

**BOISE COUNTY, IDAHO**

---

Report on Audited  
Basic  
Financial Statements  
and  
Supplemental Information

---

For the Year Ended September 30, 2012

## Table of Contents

	<u>Page</u>
<b>Independent Auditor's Report</b>	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements:	
Statement of Net Assets	5
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet – Governmental Funds	7
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Assets	9
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	12
Statement of Fiduciary Net Assets	13
Notes to Financial Statements	14
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Funding Progress	31
Budgetary (GAAP Basis) Comparison Schedule:	
General Fund	32
Road and Bridge	33
Justice Fund	34

Solid Waste	35
Warrant Redemption	36
Notes to Required Supplementary Information	37

**SUPPLEMENTAL INFORMATION**

Supplemental Schedule of Revenues by Source - Budget (GAAP Basis) and Actual - General Fund	38
Supplemental Schedule of Expenditures by Object of Expenditure - Budget (GAAP Basis) and Actual - General Fund	39
Combining Balance Sheet – Nonmajor Governmental Funds	41
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	44
Schedule of Expenditures of Federal Awards	47

**FEDERAL REPORTS**

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	48
Independent Auditor’s Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	50
Schedule of Findings and Questioned Costs	52



Certified Public Accountants

James Washburn, CPA  
Weston Flamm, CPA  
Jared Zwygart, CPA  
Cassie Zattiero, CPA  
Leroy Loomis, CPA

---

812-B 12<sup>th</sup> Ave. South  
P.O. Box 876  
Nampa, ID 83653-0876  
208 466-2493  
FAX 208 467-2000  
www.BaileyCPAs.com

## Independent Auditor's Report

Board of Commissioners  
Boise County, Idaho  
Idaho City, Idaho

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Boise County, Idaho** (the County), as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of **Boise County, Idaho**, as of September 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2013, on our consideration of **Boise 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the schedule of funding progress and budgetary comparison information on pages 31 through 37 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.

**Boise 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **Boise County, Idaho's** financial statements as a whole. The accompanying supplemental information on pages 38 to 46 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The supplemental information on pages 38 to 46 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Bailey & Co.*

Nampa, Idaho  
May 14, 2013

**Boise County, Idaho**  
Statement of Net Assets  
September 30, 2012

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 5,917,309
Receivables, Net:	
Property Taxes	680,765
Interest	4,779
Due from Other Governments	383,376
Capital Assets:	
Land and Construction in Progress	315,985
Buildings, Net	1,034,630
Equipment, Net	1,901,296
Total Capital Assets	<u>3,251,911</u>
Total Assets	<u>10,238,140</u>
<b>Liabilities</b>	
Accrued Interest	10,440
Long-Term Liabilities:	
Due Within One Year:	
Compensated Absences	164,983
Claims and Judgments	2,744,500
Municipal Lease	193,856
Due in More than One Year:	
Other Post-Employment Benefits	22,198
Compensated Absences	41,245
Municipal Lease	221,785
Total Liabilities	<u>3,459,780</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	2,836,270
Restricted for:	
Roads and Bridges	765,928
Public Safety	1,085,129
Sanitation	830,853
Claims and Judgments	79,530
Other Purposes	2,447,620
Unrestricted (Deficit) Surplus	<u>(1,266,970)</u>
Total Net Assets	<u>\$ 6,778,360</u>

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

**Boise County, Idaho**  
Statement of Activities  
For the Year Ended September 30, 2012

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets - Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 2,460,704	\$ 291,716	\$ 76,955	\$ 0	\$ (2,092,033)
Public Safety	2,524,536	340,303	110,366	25,023	(2,048,844)
Highways and Roads	1,985,131	1,225	0	794,249	(1,189,657)
Sanitation	672,755	40,483	0	0	(632,272)
Weed Control	188,212	76,208	71,158	0	(40,846)
Welfare	192,737	0	0	0	(192,737)
Education	24,646	0	0	0	(24,646)
Culture and Recreation	40,733	25,185	0	0	(15,548)
Interest on Long-term Debt	42,447	0	0	0	(42,447)
<b>Total Governmental Activities</b>	<b>\$ 8,131,901</b>	<b>\$ 775,120</b>	<b>\$ 258,479</b>	<b>\$ 819,272</b>	<b>(6,279,030)</b>

General Revenues:	
Property Taxes and Special Fees	4,289,197
Intergovernmental	2,158,706
Investment Earnings	107,834
Other	385,634
Disposal of Assets	(81,752)
<b>Total General Revenues and Special Items</b>	<b>6,859,619</b>
Change in Net Assets	580,589
Net Assets, Beginning of Year - Previously Restatement	6,204,684
Net Assets, Beginning of Year - Restated	(6,913)
Net Assets, Beginning of Year - Restated	6,197,771
<b>Net Assets, End of Year</b>	<b>\$ 6,778,360</b>

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

**Boise County, Idaho**  
 Balance Sheet -  
 Governmental Funds  
 September 30, 2012

	<u>General</u>	<u>Road and Bridge</u>	<u>Justice Fund</u>	<u>Solid Waste</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1,377,434	\$ 577,638	\$ 840,910	\$ 759,961
Receivables:				
Taxes	226,716	0	210,854	74,569
Interest	4,779	0	0	0
Due from Other Governments	61,305	201,470	50,258	0
Internal Balances	59,612	0	0	0
<b>Total Assets</b>	<u>\$ 1,729,846</u>	<u>\$ 779,108</u>	<u>\$ 1,102,022</u>	<u>\$ 834,530</u>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Salaries and Benefits Payable	\$ 13,450	\$ 13,180	\$ 16,893	\$ 3,677
Internal Balances	0	0	0	0
Deferred Revenue	184,374	0	202,908	69,470
<b>Total Liabilities</b>	<u>197,824</u>	<u>13,180</u>	<u>219,801</u>	<u>73,147</u>
 <b>Fund Balances</b>				
Restricted	0	765,928	882,221	761,383
Unassigned	1,532,022	0	0	0
<b>Total Fund Balances</b>	<u>1,532,022</u>	<u>765,928</u>	<u>882,221</u>	<u>761,383</u>
 <b>Total Liabilities and Fund Balances</b>	 <u>\$ 1,729,846</u>	 <u>\$ 779,108</u>	 <u>\$ 1,102,022</u>	 <u>\$ 834,530</u>

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

**Boise County, Idaho**  
 Balance Sheet -  
 Governmental Funds  
 September 30, 2012  
 (continued)

	Warrant Redemption	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 79,530	\$ 2,281,836	\$ 5,917,309
Receivables:			
Taxes	0	168,626	680,765
Interest	0	0	4,779
Due from Other Governments	0	70,343	383,376
Internal Balances	0	0	59,612
<b>Total Assets</b>	<u>\$ 79,530</u>	<u>\$ 2,520,805</u>	<u>\$ 7,045,841</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Salaries and Benefits Payable	\$ 0	\$ 13,573	\$ 60,773
Internal Balances	0	59,612	59,612
Deferred Revenue	0	162,261	619,013
<b>Total Liabilities</b>	<u>0</u>	<u>235,446</u>	<u>739,398</u>
<b>Fund Balances</b>			
Restricted	79,530	2,286,460	4,775,522
Unassigned	0	(1,101)	1,530,921
<b>Total Fund Balances</b>	<u>79,530</u>	<u>2,285,359</u>	<u>6,306,443</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 79,530</u>	<u>\$ 2,520,805</u>	<u>\$ 7,045,841</u>

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

**Boise County, Idaho**  
 Reconciliation of the Balance Sheet of the  
 Governmental Funds to the Statement of Net Assets  
 September 30, 2012

Total Fund Balances - Governmental Funds \$ 6,306,443

Amounts reported for governmental activities in the Statement of Net Assets 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 and Construction in Progress	\$ 315,985	
Buildings, net of \$427,197 accumulated depreciation	1,034,630	
Equipment, net of \$4,512,839 accumulated depreciation	<u>1,901,296</u>	
		3,251,911

Property taxes receivable will be collected this year, but are not available soon enough to pay for current period expenditures and, therefore, are deferred in the funds. 619,013

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. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Assets.

Accrued Interest		(10,440)
Claims and Judgments	(2,744,500)	
Municipal Leases	(415,641)	
Other Post-Employment Benefits	(22,198)	
Compensated Absences	<u>(206,228)</u>	
Total Long-Term Liabilities		<u>(3,388,567)</u>

Net Assets of Governmental Activities \$ 6,778,360

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

**Boise County, Idaho**  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2012

	General Fund	Road and Bridge	Justice Fund	Solid Waste
<b>Revenues</b>				
Property Taxes and Special Fees	\$ 1,340,662	\$ 0	\$ 1,300,025	\$ 651,229
Intergovernmental	381,839	817,606	349,752	0
Grants and Donations	10,614	794,249	19,746	0
Charges for Services	214,825	1,225	161,536	40,483
Investment Earnings	107,834	0	0	0
Other	211,921	14,933	16,562	90
Total Revenues	<u>2,267,695</u>	<u>1,628,013</u>	<u>1,847,621</u>	<u>691,802</u>
<b>Expenditures</b>				
Current:				
General Government	1,421,599	0	0	0
Public Safety	313,682	0	1,559,946	0
Highways and Roads	0	1,391,418	0	0
Sanitation	0	0	0	569,544
Weed Control	0	0	0	0
Welfare	0	0	0	0
Education	0	0	0	0
Culture and Recreation	0	0	0	0
Debt Service:				
Principal	0	166,695	103,173	0
Interest	0	23,869	9,524	0
Capital Outlay	15,983	315,389	23,067	67,147
Total Expenditures	<u>1,751,264</u>	<u>1,897,371</u>	<u>1,695,710</u>	<u>636,691</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>516,431</u>	<u>(269,358)</u>	<u>151,911</u>	<u>55,111</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	0	5,452	0	0
Transfers In	0	0	0	0
Transfers (Out)	(1,098,530)	(200,000)	0	(800,000)
Total Other Financing Sources (Uses)	<u>(1,098,530)</u>	<u>(194,548)</u>	<u>0</u>	<u>(800,000)</u>
Net Change in Fund Balances	(582,099)	(463,906)	151,911	(744,889)
Fund Balances, Beginning	2,114,121	1,229,834	730,310	1,506,272
Fund Balances, Ending	<u>\$ 1,532,022</u>	<u>\$ 765,928</u>	<u>\$ 882,221</u>	<u>\$ 761,383</u>

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

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

	Warrant Redemption	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes and Special Fees	\$ 0	\$ 970,842	\$ 4,262,758
Intergovernmental	552,457	57,052	2,158,706
Grants and Donations	0	253,142	1,077,751
Charges for Services	0	357,051	775,120
Investment Earnings	0	0	107,834
Other	0	142,128	385,634
Total Revenues	<u>552,457</u>	<u>1,780,215</u>	<u>8,767,803</u>
<b>Expenditures</b>			
Current:			
General Government	0	915,905	2,337,504
Public Safety	0	278,709	2,152,337
Highways and Roads	0	0	1,391,418
Sanitation	0	0	569,544
Weed Control	0	158,913	158,913
Welfare	0	192,737	192,737
Education	0	24,646	24,646
Culture and Recreation	0	31,670	31,670
Debt Service:			
Principal	2,655,500	21,755	2,947,123
Interest	14,970	2,103	50,466
Capital Outlay	0	354,931	776,517
Total Expenditures	<u>2,670,470</u>	<u>1,981,369</u>	<u>10,632,875</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(2,118,013)</u>	<u>(201,154)</u>	<u>(1,865,072)</u>
<b>Other Financing Sources (Uses)</b>			
Sale of Assets	0	0	5,452
Transfers In	2,197,543	0	2,197,543
Transfers Out	0	(99,013)	(2,197,543)
Total Other Financing Sources (Uses)	<u>2,197,543</u>	<u>(99,013)</u>	<u>5,452</u>
Net Change in Fund Balances	79,530	(300,167)	(1,859,620)
Fund Balances, Beginning	0	2,585,526	8,166,063
Fund Balances, Ending	<u>\$ 79,530</u>	<u>\$ 2,285,359</u>	<u>\$ 6,306,443</u>

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

**Boise 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, 2012

Total Net Change in Fund Balance - Governmental Funds \$ (1,859,620)

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. In the current period these amounts are:

Capital Outlay	\$ 217,328	
Disposal of Assets	(87,204)	
Depreciation Expense	<u>(613,325)</u>	
		(483,201)

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. 26,439

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Accrued Interest	8,019	
Municipal Lease Principal	291,623	
Claims and Judgments Principal	2,655,500	
Other Post-Employment Benefits	(7,264)	
Compensated Absences	<u>(50,907)</u>	
		<u>2,896,971</u>

Change in Net Assets of Governmental Activities \$ 580,589

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

**Boise County, Idaho**  
Statement of Fiduciary Net Assets  
September 30, 2012

	Agency Funds			Total
	State Remittance	Special Taxing District	Miscellaneous Trusts	
<b>Assets</b>				
Cash and Cash Equivalents	\$ 187	\$ (679)	\$ 654,393	\$ 653,901
Property Taxes Receivable	0	660,344	0	660,344
Total Assets	\$ 187	\$ 659,665	\$ 654,393	\$ 1,314,245
 <b>Liabilities</b>				
Due to Other Funds or Taxing Units	\$ 187	\$ 659,665	\$ 654,393	\$ 1,314,245

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

**Boise 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 any component units, entities for which the government is considered to be financially accountable. However, the County's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

*Government-wide Statements:* The Statement of Net Assets 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.

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. 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.
- *Justice fund.* This fund accounts for all activity related to public safety as well as the operations of the Prosecuting Attorney's office.
- *Solid Waste fund.* This fund accounts for solid waste management services.
- *Warrant Redemption fund.* This fund accounts for the resources used to pay registered warrants.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The types of fiduciary funds include: Expendable Trust, Nonexpendable Trust, Pension Trust, and Agency Funds. Of the four categories, **Boise County, Idaho** has only Agency Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

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. Non-

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

exchange 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.

Fund Balance Reporting in Governmental Funds

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

- *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 (nonspendable, 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. Subsequent to September 30, 2012, a policy was adopted by the County.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 assets/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.

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

Fund	Purpose
Road and Bridge	Revenues in this fund come from Federal forest funds, State highway user funds, other intergovernmental revenue, and other revenues that are to be used for maintaining and improving roads and bridges within the County.
Justice	Revenues in this fund come from property taxes, charges for services, intergovernmental, grants, and other revenues that are to be used for public safety services.
Solid Waste	Revenues in this fund come from special fees, charges for services, and other revenues that are to be used for sanitation and disposal of the County's solid waste.
Warrant Redemption	Revenues in this fund come from transfers from other funds that are to be used for the payment of registered warrants.
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 welfare, sanitation, maintenance and improvement of public ways and facilities, district and magistrate court activities, culture and recreation, education, and other governmental type activities.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets and Liabilities

Cash Equivalents

The County, based on State Statute, 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.

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 \$-0- as of September 30, 2012.

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	January 1
Date tax levies are established	Second Monday of September
Date taxes are billed	November 20
Date taxes are due	One half on December 20 and half on the following June 20
Date taxes become delinquent	First day of January of the succeeding year

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

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

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

General infrastructure assets acquired prior to October 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2003.

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

Personal leave compensation is calculated on an individual basis, according to an employee's total years worked and total hours worked per week.

Use of Estimates

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2012, the carrying amount of the County's deposits was \$2,799,744 and the respective bank balances totaled \$3,466,845. The total bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the County. The County also keeps \$1,000 petty cash on hand for their change drawers.

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. It is the County's policy to fully collateralize deposits exceeding insurance limits with government and/or agency securities held by the pledging financial institution. As of September 30, 2012, 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.

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 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.

It is the County's policy that acceptable financial instruments must have a credit rating of A or better by Standard & Poor's Corporation (S&P) or an equivalent nationally recognized statistical rating organization. However, investments may be made in the Idaho State Local Government Investment Pool without regard to the above required credit ratings.

Interest Rate Risk

To help manage its exposure to fair value losses from increasing interest rates, it is the County's policy to invest in financial instruments whose maturities are consistent with the needs of the County. The County's intent is to also invest locally as long as rates remain competitive.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

2. CASH AND INVESTMENTS (continued)

Investments

The County voluntarily participates in the State of Idaho Investment Pool. 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 it as an allowable investment. The fair value of the County's investment in the pool is the same as the value of the pool shares. The County also invests in the State of Idaho Diversified Bond Fund.

The County's investments at September 30, 2012 are summarized below:

Investment Type	Credit Rating	Fair Value	Investment Maturities (in years)	
			Less Than 1	1-5
External Investment Pool	Not Rated	\$1,054,863	\$ 1,054,863	\$ 0
State Bond Fund	AA	2,786,322	2,786,322	0
		<u>\$3,841,185</u>	<u>\$ 3,841,185</u>	<u>\$ 0</u>

At year-end, the cash and investments were reported in the basic financial statements in the following categories:

	Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 2,076,123	\$ 653,901	\$2,730,024
Investments categorized as deposits	3,841,185	0	3,841,185
	<u>\$ 5,917,308</u>	<u>\$ 653,901</u>	<u>\$6,571,209</u>

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

	Book Balance	Bank Balance
Tax Collectors Sweep	\$ 57,106	\$ 112,845
Tax Collectors	5	5
Credit Card	13,609	11,696
	<u>\$ 70,720</u>	<u>\$ 124,546</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2012 was as follows:

	Balance 9/30/2011	Restate- ment	Additions	Disposals	Balance 9/30/2012
<u>Governmental Activities:</u>					
Capital Assets Not Being Depreciated:					
Land	\$ 195,772	\$ 0	\$ 0	\$ 0	\$ 195,772
Construction in Progress	<u>0</u>	<u>0</u>	<u>120,213</u>	<u>0</u>	<u>120,213</u>
	<u>195,772</u>	<u>0</u>	<u>120,213</u>	<u>0</u>	<u>315,985</u>
Capital Assets Being Depreciated:					
Buildings and Improvements	1,470,577	0	0	(8,750)	1,461,827
Equipment	<u>6,554,137</u>	<u>65,594</u>	<u>97,115</u>	<u>(302,711)</u>	<u>6,414,135</u>
Total Historical Cost	<u>8,024,714</u>	<u>65,594</u>	<u>97,115</u>	<u>(311,461)</u>	<u>7,875,962</u>
Less: Accumulated Depreciation					
Buildings and Improvements	406,376	(1,502)	28,669	(6,346)	427,197
Equipment	<u>4,072,085</u>	<u>74,009</u>	<u>584,656</u>	<u>(217,911)</u>	<u>4,512,839</u>
Total Accumulated Depreciation	<u>4,478,461</u>	<u>72,507</u>	<u>613,325</u>	<u>(224,257)</u>	<u>4,940,036</u>
Net Depreciable Assets	<u>3,546,253</u>	<u>(6,913)</u>	<u>(516,210)</u>	<u>(87,204)</u>	<u>2,935,926</u>
Governmental Activities					
Capital Assets - Net	<u>\$ 3,742,025</u>	<u>\$ (6,913)</u>	<u>\$ (395,997)</u>	<u>\$ (87,204)</u>	<u>\$ 3,251,911</u>

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

Governmental Activities:	
General Government	\$ 50,434
Public Safety	171,063
Highways and Roads	274,239
Sanitation	79,875
Weed Control	28,784
Culture and Recreation	<u>8,930</u>
	<u>\$ 613,325</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

4. 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 days and compensatory time represents a potential liability to the County.

	<u>9/30/2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2012</u>	<u>Current</u>
Governmental Activities	<u>\$ 155,321</u>	<u>\$ 239,033</u>	<u>\$(188,125)</u>	<u>\$ 206,229</u>	<u>\$ 164,983</u>

5. PENSION PLAN

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

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

The actuarially determined contribution requirements of the County and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2012, the required contribution rate as a percentage of covered payrolls for members was 6.23% for general members and 7.69% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/ firefighter members. The County employer contributions required and paid were \$267,971, \$273,888, and \$266,880 for the three years ended September 30, 2012, 2011 and 2010, respectively.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

6. LONG-TERM OBLIGATIONS

Government-wide Activities:

The County leases certain equipment and property under long-term lease agreements. Certain leases have been recorded as municipal leases and others as operating leases. The municipal leases consist of:

Building	\$	185,695
Equipment		1,370,233
Less: accumulated amortization (included as depreciation on the accompanying financial statements)		<u>(866,130)</u>
	<b>\$</b>	<b><u>689,798</u></b>

In December of 2010, the County lost a lawsuit related to its issuance of a Conditional Use Permit, in violation of the Federal Fair Housing Act, filed prior to September 30, 2010. The County began the repayment of this judgment in 2012 and the balance was paid off with the issuance of bonds at the beginning of fiscal year 2013.

Changes in long-term obligations for the year ended September 30, 2012 are as follows:

Description	Rate	Maturity	9/30/2011	Increase	Decrease	9/30/2012	Current
Lease-3 Snow Plows	5.20%	2012	\$ 83,855	\$ 0	\$ (83,855)	\$ 0	\$ 0
Lease-Cat Compactor	4.15%	2012	45,145	0	(145)	45,000	20,638
Lease-6 Sheriff Vehicles	6.45%	2012	42,663	0	(42,663)	0	0
Lease-Real Property	6.35%	2013	79,937	0	(38,729)	41,208	41,208
Lease-Idaho City Amb.	4.65%	2013	44,537	0	(21,755)	22,782	22,782
Lease-Backhoe	4.20%	2014	52,005	0	(16,627)	35,378	17,325
Lease-Wheel Loader	3.80%	2014	94,361	0	(30,288)	64,073	31,439
Lease-Wheel Loader	4.40%	2016	195,351	0	(35,780)	159,571	37,354
Lease-3 Sheriff Vehicles	6.10%	2014	69,410	0	(21,781)	47,629	23,110
Claims and Judgments	5.50%	2016	<u>5,400,000</u>	<u>0</u>	<u>(2,655,500)</u>	<u>2,744,500</u>	<u>2,744,500</u>
			<u>\$ 6,107,264</u>	<u>\$ 0</u>	<u>\$ (2,947,123)</u>	<u>\$ 3,160,141</u>	<u>\$ 2,938,356</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

6. LONG-TERM OBLIGATIONS (continued)

Debt service requirements on long-term debt at September 30, 2012, are as follows:

Year Ending September 30,	<u>Municipal Leases</u>		<u>Claims and Judgments</u>	
	Principal	Interest	Principal	Interest
2013	\$ 193,856	\$ 18,709	\$2,744,500	\$ 57,700
2014	133,776	9,938	0	0
2015	45,504	3,872	0	0
2016	42,505	1,871	0	0
	<u>\$ 415,641</u>	<u>\$ 34,390</u>	<u>\$2,744,500</u>	<u>\$ 57,700</u>

7. 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.

8. LEASE COMMITMENTS

The County has entered into a lease agreement on the Prosecutor's Attorney building over a period of 20 years. Future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2013	\$ 6,000
2014	6,000
2015	6,250
2016	6,600
2017	6,600
2018-2020	19,800
	<u>\$ 51,250</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

8. LEASE COMMITMENTS (continued)

The County has entered into a lease agreement for office space for the County EMT facility over a period of 22 years. Future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2013	\$ 1,000
2014	1,000
2015	1,000
2016	1,000
2017	1,000
2018-2022	5,000
2023-2025	<u>3,000</u>
	<u>\$ 13,000</u>

The County has entered into a lease agreement to house emergency vehicles over a period of 10 years. Future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2013	<u>\$ 7,673</u>

The County entered into a lease for a 924H Cat Wheel Loader over a period of five years. Future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2013	\$ 13,762
2014	13,762
2015	<u>80,000</u>
	<u>\$ 107,524</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

8. LEASE COMMITMENTS (continued)

The County entered into a lease for four copiers over a period of five years. Future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2013	\$ 10,500
2014	10,500
2015	<u>1,750</u>
	<u>\$ 22,750</u>

Rent expenditures for the year ended September 30, 2012, were \$39,479.

9. DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units (State of Idaho) consist of fire fighters' reserve of \$59,612, liquor apportionment of \$10,607, cigarette tax of \$4,035, highway user revenue of \$201,470 and state revenue sharing of \$107,652 for a total of \$383,376.

10. TRANSFERS/INTERNAL BALANCES

Transfers to/from other funds at September 30, 2012 consist of the following:

\$ 1,098,530	From the General fund to the Warrant Redemption fund to pay for the lawsuit.
200,000	From the Road and Bridge fund to the Warrant Redemption fund to pay for the lawsuit.
800,000	From the Solid Waste fund to the Warrant Redemption fund to pay for the lawsuit.
<u>99,013</u>	From the Tort fund to the Warrant Redemption fund to pay for the
<u>\$ 2,197,543</u>	Total

Internal balances at September 30, 2012 consist of the following:

<u>\$ 59,612</u>	Due from non-major funds to the General fund for cash overdrafts.
------------------	---

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

11. OTHER POST-EMPLOYMENT BENEFITS (continued)

The County's Post-Retirement Healthcare Plan is a single-employer defined benefit healthcare plan administered by GemPlan. GemPlan contracts with Blue Cross of Idaho to provide medical and prescription drug insurance benefits to eligible retirees and their eligible dependents. A retiree, who retires while participating in the Public Employee Retirement System of Idaho (PERSI), is eligible to keep the County's health insurance until age 65 or until the retiree is eligible for coverage under Medicare. Retirement eligibility is determined based on a minimum age of 55 with at least five years of service with an employer that participates in PERSI. Retirees are on the same medical plan as the County's active employees.

Other post-employment benefits (OPEB) have historically been funded on a pay-as-you-go basis. Under government accounting standards, plan sponsors may set up a trust and pre-fund benefits. There is no requirement to pre-fund benefits. However, if benefits are not pre-funded, a net OPEB obligation is created and will grow over time. The County has not pre-funded these benefits. The contribution requirement of plan members is established by the Board of Commissioners in conjunction with the insurance provider. Monthly contribution rates in effect for retirees under age 65 during fiscal year 2012, were \$667 for a single person or \$1,304 with a spouse.

Post-employment benefits are determined on an actuarial basis. Actuarial valuations of these benefits were done as of October 1, 2009, and are determined on a prospective basis. The County's plan is considered unfunded, since there are no plan assets. Therefore, the actuarial accrued liability and the unfunded actuarially accrued liability are equal. The unfunded actuarially accrued liability is \$50,708 or 2.1% of covered payroll. The annual required contribution (ARC) for fiscal year 2012 is \$8,692. The ARC is made up of benefits earned in the current period and an amortized portion of the unfunded actuarially accrued liability. The expense and offsetting liability are reflected in the government-wide financial statements. The table below summarizes the OPEB costs.

Annual required contribution	\$ 8,692
Interest on net OPEB obligation	672
ARC adjustment with interest	(905)
Estimated employer contribution	<u>(1,195)</u>
Increase in net OPEB obligation	7,264
Net OPEB obligation - beginning of year	<u>14,934</u>
Net OPEB obligation - end of year	<u><u>\$ 22,198</u></u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

11. OTHER POST-EMPLOYMENT BENEFITS (continued)

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

Year Ending September 30,	Annual OPEB Cost	Estimated Contribution as a % of Annual OPEB Cost	Net OPEB Obligation
2010	\$8,692	9%	\$ 7,905
2011	\$8,574	18%	\$ 14,934
2012	\$8,459	14%	\$ 22,198

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

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

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

In the October 1, 2009, actuarial valuation the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.5% discount rate assuming the County will fund the retirement benefit on a pay-as-you-go basis. The valuation assumes 30% of eligible retirees and, of that 30%, 25% of their spouses will participate in the plan; an initial annual healthcare cost trend rate of 9%, decreasing gradually over eight years until reaching an ultimate rate of 5%; and the UAAL is being amortized as a level dollar of projected payrolls over a thirty year period on a closed basis.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2012

---

12. LANDFILL CLOSURE

The U.S. Environmental Protection Agency (E.P.A.), on October 9, 1991, issued "Solid Waste Disposal Facility Criteria" (40 Code of Federal Regulations (C.F.R.) parts 257 and 258, which establish closure requirements for municipal solid waste landfills accepting waste after October 9, 1991. (Municipal refers to the type of solid waste received, not the ownership of the landfill.)

Certain restrictions and requirements relating to the maintenance and monitoring of the landfill apply to municipal solid waste landfills that receive waste after April 9, 1994 (extended from the original date of October 3, 1993). These criteria are set forth in the rules issued by the E.P.A. referred to above.

The County closed the Warm Springs Ridge Landfill, effective February 13, 2009. The Central District Health Department (CDHD) and the Idaho Department of Environmental Quality (IDEQ) reviewed the Final Closure CQA Report for the Warm Springs Ridge Landfill. The review determined that the project is in compliance with the approved closure requirements and compaction or permeability variance.

As of September 30, 2012, there is no indication of any action being taken by a Federal or State agency against the County as a result of the closure of the landfill. The County will continue to follow its approved closure plan with respect to any future activity necessary to maintain the closed landfill site.

13. DEFICIT FUND BALANCE

The Sheriff's Reserves fund, a nonmajor fund, reported a deficit fund balance of \$1,101 as of September 30, 2012.

14. SUBSEQUENT EVENT

On October 11, 2012, the County obtained bonds in the amount of \$2,690,000 in order to pay off the judgment referred to in Note 6. This is considered a nonrecognized event, as it has no financial impact on the current financial statements.

15. NET ASSET RESTATEMENT

In the government-wide financial statements in the prior year, capital assets and the related depreciation were overstated by \$6,913. This resulted in a decrease to beginning net assets.

***REQUIRED SUPPLEMENTARY INFORMATION***

**Boise County, Idaho**  
 Schedule of Funding Progress  
 For the Year Ended September 30, 2012

---

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
10/1/2009	\$ 0	\$50,708	\$50,708	0%	\$2,446,614	2.1%

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 General Fund  
 For the Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,279,920	\$ 1,279,920	\$ 1,340,662	\$ 60,742
Intergovernmental	362,198	362,198	381,839	19,641
Grants and Donations	90,405	162,676	10,614	(152,062)
Charges for Services	194,894	194,894	214,825	19,931
Investment Earnings	63,453	63,453	107,834	44,381
Other	57,283	57,283	211,921	154,638
Total Revenues	<u>2,048,153</u>	<u>2,120,424</u>	<u>2,267,695</u>	<u>147,271</u>
<b>Expenditures</b>				
Current:				
Salaries	808,218	809,362	752,076	57,286
Benefits	320,549	319,852	284,557	35,295
Operating Expenses	1,008,546	1,019,446	698,648	320,798
Capital Outlay	100,914	100,914	15,983	84,931
Total Expenditures	<u>2,238,227</u>	<u>2,249,574</u>	<u>1,751,264</u>	<u>498,310</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(190,074)</u>	<u>(129,150)</u>	<u>516,431</u>	<u>645,581</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	190,074	190,074	0	(190,074)
Transfers Out	0	0	(1,098,530)	(1,098,530)
Total Other Financing Sources (Uses)	<u>190,074</u>	<u>190,074</u>	<u>(1,098,530)</u>	<u>(1,288,604)</u>
Net Change in Fund Balances	0	60,924	(582,099)	(643,023)
Fund Balances - Beginning	0	0	2,114,121	2,114,121
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 60,924</u>	<u>\$ 1,532,022</u>	<u>\$ 1,471,098</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Road and Bridge  
 For the Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 830,000	\$ 830,000	\$ 817,606	\$ (12,394)
Grants and Contributions	1,390,778	1,432,905	794,249	(638,656)
Charges for Services	2,000	2,000	1,225	(775)
Other	23,990	23,990	14,933	(9,057)
Total Revenues	<u>2,246,768</u>	<u>2,288,895</u>	<u>1,628,013</u>	<u>(660,882)</u>
<b>Expenditures</b>				
Current:				
Salaries	600,581	603,385	559,206	44,179
Benefits	238,650	239,129	212,153	26,976
Other Expenses	558,124	558,124	620,059	(61,935)
Debt Service:				
Principal	250,432	250,432	166,695	83,737
Interest	23,869	23,869	23,869	0
Capital Outlay	879,440	914,216	315,389	598,827
Total Expenditures	<u>2,551,096</u>	<u>2,589,155</u>	<u>1,897,371</u>	<u>691,784</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(304,328)</u>	<u>(300,260)</u>	<u>(269,358)</u>	<u>30,902</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	0	0	5,452	5,452
Transfers In	0	0	0	0
Transfers Out	0	0	(200,000)	(200,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(194,548)</u>	<u>(194,548)</u>
Net Change in Fund Balances	(304,328)	(300,260)	(463,906)	(163,646)
Fund Balances - Beginning	304,328	304,328	1,229,834	925,506
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 4,068</u>	<u>\$ 765,928</u>	<u>\$ 761,860</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Justice Fund  
 For the Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,279,920	\$ 1,279,920	\$ 1,300,025	\$ 20,105
Intergovernmental	264,038	264,038	349,752	85,714
Grants and Contributions	0	35,465	19,746	(15,719)
Charges for Services	149,120	153,759	161,536	7,777
Other	36,085	36,085	16,562	(19,523)
<b>Total Revenues</b>	<u>1,729,163</u>	<u>1,769,267</u>	<u>1,847,621</u>	<u>78,354</u>
<b>Expenditures</b>				
Current:				
Salaries	909,689	909,689	908,673	1,016
Benefits	373,139	376,138	338,766	37,372
Operating Expenses	404,006	425,826	312,507	113,319
Debt Service:				
Principal	105,105	120,390	103,173	17,217
Interest	9,524	9,524	9,524	0
Capital Outlay	7,700	7,700	23,067	(15,367)
<b>Total Expenditures</b>	<u>1,809,163</u>	<u>1,849,267</u>	<u>1,695,710</u>	<u>153,557</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(80,000)</u>	<u>(80,000)</u>	<u>151,911</u>	<u>231,911</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(80,000)	(80,000)	151,911	231,911
Fund Balances - Beginning	80,000	80,000	730,310	650,310
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 882,221</u>	<u>\$ 882,221</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Solid Waste  
 For the Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Special Fees	\$ 639,900	\$ 639,900	\$ 651,229	\$ 11,329
Charges for Services	36,500	36,500	40,483	3,983
Other	10,000	10,000	90	(9,910)
Total Revenues	<u>686,400</u>	<u>686,400</u>	<u>691,802</u>	<u>5,402</u>
<b>Expenditures</b>				
Current:				
Salaries	171,512	171,512	166,612	4,900
Benefits	54,752	54,752	52,670	2,082
Operating Expenses	468,458	468,458	350,262	118,196
Capital Outlay	118,762	118,762	67,147	51,615
Total Expenditures	<u>813,484</u>	<u>813,484</u>	<u>636,691</u>	<u>176,793</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(127,084)</u>	<u>(127,084)</u>	<u>55,111</u>	<u>182,195</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	(800,000)	(800,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(800,000)</u>	<u>(800,000)</u>
Net Change in Fund Balances	(127,084)	(127,084)	(744,889)	(617,805)
Fund Balances - Beginning	127,084	127,084	1,506,272	1,379,188
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 761,383</u>	<u>\$ 761,383</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Warrant Redemption  
 For the Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 0	\$ 0	\$ 552,457	\$ 552,457
Total Revenues	<u>0</u>	<u>0</u>	<u>552,457</u>	<u>552,457</u>
<b>Expenditures</b>				
Debt Service:				
Principal	0	2,655,500	2,655,500	0
Interest	0	14,970	14,970	0
Total Expenditures	<u>0</u>	<u>2,670,470</u>	<u>2,670,470</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>0</u>	<u>(2,670,470)</u>	<u>(2,118,013)</u>	<u>552,457</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	2,670,470	2,197,543	(472,927)
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>2,670,470</u>	<u>2,197,543</u>	<u>(472,927)</u>
Net Change in Fund Balances	0	0	79,530	79,530
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 79,530</u>	<u>\$ 79,530</u>

**Boise County, Idaho**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2012

---

1. OPEB TRENDS

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

2. BUDGETS AND BUDGETARY ACCOUNTING

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

- A. Prior to September 1, the County Clerk and County Commissioners prepare a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted at the County Seat (Idaho City) to obtain taxpayer comments.
- C. Prior to October 1, the budget is legally enacted through passage of a resolution.
- 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 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. The County does not use the encumbrance method of accounting.

***SUPPLEMENTAL INFORMATION***

**Boise County, Idaho**  
 Supplemental Schedule of Revenues by Source  
 Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2012

	Budget	Actual	Variance
<b>Revenue</b>			
Property Taxes	\$ 1,279,920	\$ 1,340,662	\$ 60,742
Intergovernmental	362,198	381,839	19,641
Grants and Donations	162,676	10,614	(152,062)
Charges for Services	194,894	214,825	19,931
Investment Earnings	63,453	107,834	44,381
Other Revenue	57,283	211,921	154,638
	2,120,424	2,267,695	147,271
Other Financing Sources (Uses)			
Transfers In	190,074	0	(190,074)
<b>Total Revenue</b>	<b>\$ 2,310,498</b>	<b>\$ 2,267,695</b>	<b>\$ (42,803)</b>

**Boise County, Idaho**  
 Supplemental Schedule of Expenditures by Object of Expenditure  
 - Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2012

	Budget	Actual	Variance
Clerk-Auditor:			
Salaries	\$ 202,311	\$ 191,405	\$ 10,906
Benefits	78,379	78,220	159
Other Expenses	13,300	5,919	7,381
Capital Outlay	1,700	0	1,700
	<u>295,690</u>	<u>275,544</u>	<u>20,146</u>
Assessor:			
Salaries	153,945	145,720	8,225
Benefits	69,193	65,331	3,862
Other Expenses	19,200	10,847	8,353
Capital Outlay	1,500	661	839
	<u>243,838</u>	<u>222,559</u>	<u>21,279</u>
Treasurer/Tax Collector:			
Salaries	98,958	93,025	5,933
Benefits	34,406	32,421	1,985
Other Expenses	85,000	72,387	12,613
Capital Outlay	1,500	130	1,370
	<u>219,864</u>	<u>197,963</u>	<u>21,901</u>
Commissioners:			
Salaries	88,395	86,695	1,700
Benefits	29,878	24,992	4,886
Other Expenses	9,673	6,458	3,215
	<u>127,946</u>	<u>118,145</u>	<u>9,801</u>
Coroner:			
Salaries	14,853	14,567	286
Benefits	2,909	2,492	417
Other Expenses	30,074	26,933	3,141
	<u>47,836</u>	<u>43,992</u>	<u>3,844</u>
County Elections:			
Salaries	15,890	14,754	1,136
Benefits	6,918	6,536	382
Other Expenses	40,500	28,615	11,885
	<u>63,308</u>	<u>49,905</u>	<u>13,403</u>
Emergency Management:			
Salaries	44,774	34,501	10,273
Benefits	16,542	7,055	9,487
Other Expenses	86,827	16,340	70,487
	<u>148,143</u>	<u>57,896</u>	<u>90,247</u>

**Boise County, Idaho**  
Supplemental Schedule of Expenditures by Object of Expenditure  
- Budget (GAAP Basis) and Actual - General Fund  
For the Year Ended September 30, 2012  
(continued)

	Budget	Actual	Variance
Contingency:			
Other Expenses	95,000	0	95,000
	<u>95,000</u>	<u>0</u>	<u>95,000</u>
Data Processing:			
Other Expenses	161,056	125,643	35,413
Capital Outlay	7,500	236	7,264
	<u>168,556</u>	<u>125,879</u>	<u>42,677</u>
CDH and Community Projects:			
Other Expenses	60,000	55,819	4,181
	<u>60,000</u>	<u>55,819</u>	<u>4,181</u>
General Operations:			
Salaries	73,235	74,447	(1,212)
Benefits	37,818	36,849	969
Other Expenses	87,970	85,771	2,199
Capital Outlay	14,100	4,246	9,854
	<u>213,123</u>	<u>201,313</u>	<u>11,810</u>
Planning and Zoning:			
Salaries	117,001	96,962	20,039
Benefits	43,809	30,661	13,148
Other Expenses	52,423	52,122	301
Capital Outlay	2,000	1,669	331
	<u>215,233</u>	<u>181,414</u>	<u>33,819</u>
Title III Red Zone/WUI:			
Other Expenses	135,250	145,728	(10,478)
Capital Outlay	2,614	2,230	384
	<u>137,864</u>	<u>147,958</u>	<u>(10,094)</u>
Extraordinary Legal/Homicide:			
Other Expenses	143,173	66,066	77,107
	<u>143,173</u>	<u>66,066</u>	<u>77,107</u>
Capital Project	<u>70,000</u>	<u>6,811</u>	<u>63,189</u>
Total Expenditures	<u>\$ 2,249,574</u>	<u>\$ 1,751,264</u>	<u>\$ 498,310</u>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2012

	County Ambulance	District Court	Indigent	Junior College Tuition	Revaluation
<b>Assets</b>					
Cash and Cash Equivalents	\$ 109,699	\$ 586,913	\$ 387,558	\$ 143,137	\$ 158,590
Receivables:					
Taxes	9,200	44,638	14,564	0	46,081
Due from Other Governments	1,393	4,035	0	5,303	0
<b>Total Assets</b>	<b>\$ 120,292</b>	<b>\$ 635,586</b>	<b>\$ 402,122</b>	<b>\$ 148,440</b>	<b>\$ 204,671</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ 534	\$ 5,395	\$ 348	\$ 0	\$ 3,647
Internal Balances	0	0	0	0	0
Deferred Revenue	8,685	42,985	14,097	0	44,388
<b>Total Liabilities</b>	<b>9,219</b>	<b>48,380</b>	<b>14,445</b>	<b>0</b>	<b>48,035</b>
<b>Fund Balances</b>					
Restricted	111,073	587,206	387,677	148,440	156,636
Unassigned	0	0	0	0	0
<b>Total Fund Balances</b>	<b>111,073</b>	<b>587,206</b>	<b>387,677</b>	<b>148,440</b>	<b>156,636</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 120,292</b>	<b>\$ 635,586</b>	<b>\$ 402,122</b>	<b>\$ 148,440</b>	<b>\$ 204,671</b>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2012  
(continued)

	Tort	Weeds	Emergency Communications 911	Snowmobile IC8-A
<b>Assets</b>				
Cash and Cash Equivalents	\$ 275,966	\$ 286,951	\$ 178,848	\$ 25,730
Receivables:				
Taxes	53,643	500	0	0
Due from Other Governments	0	0	0	0
<b>Total Assets</b>	<b>\$ 329,609</b>	<b>\$ 287,451</b>	<b>\$ 178,848</b>	<b>\$ 25,730</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Salaries and Benefits Payable	\$ 0	\$ 2,199	\$ 0	\$ 0
Internal Balances	0	0	0	0
Deferred Revenue	51,626	480	0	0
<b>Total Liabilities</b>	<b>51,626</b>	<b>2,679</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>				
Restricted	277,983	284,772	178,848	25,730
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>277,983</b>	<b>284,772</b>	<b>178,848</b>	<b>25,730</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 329,609</b>	<b>\$ 287,451</b>	<b>\$ 178,848</b>	<b>\$ 25,730</b>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2012  
(continued)

	Snowmobile GV8-B	Sheriff's Reserves	Sheriff's Vessel	Total
<b>Assets</b>				
Cash and Cash Equivalents	\$ 9,389	\$ 0	\$ 119,055	\$ 2,281,836
Receivables:				
Taxes	0	0	0	168,626
Due from Other Governments	0	59,612	0	70,343
<b>Total Assets</b>	<b>\$ 9,389</b>	<b>\$ 59,612</b>	<b>\$ 119,055</b>	<b>\$ 2,520,805</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Salaries and Benefits Payable	\$ 0	\$ 1,101	\$ 349	\$ 13,573
Internal Balances	0	59,612	0	59,612
Deferred Revenue	0	0	0	162,261
<b>Total Liabilities</b>	<b>0</b>	<b>60,713</b>	<b>349</b>	<b>235,446</b>
<b>Fund Balances</b>				
Restricted	9,389	0	118,706	2,286,460
Unassigned	0	(1,101)	0	(1,101)
<b>Total Fund Balances</b>	<b>9,389</b>	<b>(1,101)</b>	<b>118,706</b>	<b>2,285,359</b>
 <b>Total Liabilities and Fund Balances</b>	 <b>\$ 9,389</b>	 <b>\$ 59,612</b>	 <b>\$ 119,055</b>	 <b>\$ 2,520,805</b>

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

	County Ambulance	District Court	Indigent	Junior College Tuition	Revaluation
<b>Revenues</b>					
Property Taxes	\$ 101,125	\$ 261,041	\$ 13,544	\$ 0	\$ 262,251
Intergovernmental	4,942	19,723	0	32,387	0
Grants and Donations	0	66,341	0	0	0
Charges for Services	69,659	76,891	0	0	0
Other	1,232	6,983	12,168	0	16,098
<b>Total Revenues</b>	<b>176,958</b>	<b>430,979</b>	<b>25,712</b>	<b>32,387</b>	<b>278,349</b>
<b>Expenditures</b>					
Current:					
Salaries	20,085	216,019	11,570	0	167,818
Benefits	1,564	90,220	5,978	0	77,038
Operating Expenses	87,337	103,312	175,189	24,646	14,097
Debt Service:					
Principal	21,755	0	0	0	0
Interest	2,103	0	0	0	0
Capital Outlay	122,306	90	0	0	0
<b>Total Expenditures</b>	<b>255,150</b>	<b>409,641</b>	<b>192,737</b>	<b>24,646</b>	<b>258,953</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(78,192)</b>	<b>21,338</b>	<b>(167,025)</b>	<b>7,741</b>	<b>19,396</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(78,192)</b>	<b>21,338</b>	<b>(167,025)</b>	<b>7,741</b>	<b>19,396</b>
Fund Balances, Beginning	189,265	565,868	554,702	140,699	137,240
<b>Fund Balances, Beginning</b>	<b>\$ 111,073</b>	<b>\$ 587,206</b>	<b>\$ 387,677</b>	<b>\$ 148,440</b>	<b>\$ 156,636</b>

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

	Tort	Weeds	Emergency Communications 911	Snowmobile IC8-A
<b>Revenues</b>				
Property Taxes	\$ 332,118	\$ 763	\$ 0	\$ 0
Intergovernmental	0	0	0	0
Grants and Donations	0	71,158	17,802	0
Charges for Services	0	76,208	78,039	16,104
Other	99,705	3,834	0	1,154
Total Revenues	<u>431,823</u>	<u>151,963</u>	<u>95,841</u>	<u>17,258</u>
<b>Expenditures</b>				
Current:				
Salaries	0	71,678	5,131	6,474
Benefits	0	20,866	823	518
Operating Expenses	247,401	66,369	31,373	12,353
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital Outlay	0	87	214,992	0
Total Expenditures	<u>247,401</u>	<u>159,000</u>	<u>252,319</u>	<u>19,345</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>184,422</u>	<u>(7,037)</u>	<u>(156,478)</u>	<u>(2,087)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	(99,013)	0	0	0
Total Other Financing Sources (Uses)	<u>(99,013)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	85,409	(7,037)	(156,478)	(2,087)
Fund Balances, Beginning	192,574	291,809	335,326	27,817
Fund Balances, Beginning	<u>\$ 277,983</u>	<u>\$ 284,772</u>	<u>\$ 178,848</u>	<u>\$ 25,730</u>

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

	Snowmobile GV8-B	Sheriff's Reserves	Sheriff's Vessel	Total
<b>Revenues</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 970,842
Intergovernmental	0	0	0	57,052
Grants and Donations	0	72,818	25,023	253,142
Charges for Services	9,081	0	31,069	357,051
Other	954	0	0	142,128
<b>Total Revenues</b>	<b>10,035</b>	<b>72,818</b>	<b>56,092</b>	<b>1,780,215</b>
<b>Expenditures</b>				
Current:				
Salaries	4,946	73,349	28,589	605,659
Benefits	395	12,000	2,998	212,400
Operating Expenses	6,984	2,976	12,484	784,521
Debt Service:				
Principal	0	0	0	21,755
Interest	0	0	0	2,103
Capital Outlay	0	0	17,456	354,931
<b>Total Expenditures</b>	<b>12,325</b>	<b>88,325</b>	<b>61,527</b>	<b>1,981,369</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,290)</b>	<b>(15,507)</b>	<b>(5,435)</b>	<b>(201,154)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	(99,013)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(99,013)</b>
<b>Net Change in Fund Balances</b>	<b>(2,290)</b>	<b>(15,507)</b>	<b>(5,435)</b>	<b>(300,167)</b>
Fund Balances, Beginning	11,679	14,406	124,141	2,585,526
<b>Fund Balances, Ending</b>	<b>\$ 9,389</b>	<b>\$ (1,101)</b>	<b>\$ 118,706</b>	<b>\$ 2,285,359</b>

**Boise County, Idaho**  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2012

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Schools and Roads - Grants to Counties (Direct)	10.666	\$ 730,303
Passed through State Department of Agriculture		
ARRA - Wildland Fire Management	10.688	<u>75,043</u>
Total U.S. Department of Agriculture		<u>805,346</u>
<u>U.S. Department of Justice</u>		
Passed through State Department of Juvenile Corrections		
Juvenile Accountability Incentive Block Grant	16.523	5,000
Juvenile Justice and Delinquency Prevention	16.540	10,000
Passed through State Department of Idaho State Police		
Violence Against Women Formula Grant	16.588	<u>22,377</u>
Total U.S. Department of Justice		<u>37,377</u>
<u>U.S. Department of Transportation</u>		
Direct		
Highway Planning and Construction	20.205	3,781
Alcohol Impaired Driving Countermeasures	20.601	7,196
State and Community Highway Safety	20.600	<u>9,851</u>
Total U.S. Department of Transportation		<u>20,828</u>
<u>U.S. Department of Homeland Security</u>		
Passed through State Department of Military Division		
Emergency Management Performance	97.042	11,109
Homeland Security Grant	97.067	39,624
Passed through State Department of Parks and Recreation		
Boating Safety Financial Assistance	97.012	<u>33,520</u>
Total U.S. Department of Homeland Security		<u>84,253</u>
Total Federal Financial Assistance		<u>\$ 947,804</u>

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

***FEDERAL REPORTS***



Certified Public Accountants

James Washburn, CPA  
Weston Flamm, CPA  
Jared Zwygart, CPA  
Cassie Zattiero, CPA  
Leroy Loomis, CPA

---

812-B 12<sup>th</sup> Ave. South  
P.O. Box 876  
Nampa, ID 83653-0876  
208 466-2493  
FAX 208 467-2000  
www.BaileyCPAs.com

**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 County Commissioners  
Boise County  
Idaho City, Idaho

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Boise County, Idaho** as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 14, 2013. 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.

**Internal Control Over Financial Reporting**

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

*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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Boise County, Idaho's** financial statements are free of 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*.

We noted certain matters that we reported to management of the County in a separate letter dated May 14, 2013.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bailey & Co.*

Nampa, Idaho  
May 14, 2013



Certified Public Accountants

James Washburn, CPA  
Weston Flamm, CPA  
Jared Zwygart, CPA  
Cassie Zattiero, CPA  
Leroy Loomis, CPA

---

812-B 12<sup>th</sup> Ave. South  
P.O. Box 876  
Nampa, ID 83653-0876  
208 466-2493  
FAX 208 467-2000  
www.BaileyCPAs.com

**Independent Auditor's Report on Compliance With Requirements  
That Could Have a Direct and Material Effect on Each Major  
Program and on Internal Control Over Compliance in  
Accordance With OMB Circular A-133**

Board of County Commissioners  
Boise County  
Idaho City, Idaho

**Compliance**

We have audited **Boise County, Idaho's** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County'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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion **Boise County, Idaho** complied, in all material respects, with the 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, 2012.

## Internal Control Over Compliance

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the County Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bailey & Co.*

Nampa, Idaho  
May 14, 2013

**Boise County, Idaho**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2012

---

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

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Significant deficiency(ies) disclosed?       yes     none reported

Material weakness(es) disclosed?       yes     none reported

Noncompliance material to financial statements noted?       yes     no

*Federal Awards*

Internal control over major programs:

Significant deficiency(ies) disclosed?       yes     none reported

Material weakness(es) disclosed?       yes     none reported

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program
10.666	Schools and Roads - Grants to Counties

Dollar threshold used to distinguish between  
Type A and Type B programs: \$300,000

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.