1,968,113)	\$ -
Public Safety	3,930,636	319,513	295,320	-	(3,315,803)	-
Highways and Streets	2,242,975	38,000	78,469	-	(2,126,506)	-
Sanitation	325,207	2,750	26,543	-	(295,914)	-
Health	58,643	-	-	-	(58,643)	-
Welfare	543,044	-	156,370	-	(386,674)	-
Education	22,700	-	-	-	(22,700)	-
Culture and Recreation	170,257	-	174,736	-	4,479	-
<b>Total Primary Government</b>	<b>\$ 10,034,448</b>	<b>\$ 1,069,757</b>	<b>\$ 794,817</b>	<b>\$ -</b>	<b>\$ (8,169,874)</b>	<b>\$ -</b>
<b>Component Unit:</b>						
Fair Board	\$ 42,181	\$ 49,261	\$ -	\$ -		7,080
<b>General Revenues:</b>						
Property Taxes				3,556,533	-	
Intergovernmental				3,206,285	-	
Payment in Lieu of Taxes				850,000	-	
Other				142,972	-	
Unrestricted Investment Earnings				129,822	-	
Change in Fair Market Value of Investments				44,267	-	
Disposal of Assets				34,326	-	
Total General Revenues and Special Items				7,964,205	-	
Change in Net Position				(205,669)	7,080	
Net Position, Beginning of Year				11,177,875	21,982	
Net Position, End of Year				<b>\$ 10,972,206</b>	<b>\$ 29,062</b>	

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

**Owyhee County, Idaho**  
 Balance Sheet -  
 Governmental Funds  
 September 30, 2020

	General	Road and Bridge	Indigent and Charity	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Cash Equivalents	\$ 3,797,274	\$ 1,412,228	\$ 560,828	\$ 1,936,805	\$ 7,707,135
Property Taxes Receivable, Net	79,913	6,286	26,091	47,507	159,797
Interest Receivable	17,502	-	-	-	17,502
Due From Other Governments	253,209	373,269	8,612	45,336	680,426
Prepaid Items	40,540	5,096	687	4,125	50,448
<b>Total Assets</b>	<b>\$ 4,188,438</b>	<b>\$ 1,796,879</b>	<b>\$ 596,218</b>	<b>\$ 2,033,773</b>	<b>\$ 8,615,308</b>
<b>Liabilities:</b>					
Salaries and Benefits Payable	\$ 121,487	\$ 18,956	\$ 2,280	\$ 19,236	\$ 161,959
Warrants and Accounts Payable	78,265	662,929	8,727	57,574	807,495
Unearned Revenue	-	-	82,500	-	82,500
<b>Total Liabilities</b>	<b>199,752</b>	<b>681,885</b>	<b>93,507</b>	<b>76,810</b>	<b>1,051,954</b>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	63,369	5,064	22,618	40,957	132,008
<b>Total Deferred Inflows</b>	<b>63,369</b>	<b>5,064</b>	<b>22,618</b>	<b>40,957</b>	<b>132,008</b>
<b>Fund Balances:</b>					
Nonspendable - Prepaid Items	40,540	5,096	687	4,125	50,448
Restricted	-	1,104,834	482,127	1,911,881	3,498,842
Unassigned	3,884,777	-	(2,721)	-	3,882,056
<b>Total Fund Balance</b>	<b>3,925,317</b>	<b>1,109,930</b>	<b>480,093</b>	<b>1,916,006</b>	<b>7,431,346</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 4,188,438</b>	<b>\$ 1,796,879</b>	<b>\$ 596,218</b>	<b>\$ 2,033,773</b>	<b>\$ 8,615,308</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, 2020

Total Fund Balances - Governmental Funds \$ 7,431,346

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 \$5,976,030 Accum. Depreciation	3,768,902	
Equipment, Net of \$4,060,306 Accumulated Depreciation	<u>1,725,534</u>	
		6,221,064

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.		132,008
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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	\$ (272,347)	
Compensated Absences	(138,784)	
OPEB Related Deferred Outflows	19,011	
Municipal Leases	<u>(811,635)</u>	
		(1,203,755)

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	\$ (2,062,248)	
Pension Related Deferred Inflows	(67,337)	
Pension Related Deferred Outflows	<u>521,128</u>	
		<u>(1,608,457)</u>

Net Position of Governmental Activities		<u><u>\$ 10,972,206</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, 2020**

	General	Road and Bridge	Indigent and Charity	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$ 1,719,212	\$ 282,080	\$ 593,886	\$ 1,010,704	\$ 3,605,882
Intergovernmental	1,388,669	1,450,764	37,290	329,562	3,206,285
Payment in Lieu of Taxes	800,000	-	-	50,000	850,000
Grants and Contributions	112,896	69,480	156,370	456,071	794,817
Charges for Services	828,356	38,000	-	203,401	1,069,757
Other Revenues	84,480	15,267	-	43,225	142,972
Interest Earned	129,822	-	-	-	129,822
Total Revenues	<u>5,063,435</u>	<u>1,855,591</u>	<u>787,546</u>	<u>2,092,963</u>	<u>9,799,535</u>
<b>Expenditures</b>					
Current:					
General Government	1,989,353	-	-	452,546	2,441,899
Public Safety	2,861,721	-	-	662,790	3,524,511
Highways and Streets	-	2,229,596	-	-	2,229,596
Sanitation	-	-	-	318,039	318,039
Health	-	-	-	55,243	55,243
Welfare	-	-	536,010	-	536,010
Education	-	-	-	19,300	19,300
Culture and Recreation	-	-	-	131,347	131,347
Capital Outlay	785,817	185,791	-	263,406	1,235,014
Total Expenditures	<u>5,636,891</u>	<u>2,415,387</u>	<u>536,010</u>	<u>1,902,671</u>	<u>10,490,959</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>					
	<u>(573,456)</u>	<u>(559,796)</u>	<u>251,536</u>	<u>190,292</u>	<u>(691,424)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Assets	34,326	-	-	-	34,326
Proceeds from Municipal Lease	499,701	-	-	-	499,701
Change in Fair Market Value of Investments	44,267	-	-	-	44,267
Transfers In	103	(103)	-	-	-
Total Other Financing Sources (Uses)	<u>578,397</u>	<u>(103)</u>	<u>-</u>	<u>-</u>	<u>578,294</u>
Net Change in Fund Balances	4,941	(559,899)	251,536	190,292	(113,130)
Fund Balances - Beginning	3,920,376	1,669,829	228,557	1,725,714	7,544,476
Fund Balances - Ending	<u>\$ 3,925,317</u>	<u>\$ 1,109,930</u>	<u>\$ 480,093</u>	<u>\$ 1,916,006</u>	<u>\$ 7,431,346</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, 2020

Total Net Change in Fund Balance - Governmental Funds \$ (113,130)

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	\$ 1,006,703	
Depreciation Expense	(462,755)	
Net		543,948

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. (49,349)

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. 159,191

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. (499,701)

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 93,330

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. (339,958)

Change in Net Position of Governmental Activities \$ (205,669)

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

**Owyhee County, Idaho**  
Statement of Fiduciary Net Position - Fiduciary Funds  
September 30, 2020

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and Investments	\$ 4,244,828
Property Taxes Receivable	<u>116,140</u>
Total Assets	<u><u>\$ 4,360,968</u></u>
<b>Liabilities</b>	
Warrants and Accounts Payable	\$ 265,329
Due to Other Funds or Taxing Units	<u>4,095,639</u>
Total Liabilities	<u><u>\$ 4,360,968</u></u>

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

**Owyhee County, Idaho**  
 Balance Sheet -  
 Component Unit  
 September 30, 2020

	Fair Board
<b>Assets</b>	
Cash and Cash Equivalents	\$ 29,062
Total Assets	\$ 29,062
 <b>Liabilities</b>	
Accounts Payable and Other Current Liabilities	\$ -
Total Liabilities	-
 <b>Fund Balance</b>	
Unassigned	29,062
Total Liabilities and Fund Balance	\$ 29,062

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, 2020

	Fair Board
<b>Revenues</b>	
Charges for Services	\$ 49,261
Total Revenues	49,261
 <b>Expenditures</b>	
Current:	
Operating Expenditures	42,181
Total Expenses	42,181
 <b>Net Change in Fund Balances</b>	7,080
 <b>Fund Balances - Beginning</b>	21,982
<b>Fund Balances - Ending</b>	\$ 29,062

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

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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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. The EMS 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, 2020

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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, 2020

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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, 2020

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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 County 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, 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

C. Assets and Liabilities

Cash Equivalents

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

Capital Assets

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

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

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	<u>Capitalization</u> <u>Policy</u>	<u>Depreciation</u> <u>Method</u>	<u>Estimated</u> <u>Useful Life</u>
Buildings and Improvements	\$5,000	Straight-Line	10 – 52 Years
Equipment	\$5,000	Straight-Line	3 – 15 Years

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

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

Accounts Receivable

Accounts receivable of the governmental activities consists of property taxes, sales taxes, use taxes, state grants, federal grants and other miscellaneous receivables. The allowance for doubtful accounts for the governmental activities is zero as of September 30, 2020.

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, 2020

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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, 2020, the carrying amount of the County's deposits was \$4,016,525 and the respective bank balances totaled \$3,599,993. 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, 2020, 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, 2020

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 ProEquities, Inc. and Multi-Bank Securities, Inc. totaling \$27,114. 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, 2020, are summarized below:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)		
			Less than 1	1 - 5	>5
External Investment Pool	None	\$ 2,165,284	\$ 2,165,284	\$ -	\$ -
Certificates of Deposit	N/A	720,354	-	644,980	75,374
U.S. Government Bonds	AAA	4,337,715	-	2,233,950	2,103,765
Asset Backed Securities	N/A	430,013	-	-	430,013
Money Market	N/A	253,936	253,936	-	-
		<u>\$ 7,907,302</u>	<u>\$ 2,419,220</u>	<u>\$ 2,878,930</u>	<u>\$ 2,609,152</u>

**Owyhee County, Idaho**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2020**

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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	\$ (200,167)	\$ 29,062	\$ (171,105)	\$ 4,244,828
Investments categorized as deposits	7,907,302	-	7,907,302	-
	\$ 7,707,135	\$ 29,062	\$ 7,736,197	\$ 4,244,828

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

	Book Balance	Bank Balance
Tax Collector	\$ 41,023	\$ 39,902
Tax Collector Trust	85,237	85,237
Inmate Trust	6,737	11,715
	\$ 132,997	\$ 136,854

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments consists of ag replacement tax revenue of \$307,157 and highway user funds of \$373,269 both due from the State of Idaho.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2020, was as follows:

	Balance 9/30/2019	Additions	Disposals	Balance 9/30/2020
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 726,628	\$ -	\$ -	\$ 726,628
Capital Assets Being Depreciated:				
Buildings and Improvements	9,439,855	305,077	-	9,744,932
Equipment	5,045,358	907,914	167,432	5,785,840
Total Historical Cost	<u>14,485,213</u>	<u>1,212,991</u>	<u>167,432</u>	<u>15,530,772</u>
Less: Accumulated Depreciation				
Buildings and Improvements	5,764,663	211,367	-	5,976,030
Equipment	3,976,350	251,388	167,432	4,060,306
Total Acc. Depr.	<u>9,741,013</u>	<u>462,755</u>	<u>167,432</u>	<u>10,036,336</u>
Net Depreciable Assets	<u>4,744,200</u>	<u>750,236</u>	<u>-</u>	<u>5,494,436</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 5,470,828</u>	<u>\$ 750,236</u>	<u>\$ -</u>	<u>\$ 6,221,064</u>

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

Governmental Activities:	
General Government	\$ 140,895
Public Safety	201,002
Highways and Streets	106,307
Culture and Recreation	14,551
	<u>\$ 462,755</u>



**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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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, 2020

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, 2020, it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% general employees and 12.28% for police and firefighters. Owyhee County's contributions were \$383,222 for the year ended September 30, 2020.

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

At September 30, 2020, Owyhee County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, Owyhee County's proportion was 0.0888084 percent.

For the year ended September 30, 2020, Owyhee County recognized pension expense (revenue) of \$723,181. At September 30, 2020, 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	\$ 161,125	\$ 67,337
Changes in assumptions or other inputs	34,876	-
Net difference between projected and actual earnings on pension plan investments	236,373	-
Owyhee County's contributions subsequent to the measurement date	88,753	-
<b>Total</b>	<b>\$ 521,127</b>	<b>\$ 67,337</b>

\$88,753 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, 2020.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019, the beginning of the measurement period ended June 30, 2019, is 4.8 and 4.8 for the measurement period June 30, 2020.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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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>
2021	\$ 95,413
2022	86,870
2023	117,903
2024	153,604

*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, 2020 is based on the results of an actuarial valuation date of July 1, 2020.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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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, 2020.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%

*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.

*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:

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

5. PENSION PLAN (continued)

	<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)	\$ 4,229,107	\$ 2,062,248	\$ 270,610

*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>9/30/2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2020</u>	<u>Current</u>
Governmental Activities	<u>\$ 126,439</u>	<u>\$ 300,358</u>	<u>\$ (288,013)</u>	<u>\$ 138,784</u>	<u>\$ 69,392</u>

7. LEASE COMMITMENTS

The County has entered into a 5-year lease with Bancorp for security operations controls and equipment through M2 Automation.

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, 2020

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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 September 30,</u>	<u>Amount</u>
2021	\$ 93,317
2022	93,050
2023	31,142
2024	31,142
2025	27,225
2026	412
	<u>\$276,288</u>

Rent expenditures for the year ended September 30, 2020, were \$84,316.

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, 2020, 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, 2020

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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 \$45,763 for the year ended September 30, 2020.



**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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	\$ 272,347
OPEB Plan Fiduciary Net Position	-
Net OPEB obligation - end of year	<u>\$ 272,347</u>
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	 <u>0%</u>

*OPEB Revenue (Expense) and Deferred Outflows of Resources to OPEB*

For the year ended September 30, 2020, the County recognized OPEB revenue (expense) of \$27,788. At September 30, 2020, 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>\$ 45,763</u>

*Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of October 1, 2019 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	6.25% as of October 1, 2019 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 3.00%. Since the County's OPEB plan is not pre-funded, the discount rate is equal to the 20-Year Municipal Bond Yield of 3.00%.

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

9. OTHER POST-EMPLOYMENT BENEFITS (continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning of Year	\$ 237,595	\$ -	\$ 237,595
Changes for the Year			
Service Cost	13,742	-	13,742
Interest Cost	8,535	-	8,535
Assumption Changes	3,183		
Differences Between Expected and Actual Experience	24,368		
Benefit Payments	<u>(15,076)</u>	<u>-</u>	<u>(15,076)</u>
Net Change in Total OPEB liability	<u>34,752</u>	<u>-</u>	<u>7,201</u>
End of Year	<u>\$ 272,347</u>	<u>\$ -</u>	<u>\$ 244,796</u>

*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 (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB Liability	<u>\$ 288,460</u>	<u>\$ 272,347</u>	<u>\$ 257,344</u>

*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 (5.25% Decreasing to 4%)	Current Healthcare Cost Trend Rate (6.25% Decreasing to 5%)	1% Decrease (7.25% Decreasing to 6%)
Net OPEB Liability	<u>\$ 252,853</u>	<u>\$ 272,347</u>	<u>\$ 295,205</u>

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

10. OTHER COMMITMENTS

The County currently holds several credit cards with a combined credit limit of \$44,500. As of September 30, 2020, \$9,894 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 \$72,233.

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	\$ 1,020,585
Less accumulated amortization (included as depreciation on the accompanying financial statements)	<u>(85,682)</u>
	<u>\$ 934,903</u>

Changes in long-term debt for the year ended September 30, 2020, are as follows:

Description	Maturity	Rate	9/30/2019	Increase	Decrease	9/30/2020	Current Portion
Sheriff's Vehicles	2023	5.50%	\$ 405,264	\$ -	\$ (93,330)	\$ 311,934	\$ 98,463
Sheriff's 911 Center	2025	3.08%	-	499,701	-	499,701	104,717
			<u>\$ 405,264</u>	<u>\$ 499,701</u>	<u>\$ (93,330)</u>	<u>\$ 811,635</u>	<u>\$ 203,180</u>

**Owyhee County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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13. LONG-TERM DEBT (CONTINUED)

Debt service requirements on long-term debt as of September 30, 2020, are as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$203,180	\$ 18,912	\$ 222,092
2022	198,174	23,918	222,092
2023	206,794	15,298	222,092
2024	100,199	6,273	106,472
2025	103,288	3,184	106,472
	<u>\$811,635</u>	<u>\$67,585</u>	<u>\$ 879,220</u>

***REQUIRED SUPPLEMENTARY INFORMATION***

**Owyhee County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 General Fund  
 For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,657,099	\$ 1,657,099	\$ 1,719,212	\$ 62,113
Intergovernmental	1,143,876	1,143,876	1,388,669	244,793
Payment in Lieu of Taxes	800,000	800,000	800,000	-
Grants and Contributions	73,049	73,049	112,896	39,847
Charges for Services	656,293	656,293	828,356	172,063
Other Revenues	16,100	16,100	84,480	68,380
Interest Earned	92,500	92,500	129,822	37,322
Total Revenues	<u>4,438,917</u>	<u>4,438,917</u>	<u>5,063,435</u>	<u>624,518</u>
<b>Expenditures</b>				
Current:				
Salaries	2,828,687	2,828,687	2,729,016	99,671
Benefits	1,144,741	1,144,741	1,073,171	71,570
Operating Expenses	1,601,604	1,601,604	1,048,887	552,717
Capital Outlay	314,570	314,570	785,817	(471,247)
Total Expenditures	<u>5,889,602</u>	<u>5,889,602</u>	<u>5,636,891</u>	<u>252,711</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(1,450,685)</u>	<u>(1,450,685)</u>	<u>(573,456)</u>	<u>877,229</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	20,000	20,000	34,326	14,326
Proceeds from Lease	-	-	499,701	499,701
Change in Fair Market Value of Investments	-	-	44,267	44,267
Transfers In	-	-	103	103
Total Other Financing Sources	<u>20,000</u>	<u>20,000</u>	<u>578,397</u>	<u>558,397</u>
Net Change in Fund Balances	(1,430,685)	(1,430,685)	4,941	1,435,626
Fund Balances - Beginning	1,430,685	1,430,685	3,920,376	2,489,691
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,925,317</u>	<u>\$ 3,925,317</u>

**Owyhee County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Road and Bridge  
 For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 279,650	\$ 279,650	\$ 282,080	\$ 2,430
Intergovernmental	1,312,086	1,312,086	1,450,764	138,678
Grants and Contributions	225,000	225,000	69,480	(155,520)
Charges for Services	31,500	31,500	38,000	6,500
Other Revenues	10,000	10,000	15,267	5,267
Total Revenues	<u>1,858,236</u>	<u>1,858,236</u>	<u>1,855,591</u>	<u>(2,645)</u>
<b>Expenditures</b>				
Current:				
Salaries	395,484	395,484	371,552	23,932
Benefits	171,903	171,903	158,908	12,995
Operating Expenses	1,911,000	1,911,000	1,699,136	211,864
Capital Outlay	210,000	210,000	185,791	24,209
Total Expenditures	<u>2,688,387</u>	<u>2,688,387</u>	<u>2,415,387</u>	<u>273,000</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(830,151)</u>	<u>(830,151)</u>	<u>(559,796)</u>	<u>270,355</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	(103)	(103)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(103)</u>	<u>(103)</u>
Net Change in Fund Balances	(830,151)	(830,151)	(559,899)	270,252
Fund Balances - Beginning	830,151	830,151	1,669,829	839,678
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,109,930</u>	<u>\$ 1,109,930</u>

**Owyhee County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Indigent and Charity  
 For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 581,705	\$ 581,705	\$ 593,886	\$ 12,181
Intergovernmental	34,900	34,900	37,290	2,390
Grants and Contributions	200,000	200,000	156,370	(43,630)
Total Revenues	<u>816,605</u>	<u>816,605</u>	<u>787,546</u>	<u>(29,059)</u>
<b>Expenditures</b>				
Current:				
Salaries	42,496	42,496	42,241	255
Benefits	17,039	17,039	16,970	69
Operating Expenses	790,200	790,200	476,799	313,401
Total Expenditures	<u>849,735</u>	<u>849,735</u>	<u>536,010</u>	<u>313,725</u>
Net Change in Fund Balances	(33,130)	(33,130)	251,536	284,666
Fund Balances - Beginning	33,130	33,130	228,557	195,427
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 480,093</u>	<u>\$ 480,093</u>



Owyhee County, Idaho  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2020

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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 Required Supplemental Information  
Public Employees Retirement System of Idaho  
Last 10 - Fiscal Years\*

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

Year	County proportion of the net pension liability	County proportion of the net pension liability	County's covered-employee payroll	County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.0888084%	\$ 2,062,248	\$ 3,181,096	64.83%	93.79%
2019	0.0903916%	1,031,795	3,031,155	34.04%	93.79%
2018	0.0921564%	1,359,323	2,975,904	45.68%	87.26%
2017	0.0949855%	1,493,009	2,865,779	52.10%	87.26%
2016	0.0913585%	1,851,977	2,687,031	68.92%	82.26%
2015	0.0908608%	1,193,462	2,532,950	47.12%	91.38%

Data reported is measured as of June 30, 2020.

**Schedule of County Contributions**

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	County's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2020	\$ 383,222	\$ 383,222	\$ -	\$ 3,181,096	12.05%
2019	349,952	349,952	-	3,031,155	11.55%
2018	340,001	340,001	-	2,975,904	11.43%
2017	327,528	327,528	-	2,865,779	11.43%
2016	307,145	307,145	-	2,687,031	11.43%
2015	289,517	289,517	-	2,532,950	11.43%

Data reported is measured as of September 30, 2020.

\* 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.

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

Other Post-Employment Benefit Plan

Last 10 - Fiscal Years\*

	2020	2019	2018
<b>Fiscal Year</b>			
Total OPEB Liability			
Service Cost	\$ 13,742	\$ 11,459	\$ 11,125
Interest Cost	8,535	8,359	8,292
Assumption Changes	3,183	-	-
Differences Between Expected and Actual Experience	24,368	-	-
Benefit Payments	(15,076)	(19,011)	(16,672)
Net Change in Total OPEB Liability	34,752	807	2,745
Total OPEB Liability - Beginning	237,595	236,788	234,043
Total OPEB Liability - Ending (a)	\$ 272,347	\$ 237,595	\$ 236,788
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -	\$ -
County's Net OPEB Liability - Ending (a) - (b)	\$ 272,347	\$ 237,595	\$ 236,788
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%
Covered Employee Payroll	\$ 2,966,719	\$ 2,606,183	\$ 2,530,275
Net OPEB Liability as a Percentage of Covered Employee Payroll	9%	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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property Taxes	\$ 1,657,099	\$ 1,719,212	\$ 62,113
Intergovernmental	1,143,876	1,388,669	244,793
Payment in Lieu of Taxes	800,000	800,000	-
Grants and Contributions	73,049	112,896	39,847
Charges for Services	656,293	828,356	172,063
Other Revenues	16,100	84,480	68,380
Interest Earned	92,500	129,822	37,322
Disposition of Assets	20,000	34,326	14,326
Proceeds from Lease	-	499,701	499,701
Change in Fair Market Value of Investments	-	44,267	44,267
	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Revenues	<u>\$ 4,458,917</u>	<u>\$ 5,641,729</u>	<u>\$ 1,182,812</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Clerk/Auditor</b>			
Salaries	\$ 347,375	\$ 351,404	\$ (4,029)
Benefits	152,574	154,628	(2,054)
Operating Expenses	16,330	4,802	11,528
Capital Outlay	1,500	-	1,500
	<u>517,779</u>	<u>510,834</u>	<u>6,945</u>
<b>Assessor</b>			
Salaries	226,317	221,009	5,308
Benefits	96,358	94,721	1,637
Operating Expenses	9,650	6,833	2,817
Capital Outlay	500	327	173
	<u>332,825</u>	<u>322,890</u>	<u>9,935</u>
<b>Treasurer/Tax Collector</b>			
Salaries	125,201	126,157	(956)
Benefits	50,495	44,397	6,098
Operating Expenses	14,350	9,368	4,982
Capital Outlay	950	3,212	(2,262)
	<u>190,996</u>	<u>183,134</u>	<u>7,862</u>
<b>Sheriff</b>			
Salaries	805,017	756,995	48,022
Benefits	320,627	299,801	20,826
Operating Expenses	308,069	259,236	48,833
Capital Outlay	115,620	615,453	(499,833)
	<u>1,549,333</u>	<u>1,931,485</u>	<u>(382,152)</u>
<b>Commissioners</b>			
Salaries	89,319	89,319	-
Benefits	43,172	42,868	304
Operating Expenses	120,750	59,998	60,752
Capital Outlay	-	-	-
	<u>253,241</u>	<u>192,185</u>	<u>61,056</u>
<b>Coroner</b>			
Salaries	28,794	29,193	(399)
Benefits	14,226	13,528	698
Operating Expenses	43,050	37,628	5,422
Capital Outlay	23,500	584	22,916
	<u>109,570</u>	<u>80,933</u>	<u>28,637</u>
<b>Prosecuting Attorney</b>			
Salaries	226,177	197,797	28,380
Benefits	77,771	58,745	19,026
Operating Expenses	24,500	12,644	11,856
Capital Outlay	2,500	1,836	664
	<u>330,948</u>	<u>271,022</u>	<u>59,926</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, 2020  
 (continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Buildings and Grounds</b>			
Salaries	\$ 33,770	\$ 29,419	\$ 4,351
Benefits	16,426	16,080	346
Operating Expenses	156,400	96,403	59,997
Capital Outlay	94,000	123,510	(29,510)
	<u>300,596</u>	<u>265,412</u>	<u>35,184</u>
<b>Civil Defense</b>			
Operating Expenses	36,000	218	35,782
Capital Outlay	30,000	2,881	27,119
	<u>66,000</u>	<u>3,099</u>	<u>62,901</u>
<b>County Agent</b>			
Salaries	82,519	67,835	14,684
Benefits	31,462	29,167	2,295
Operating Expenses	39,800	27,948	11,852
Capital Outlay	2,000	2,598	(598)
	<u>155,781</u>	<u>127,548</u>	<u>28,233</u>
<b>Elections</b>			
Salaries	17,000	12,932	4,068
Benefits	375	-	375
Operating Expenses	22,150	21,919	231
	<u>39,525</u>	<u>34,851</u>	<u>4,674</u>
<b>Building Department</b>			
Salaries	46,227	39,411	6,816
Benefits	18,328	16,788	1,540
Operating Expenses	17,830	4,116	13,714
Capital Outlay	40,000	31,577	8,423
	<u>122,385</u>	<u>91,892</u>	<u>30,493</u>
<b>Planning and Zoning</b>			
Salaries	83,547	84,394	(847)
Benefits	33,819	33,591	228
Operating Expenses	16,475	9,086	7,389
	<u>133,841</u>	<u>127,071</u>	<u>6,770</u>

**Owyhee County, Idaho**  
 Supplemental Schedule of Expenditures by Object of Expenditure  
 - Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2020  
 (continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>General</b>			
Operating Expenses	\$ 346,950	\$ 160,312	\$ 186,638
	<u>346,950</u>	<u>160,312</u>	<u>186,638</u>
<b>Technology</b>			
Operating Expenses	227,000	134,448	92,552
	<u>227,000</u>	<u>134,448</u>	<u>92,552</u>
<b>Jail</b>			
Salaries	717,424	723,151	(5,727)
Benefits	289,108	268,857	20,251
Operating Expenses	202,300	203,928	(1,628)
Capital Outlay	4,000	3,839	161
	<u>1,212,832</u>	<u>1,199,775</u>	<u>13,057</u>
<b>Total Expenditures</b>	<u>\$ 5,889,602</u>	<u>\$ 5,636,891</u>	<u>\$ 252,711</u>



**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2020

	Airport	Bond Redemption	District Court	County Fair	Fair Grounds
<b>Assets</b>					
Cash and Cash Equivalents	\$ 12,133	\$ 34	\$ 435,147	\$ 7,113	\$ 93,582
Property Taxes Receivable	52	-	14	1,845	3,714
Due From Other Governments	-	-	6,029	2,826	3,572
Prepaid Items	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 12,185</u></b>	<b><u>\$ 34</u></b>	<b><u>\$ 441,190</u></b>	<b><u>\$ 11,784</u></b>	<b><u>\$ 100,868</u></b>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ 1,614	\$ -
Warrants and Accounts Payable	-	-	24,451	6	6,960
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>24,451</u></b>	<b><u>1,620</u></b>	<b><u>6,960</u></b>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	-	-	-	1,599	3,264
<b>Total Deferred Inflows</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,599</u></b>	<b><u>3,264</u></b>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	-	-	-	-	-
Restricted	12,185	34	416,739	8,565	90,644
<b>Total Fund Balances</b>	<b><u>12,185</u></b>	<b><u>34</u></b>	<b><u>416,739</u></b>	<b><u>8,565</u></b>	<b><u>90,644</u></b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b><u>\$ 12,185</u></b>	<b><u>\$ 34</u></b>	<b><u>\$ 441,190</u></b>	<b><u>\$ 11,784</u></b>	<b><u>\$ 100,868</u></b>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2020  
(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	\$ 94,269	\$ 36,517	\$ 42,318	\$ 185,747	\$ 6,778
Property Taxes Receivable	3,504	2,543	2,709	-	121
Due From Other Governments	5,975	2,791	3,210	-	-
Prepaid Items	1,374	-	687	-	-
Total Assets	<u>\$ 105,122</u>	<u>\$ 41,851</u>	<u>\$ 48,924</u>	<u>\$ 185,747</u>	<u>\$ 6,899</u>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ 4,261	\$ -	\$ 1,882	\$ -	\$ -
Warrants and Accounts Payable	1,417	-	629	-	-
Total Liabilities	<u>5,678</u>	<u>-</u>	<u>2,511</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	2,989	2,206	2,360	-	-
Total Deferred Inflows	<u>2,989</u>	<u>2,206</u>	<u>2,360</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	1,374	-	687	-	-
Restricted	95,081	39,645	43,366	185,747	6,899
Total Fund Balances	<u>96,455</u>	<u>39,645</u>	<u>44,053</u>	<u>185,747</u>	<u>6,899</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 105,122</u>	<u>\$ 41,851</u>	<u>\$ 48,924</u>	<u>\$ 185,747</u>	<u>\$ 6,899</u>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2020  
(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	\$ 197,759	\$ 160,940	\$ 182,100	\$ 352	\$ 32,911
Property Taxes Receivable	7,560	19,005	5,118	32	1,192
Due From Other Governments	14,530	-	6,403	-	-
Prepaid Items	2,064	-	-	-	-
Total Assets	<u>\$ 221,913</u>	<u>\$ 179,945</u>	<u>\$ 193,621</u>	<u>\$ 384</u>	<u>\$ 34,103</u>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ 7,660	\$ 2,530	\$ -	\$ -	\$ -
Warrants and Accounts Payable	1,322	20,830	-	-	150
Total Liabilities	<u>8,982</u>	<u>23,360</u>	<u>-</u>	<u>-</u>	<u>150</u>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	6,596	16,451	4,459	-	1,033
Total Deferred Inflows	<u>6,596</u>	<u>16,451</u>	<u>4,459</u>	<u>-</u>	<u>1,033</u>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	2,064	-	-	-	-
Restricted	204,271	140,134	189,162	384	32,920
Total Fund Balances	<u>206,335</u>	<u>140,134</u>	<u>189,162</u>	<u>384</u>	<u>32,920</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 221,913</u>	<u>\$ 179,945</u>	<u>\$ 193,621</u>	<u>\$ 384</u>	<u>\$ 34,103</u>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2020  
(continued)

	911	County Vessel	Waterway	Off Highway Vehicles	Taxing District Election
<b>Assets</b>					
Cash and Cash Equivalents	\$ 218,800	\$ 3,419	\$ 7,730	\$ 104,659	\$ 112,759
Property Taxes Receivable	98	-	-	-	-
Due From Other Governments	-	-	-	-	-
Prepaid Items	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 218,898</u></b>	<b><u>\$ 3,419</u></b>	<b><u>\$ 7,730</u></b>	<b><u>\$ 104,659</u></b>	<b><u>\$ 112,759</u></b>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ -	\$ -	\$ 746	\$ 543	\$ -
Warrants and Accounts Payable	282	-	353	1,174	-
<b>Total Liabilities</b>	<b><u>282</u></b>	<b><u>-</u></b>	<b><u>1,099</u></b>	<b><u>1,717</u></b>	<b><u>-</u></b>
<b>Deferred Inflows:</b>					
Unavailable Revenue - Property Tax	-	-	-	-	-
<b>Total Deferred Inflows</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances</b>					
Nonspendable - Prepaid Items	-	-	-	-	-
Restricted	218,616	3,419	6,631	102,942	112,759
<b>Total Fund Balances</b>	<b><u>218,616</u></b>	<b><u>3,419</u></b>	<b><u>6,631</u></b>	<b><u>102,942</u></b>	<b><u>112,759</u></b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b><u>\$ 218,898</u></b>	<b><u>\$ 3,419</u></b>	<b><u>\$ 7,730</u></b>	<b><u>\$ 104,659</u></b>	<b><u>\$ 112,759</u></b>

**Owyhee County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2020  
(continued)

	Ambulance District	Total
<b>Assets</b>		
Cash and Cash Equivalents	\$ 1,738	\$ 1,936,805
Property Taxes Receivable	-	47,507
Due From Other Governments	-	45,336
Prepaid Items	-	4,125
	<u>1,738</u>	<u>4,125</u>
Total Assets	<u>\$ 1,738</u>	<u>\$ 2,033,773</u>
<b>Liabilities</b>		
Salaries and Benefits Payable	\$ -	\$ 19,236
Warrants and Accounts Payable	-	57,574
	<u>-</u>	<u>76,810</u>
Total Liabilities	<u>-</u>	<u>76,810</u>
<b>Deferred Inflows:</b>		
Unavailable Revenue - Property Tax	-	40,957
	<u>-</u>	<u>40,957</u>
Total Deferred Inflows	<u>-</u>	<u>40,957</u>
<b>Fund Balances</b>		
Nonspendable - Prepaid Items	-	4,125
Restricted	1,738	1,911,881
	<u>1,738</u>	<u>1,916,006</u>
Total Fund Balances	<u>1,738</u>	<u>1,916,006</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,738</u>	<u>\$ 2,033,773</u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2020

	Airport	Bond Redemption	District Court	County Fair	Fair Grounds
<b>Revenues</b>					
Property Taxes	\$ 2,033	\$ -	\$ -	\$ 40,735	\$ 67,030
Intergovernmental	112	-	49,195	11,154	13,897
Payment in Lieu of Taxes	-	-	-	-	-
Grants and Contributions	-	-	-	-	134,136
Charges for Services	-	-	51,968	-	-
Other Revenues	-	-	12,622	-	352
<b>Total Revenues</b>	<u>2,145</u>	<u>-</u>	<u>113,785</u>	<u>51,889</u>	<u>215,415</u>
<b>Expenditures</b>					
Current:					
Salaries	-	-	-	26,335	-
Benefits	-	-	-	3,385	-
Operating Expenses	20,000	-	70,181	32,000	9,255
Capital Outlay	-	-	-	-	221,382
<b>Total Expenditures</b>	<u>20,000</u>	<u>-</u>	<u>70,181</u>	<u>61,720</u>	<u>230,637</u>
<b>Net Change in Fund Balances</b>	(17,855)	-	43,604	(9,831)	(15,222)
<b>Fund Balances - Beginning</b>	30,040	34	373,135	18,396	105,866
<b>Fund Balances - Ending</b>	<u>\$ 12,185</u>	<u>\$ 34</u>	<u>\$ 416,739</u>	<u>\$ 8,565</u>	<u>\$ 90,644</u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2020  
(continued)

	Probation	Health District	Historical Society	Junior College	Pest
<b>Revenues</b>					
Property Taxes	\$ 91,128	\$ 53,393	\$ 53,448	\$ -	\$ 2,751
Intergovernmental	28,472	11,232	12,886	37,899	644
Payment in Lieu of Taxes	-	-	-	-	-
Grants and Contributions	59,238	-	-	-	-
Charges for Services	9,834	-	-	-	-
Other Revenues	1,402	-	-	150	-
<b>Total Revenues</b>	<u>190,074</u>	<u>64,625</u>	<u>66,334</u>	<u>38,049</u>	<u>3,395</u>
<b>Expenditures</b>					
Current:					
Salaries	74,482	-	33,937	-	-
Benefits	33,913	-	15,402	-	-
Operating Expenses	21,119	55,243	11,033	19,300	-
Capital Outlay	-	-	11,861	-	-
<b>Total Expenditures</b>	<u>129,514</u>	<u>55,243</u>	<u>72,233</u>	<u>19,300</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	60,560	9,382	(5,899)	18,749	3,395
<b>Fund Balances - Beginning</b>	35,895	30,263	49,952	166,998	3,504
<b>Fund Balances - Ending</b>	<u>\$ 96,455</u>	<u>\$ 39,645</u>	<u>\$ 44,053</u>	<u>\$ 185,747</u>	<u>\$ 6,899</u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2020  
(continued)

	<u>Revaluation</u>	<u>Solid Waste</u>	<u>Tort</u>	<u>Veterans Memorial</u>	<u>Weeds</u>
<b>Revenues</b>					
Property Taxes	\$ 141,977	\$ 305,647	\$ 102,433	\$ 5	\$ 28,411
Intergovernmental	56,772	564	26,527	33	1,485
Payment in Lieu of Taxes	-	-	-	-	-
Grants and Contributions	-	-	-	-	-
Charges for Services	-	2,750	-	-	-
Other Revenues	629	1,135	-	-	-
Total Revenues	<u>199,378</u>	<u>310,096</u>	<u>128,960</u>	<u>38</u>	<u>29,896</u>
<b>Expenditures</b>					
Current:					
Salaries	146,943	42,877	(50)	-	-
Benefits	58,242	6,114	130,509	-	-
Operating Expenses	15,463	237,610	1,500	1,200	31,438
Capital Outlay	200	369	-	-	-
Total Expenditures	<u>220,848</u>	<u>286,970</u>	<u>131,959</u>	<u>1,200</u>	<u>31,438</u>
<b>Net Change in Fund Balances</b>	(21,470)	23,126	(2,999)	(1,162)	(1,542)
<b>Fund Balances - Beginning</b>	227,805	117,008	192,161	1,546	34,462
<b>Fund Balances - Ending</b>	<u>\$ 206,335</u>	<u>\$ 140,134</u>	<u>\$ 189,162</u>	<u>\$ 384</u>	<u>\$ 32,920</u>



**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2020  
(continued)

	911	County Vessel	Waterway	Off Highway Vehicles	Taxing District Election
<b>Revenues</b>					
Property Taxes	\$ 2	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	11,217	67,473
Payment in Lieu of Taxes	-	-	-	50,000	-
Grants and Contributions	214,500	21,654	26,543	-	-
Charges for Services	123,849	15,000	-	-	-
Other Revenues	25,000	-	-	-	1,935
<b>Total Revenues</b>	<u>363,351</u>	<u>36,654</u>	<u>26,543</u>	<u>61,217</u>	<u>69,408</u>
<b>Expenditures</b>					
Current:					
Salaries	-	-	25,017	6,682	7,023
Benefits	-	-	3,646	2,446	250
Operating Expenses	275,982	16,216	10,005	18,758	55,250
Capital Outlay	4,038	21,654	-	-	3,902
<b>Total Expenditures</b>	<u>280,020</u>	<u>37,870</u>	<u>38,668</u>	<u>27,886</u>	<u>66,425</u>
<b>Net Change in Fund Balances</b>	83,331	(1,216)	(12,125)	33,331	2,983
<b>Fund Balances - Beginning</b>	135,285	4,635	18,756	69,611	109,776
<b>Fund Balances - Ending</b>	<u>\$ 218,616</u>	<u>\$ 3,419</u>	<u>\$ 6,631</u>	<u>\$ 102,942</u>	<u>\$ 112,759</u>

**Owyhee County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2020  
(continued)

	Ambulance District	Total
<b>Revenues</b>		
Property Taxes	\$ 121,711	\$ 1,010,704
Intergovernmental	-	329,562
Payment in Lieu of Taxes	-	50,000
Grants and Contributions	-	456,071
Charges for Services	-	203,401
Other Revenues	-	43,225
Total Revenues	121,711	2,092,963
<b>Expenditures</b>		
Current:		
Salaries	-	363,246
Benefits	-	253,907
Operating Expenses	120,559	1,022,112
Capital Outlay	-	263,406
Total Expenditures	120,559	1,902,671
<b>Net Change in Fund Balances</b>	1,152	190,292
<b>Fund Balances - Beginning</b>	586	1,725,714
<b>Fund Balances - Ending</b>	\$ 1,738	\$ 1,916,006

**Owyhee County, Idaho**  
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds  
September 30, 2020

	<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	\$ 155,063	\$ 54,150	\$ 3,156,401	\$ 44,782
Property Taxes Receivable	-	116,140	-	-
Total Assets	<u>\$ 155,063</u>	<u>\$ 170,290</u>	<u>\$ 3,156,401</u>	<u>\$ 44,782</u>
<b>Liabilities</b>				
Warrants and Accounts Payable	\$ -	\$ 4,933	\$ 260,396	\$ -
Due to Other Funds or Taxing Units	155,063	165,357	2,896,005	44,782
Total Liabilities	<u>\$ 155,063</u>	<u>\$ 170,290</u>	<u>\$ 3,156,401</u>	<u>\$ 44,782</u>

**Owyhee County, Idaho**  
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds  
September 30, 2020  
(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	\$ 449,936	\$ 1,952	\$ 4,244,828
Property Taxes Receivable	-	-	-	116,140
Total Assets	<u>\$ 382,544</u>	<u>\$ 449,936</u>	<u>\$ 1,952</u>	<u>\$ 4,360,968</u>
<b>Liabilities</b>				
Warrants and Accounts Payable	\$ -	\$ -	\$ -	\$ 265,329
Due to Other Funds or Taxing Units	<u>382,544</u>	<u>449,936</u>	<u>1,952</u>	<u>4,095,639</u>
Total Liabilities	<u>\$ 382,544</u>	<u>\$ 449,936</u>	<u>\$ 1,952</u>	<u>\$ 4,360,968</u>

***FEDERAL REPORTS***

Owyhee County, Idaho  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30,2020

<u>Program Title</u>	Federal CFDA Number	Flowthrough Number	Program Expenditures
<u>U.S. Department of Housing &amp; Urban Development</u>			
Passed through State Department of Commerce:			
Community Development Block Grant	14.228	B18DC16001	\$ 33,648
Total U.S. Department of Housing & Urban Development			<u>33,648</u>
<u>U.S. Department of the Interior</u>			
Direct:			
Payment in Lieu of Taxes	15.226		\$ 1,513,440
Total U.S. Department of the Interior			<u>1,513,440</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation			
State & Community Highway Safety	20.600		3,783
National Priority Safety Programs	20.616		17,281
Total Highway Safety Cluster			<u>21,064</u>
<u>U.S. Department of Homeland Security</u>			
Passed through State Military Division:			
Emergency Management Performance	97.042	EMS2017EP00003	13,706
Homeland Security Grant Program	97.067	EMS2018SS00040	17,425
Passed through Department of Park and Recreation:			
Boating Safety	97.012	14.01.16	26,543
Total U.S. Department of Homeland Security			<u>57,674</u>
Total Federal Financial Assistance Expended			<u>\$ 1,625,826</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, 2020

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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, 2020. 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, 2020, 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 February 13, 2021

**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  
February 13, 2021



**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, 2020. 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, 2020.

## 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.

*Zwygart John & Associates, CPAs PLLC*

Nampa, Idaho  
February 13, 2021

**Owyhee County, Idaho**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30,2020

**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

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.