

**BOISE 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, 2013

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## Independent Auditor's Report

To the Board of Commissioners  
Boise County, Idaho

### Report on the Financial Statements

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, 2013, 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, each major fund, and the aggregate remaining fund information of **Boise County, Idaho**, as of September 30, 2013, 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.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedule of funding progress and budgetary comparison information on pages 33 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **Boise County, Idaho's** basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The schedules of revenue by source and expenditure by object have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we did not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2014, 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* in considering the County's internal control over financial reporting and compliance.

*Bailey & Co.*

Nampa, Idaho  
February 13, 2014

**Boise County, Idaho**  
Statement of Net Position  
September 30, 2013

	Governmental Activities
<b>Assets</b>	
Cash and Cash Equivalents	\$ 7,113,140
Receivables, Net:	
Property Taxes	629,830
Interest	4,837
Due from Other Governments	344,060
Bond Issuance Costs, Net	63,189
Capital Assets:	
Land	195,772
Buildings, Net	1,615,270
Equipment, Net	1,522,309
Total Capital Assets	3,333,351
Total Assets	11,488,407
<b>Deferred Outflows</b>	0
<b>Liabilities</b>	
Accounts Payable	98,829
Accrued Interest	8,034
Long-Term Liabilities:	
Due Within One Year:	
Compensated Absences	169,546
Bonds Payable	365,000
Municipal Leases Payable	191,758
Due in More than One Year:	
Other Post-Employment Benefits	31,608
Compensated Absences	42,385
Bonds Payable	2,151,940
Municipal Leases Payable	189,310
Total Liabilities	3,248,410
<b>Deferred Inflows</b>	0
<b>Net Position</b>	
Net Investment in Capital Assets	2,952,283
Restricted for:	
Roads and Bridges	867,167
Public Safety	1,087,462
Sanitation	946,205
Debt Service	89,909
Other Purposes	2,230,003
Unrestricted (Deficit) Surplus	66,968
Total Net Position	\$ 8,239,997

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



**Boise County, Idaho**  
 Balance Sheet -  
 Governmental Funds  
 September 30, 2013

	General	Road and Bridge	Justice Fund	Solid Waste
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,093,714	\$ 788,008	\$ 980,746	\$ 966,851
Receivables:				
Taxes	195,581	8,921	183,699	77,029
Interest	4,837	0	0	0
Due from Other Governments	45,012	197,677	63,892	0
Interfund Receivable	93,085	0	0	0
Total Assets	<u>2,432,229</u>	<u>994,606</u>	<u>1,228,337</u>	<u>1,043,880</u>
<b>Deferred Outflows</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u><u>\$ 2,432,229</u></u>	<u><u>\$ 994,606</u></u>	<u><u>\$ 1,228,337</u></u>	<u><u>\$ 1,043,880</u></u>
<b>Liabilities</b>				
Salaries and Benefits Payable	\$ 13,852	\$ 12,973	\$ 53,986	\$ 2,932
Interfund Payable	0	61,807	858	16,664
Unearned Revenue	164,543	8,396	169,953	67,962
Total Liabilities	<u>178,395</u>	<u>83,176</u>	<u>224,797</u>	<u>87,558</u>
<b>Deferred Inflows</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted	17,132	858,771	917,509	878,243
Committed	1,100,291	52,659	86,031	78,079
Assigned	20,000	0	0	0
Unassigned	1,116,411	0	0	0
Total Fund Balances	<u>2,253,834</u>	<u>911,430</u>	<u>1,003,540</u>	<u>956,322</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u><u>\$ 2,432,229</u></u>	<u><u>\$ 994,606</u></u>	<u><u>\$ 1,228,337</u></u>	<u><u>\$ 1,043,880</u></u>

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

**Boise County, Idaho**  
Balance Sheet -  
Governmental Funds  
September 30, 2013  
(continued)

	Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 73,614	\$ 2,210,207	\$ 7,113,140
Receivables:			
Taxes	24,329	140,271	629,830
Interest	0	0	4,837
Due from Other Governments	0	37,479	344,060
Interfund Receivable	0	0	93,085
Total Assets	<u>97,943</u>	<u>2,387,957</u>	<u>8,184,952</u>
<b>Deferred Outflows</b>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u>\$ 97,943</u>	<u>\$ 2,387,957</u>	<u>\$ 8,184,952</u>
<b>Liabilities</b>			
Salaries and Benefits Payable	\$ 0	\$ 15,086	\$ 98,829
Interfund Payable	0	13,756	93,085
Unearned Revenue	22,896	128,952	562,702
Total Liabilities	<u>22,896</u>	<u>157,794</u>	<u>754,616</u>
<b>Deferred Inflows</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Restricted	75,047	2,083,919	4,830,621
Committed	0	146,244	1,463,304
Assigned	0	0	20,000
Unassigned	0	0	1,116,411
Total Fund Balances	<u>75,047</u>	<u>2,230,163</u>	<u>7,430,336</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 97,943</u>	<u>\$ 2,387,957</u>	<u>\$ 8,184,952</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 Position  
 September 30, 2013

Total Fund Balances - Governmental Funds \$ 7,430,336

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	\$ 195,772	
Buildings, net of \$430,033 accumulated depreciation	1,615,270	
Equipment, net of \$4,788,081 accumulated depreciation	<u>1,522,309</u>	
		3,333,351

Bond issuance costs are not financial resources and, therefore, are not reported in the funds. 63,189

Property taxes receivable will be collected this year, but are not available soon enough to pay for current period expenditures and, therefore, are considered unearned in the funds. 562,702

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 Position.

Accrued Interest		(8,034)
Bonds Payable	(2,355,000)	
Unamortized Premiums	(161,940)	
Municipal Leases Payable	(381,068)	
Other Post-Employment Benefits	(31,608)	
Compensated Absences	<u>(211,931)</u>	
Total Long-Term Liabilities		<u>(3,141,547)</u>

Net Position of Governmental Activities \$ 8,239,997

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, 2013

	General Fund	Road and Bridge	Justice Fund	Solid Waste
<b>Revenues</b>				
Property Taxes and Special Fees	\$ 1,376,932	\$ 136,329	\$ 1,334,689	\$ 652,335
Intergovernmental	335,485	1,510,607	295,271	55,705
Grants and Donations	470	52,046	52,292	0
Charges for Services	193,173	3,565	170,662	21,117
Investment Earnings/Unrealized Losses	(16,390)	0	0	0
Other	411,983	20,381	21,909	33,671
Total Revenues	<u>2,301,653</u>	<u>1,722,928</u>	<u>1,874,823</u>	<u>762,828</u>
<b>Expenditures</b>				
Current:				
General Government	1,328,043	0	0	0
Public Safety	202,160	0	1,646,028	0
Highways and Roads	0	1,307,871	0	0
Sanitation	0	0	0	571,056
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	86,118	85,064	0
Interest	0	10,942	12,333	0
Fees	0	0	0	0
Capital Outlay	39,640	191,813	159,785	14,923
Total Expenditures	<u>1,569,843</u>	<u>1,596,744</u>	<u>1,903,210</u>	<u>585,979</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>731,810</u>	<u>126,184</u>	<u>(28,387)</u>	<u>176,849</u>
<b>Other Financing Sources (Uses)</b>				
Debt Proceeds	0	0	159,391	0
Sale of Assets	0	19,316	0	18,090
Transfers In	0	0	0	0
Transfers (Out)	(10,000)	0	(9,688)	0
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>19,316</u>	<u>149,703</u>	<u>18,090</u>
Net Change in Fund Balances	721,810	145,500	121,316	194,939
Fund Balances - Beginning	1,532,024	765,930	882,224	761,383
Fund Balances - Ending	<u>\$ 2,253,834</u>	<u>\$ 911,430</u>	<u>\$ 1,003,540</u>	<u>\$ 956,322</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, 2013  
(continued)

	Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes and Special Fees	\$ 371,755	\$ 1,071,361	\$ 4,943,401
Intergovernmental	0	52,879	2,249,947
Grants and Donations	0	607,266	712,074
Charges for Services	0	334,454	722,971
Investment Earnings	0	0	(16,390)
Other	0	294,576	782,520
Total Revenues	<u>371,755</u>	<u>2,360,536</u>	<u>9,394,523</u>
<b>Expenditures</b>			
Current:			
General Government	0	935,279	2,263,322
Public Safety	0	297,453	2,145,641
Highways and Roads	0	0	1,307,871
Sanitation	0	0	571,056
Weed Control	0	196,366	196,366
Welfare	0	298,722	298,722
Education	0	32,680	32,680
Culture and Recreation	0	32,123	32,123
Debt Service:			
Principal	3,079,500	22,782	3,273,464
Interest	201,054	882	225,211
Fees	81,221	0	81,221
Capital Outlay	0	512,523	918,684
Total Expenditures	<u>3,361,775</u>	<u>2,328,810</u>	<u>11,346,361</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(2,990,020)</u>	<u>31,726</u>	<u>(1,951,838)</u>
<b>Other Financing Sources (Uses)</b>			
Debt Proceeds	2,878,930	0	3,038,321
Sale of Assets	0	0	37,406
Transfers In	106,607	12,188	118,795
Transfers Out	0	(99,107)	(118,795)
Total Other Financing Sources (Uses)	<u>2,985,537</u>	<u>(86,919)</u>	<u>3,075,727</u>
Net Change in Fund Balances	(4,483)	(55,193)	1,123,889
Fund Balances - Beginning	79,530	2,285,356	6,306,447
Fund Balances - Ending	<u>\$ 75,047</u>	<u>\$ 2,230,163</u>	<u>\$ 7,430,336</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, 2013

Total Net Change in Fund Balance - Governmental Funds \$ 1,123,889

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 or create a gain or loss on an asset when it is disposed.

Capital Outlay	\$ 645,914	
Disposal of Assets	(49,627)	
Depreciation Expense	<u>(514,847)</u>	81,440

Bond issuance costs are expended in the governmental funds when paid and are capitalized and amortized in the Statement of Net Position.

Bond Issuance Costs	73,721	
Amortization	<u>(10,532)</u>	63,189

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. (56,311)

Bond proceeds and municipal leases entered into during the year are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities, except for the amortization of bond premiums. Similarly, repayment of bond and municipal lease principal is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position. Accrued interest is also not a current financial use and does not affect fund balance but is reported in the government-wide statements.

Bond and Municipal Lease Proceeds	(3,038,321)	
Principal Payments Made	528,964	
Claims and Judgments Principal	2,744,500	
Amortization of Bond Premium	26,990	
Change in Accrued Interest	<u>2,406</u>	264,539

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.

Other Post-Employment Benefits	(9,410)	
Compensated Absences	<u>(5,703)</u>	<u>(15,113)</u>

Change in Net Position of Governmental Activities \$ 1,461,633

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

**Boise County, Idaho**  
Statement of Fiduciary Net Position  
September 30, 2013

	Agency Funds			Total
	State Remittance	Special Taxing District	Miscellaneous Trusts	
<b>Assets</b>				
Cash and Cash Equivalents	\$ 13,938	\$ (137)	\$ 542,445	\$ 556,246
Property Taxes Receivable	0	528,667	0	528,667
Total Assets	13,938	528,530	542,445	1,084,913
<b>Deferred Outflows</b>	0	0	0	0
Total Assets and Deferred Outflows	\$ 13,938	\$ 528,530	\$ 542,445	\$ 1,084,913
<b>Liabilities</b>				
Due to Other Funds or Taxing Units	\$ 13,938	\$ 528,530	\$ 542,445	\$ 1,084,913
<b>Deferred Inflows</b>	0	0	0	0
Total Liabilities and Deferred Inflows	\$ 13,938	\$ 528,530	\$ 542,445	\$ 1,084,913

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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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 *Government 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 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 non-exchange 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, 2013

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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 plus deferred outflows and liabilities plus deferred outflows 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.
- *Bond fund.* This fund accounts for the resources used to pay any issued bond securities.

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, the County has only Agency Funds. Agency Funds are custodial in nature (assets plus deferred outflows equal liabilities plus deferred inflows) 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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

liabilities are incurred, regardless of when the related cash flows take place. Non-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 Position and in the governmental fund Balance Sheet. The County uses the following fund balance categories in the governmental fund Balance Sheet:

- *Nonspendable*. Assets that cannot be converted to cash (prepaid items), assets that cannot be converted to cash soon enough to pay current expenditures (long-term receivables or assets held for resale), or resources that must be maintained intact (endowment principal or capital of a revolving loan).
- *Restricted*. Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Committed*. Balances constrained to a specific purpose by the County's highest level of decision-making authority (the Board of Commissioners). A resolution is required to impose a constraint and is also required to remove a constraint.
- *Assigned*. Limitations imposed on balances through intentions of either the Board of Commissioners or a body or official designated by the Board of Commissioners.
- *Unassigned*. Balances available for any purpose.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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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 position/fund balances available to finance the program. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

It is also the County's policy 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 restricted fund balances are detailed as follows:

Fund	Purpose
General fund	These revenues are elections funds received from the State to be used for election expenditures.
Road and Bridge	Revenues in this fund come from Federal forest funds, State highway user funds, other intergovernmental revenue, some property tax 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 revenue, 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. Also, funds are restricted by the EPA for the estimated remaining post-closure landfill costs.
Bond fund	Revenues in this fund come from property taxes that are to be used to pay down the 2012 C Bond Series.
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, 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, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The purpose of committed fund balances are detailed as follows:

- *Minimum fund balance.* The County maintains a prudent level of financial resources to protect against current and future risks, ensure stable tax rates, address long-term financial planning, preserve bond ratings, and to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unexpected one-time expenditures. The ranges set for each fund are based on the predictability of revenues, volatility of expenditures, and liquidity requirements and shall be reviewed periodically. The range set for all County funds is to be maintained at a level between 10% and 30% of actual operating revenues of the prior fiscal year. The amounts determined from this calculation are considered committed fund balance. The County calculated 30% for the current fiscal year.
- *Subsequent year's expenditures.* This is the amount needed to support the next year's budget when expenditures exceed revenues and taxes.
- *Cash basis.* This is calculated as the estimated fund balance needed to fund the County's operations through the first four months of the next fiscal year due to timing differences between receipt of revenues and disbursement of expenditures.

The assigned fund balance is the amount the clerk has estimated will be needed for capital improvements in the General fund in the next fiscal year.

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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The allowance for doubtful accounts for the governmental activities is \$-0- as of September 30, 2013.

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

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:

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

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Accounts Payable

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 (vacation benefit) 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.

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2013, the carrying amount of the County's deposits was \$3,252,432 and the respective bank balances totaled \$3,941,125. 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, 2013, all of the County's deposits were covered by the federal depository insurance or by collateral held by the County's

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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2. CASH AND INVESTMENTS (continued)

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.

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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

2. CASH AND INVESTMENTS (continued)

The County's investments at September 30, 2013 are summarized below:

Investment Type	Credit Rating	Fair Value	Investment Maturities (in years)	
			Less Than 1	1-5
External Investment Pool	Not Rated	\$ 1,756,822	\$ 1,756,822	\$ 0
State Bond Fund	Not Rated	2,761,672	2,761,672	0
		<u>\$ 4,518,494</u>	<u>\$ 4,518,494</u>	<u>\$ 0</u>

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

	Governmental Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 2,594,646	\$ 556,246	\$ 3,150,892
Investments categorized as deposits	4,518,494	0	4,518,494
	<u>\$ 7,113,140</u>	<u>\$ 556,246</u>	<u>\$ 7,669,386</u>

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

	Book Balance	Bank Balance
Tax Collectors Sweep	\$ 102,534	\$ 264,254
Tax Collectors	5	5
Credit Card	0	14,211
	<u>\$ 102,539</u>	<u>\$ 278,470</u>

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units (State of Idaho) consist of the Elk Complex fir revenues of \$26,940, liquor apportionment of \$10,200, cigarette tax of \$3,989, highway user revenue of \$197,677 and state revenue sharing of \$105,254 for a total of \$344,060.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2013 was as follows:

	<u>Balance</u> <u>9/30/2012</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>9/30/2013</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 195,772	\$ 0	\$ 0	\$ 195,772
Construction in Progress	<u>120,213</u>	<u>0</u>	<u>(120,213)</u>	<u>0</u>
	<u>315,985</u>	<u>0</u>	<u>(120,213)</u>	<u>195,772</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	1,479,498	565,805	0	2,045,303
Equipment	<u>6,396,464</u>	<u>200,322</u>	<u>(286,396)</u>	<u>6,310,390</u>
Total Historical Cost	<u>7,875,962</u>	<u>766,127</u>	<u>(286,396)</u>	<u>8,355,693</u>
Less: Accumulated Depreciation				
Buildings and Improvements	401,111	28,922	0	430,033
Equipment	<u>4,538,925</u>	<u>485,925</u>	<u>(236,769)</u>	<u>4,788,081</u>
Total Accumulated Depreciation	<u>4,940,036</u>	<u>514,847</u>	<u>(236,769)</u>	<u>5,218,114</u>
Net Depreciable Assets	<u>2,935,926</u>	<u>251,280</u>	<u>(49,627)</u>	<u>3,137,579</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 3,251,911</u>	<u>\$ 251,280</u>	<u>\$ (169,840)</u>	<u>\$ 3,333,351</u>

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

<u>Governmental Activities:</u>	
General Government	\$ 35,176
Public Safety	167,213
Highways and Roads	217,900
Sanitation	64,231
Weed Control	23,146
Culture and Recreation	<u>7,181</u>
	<u>\$514,847</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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5. TRANSFERS/INTERFUND RECEIVABLES AND PAYABLES

Transfers in and out of funds at September 30, 2013 consist of the following:

\$ 7,500	From the General fund to the Bond fund to pay for the penalty for late financial statement submission.
2,500	From the General fund to nonmajor governmental funds to cover contract expenditures.
9,688	From the Justice fund to nonmajor governmental funds to move payroll expenditures to the correct fund.
<u>99,107</u>	From the Tort fund to the Bond fund to utilize for future bond payments.
<u>\$ 118,795</u>	Total

Interfund receivable and payable balances at September 30, 2013 consist of the following:

\$ 13,756	Due from nonmajor funds to the General fund for admin. fees.
61,807	Due from the Road & Bridge fund to the General fund for admin. fees.
858	Due from the Justice fund to the General fund for admin fees.
<u>16,664</u>	Due from the Solid Waste fund to the General fund for admin. fees.
<u>\$ 93,085</u>	Total

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

	<u>9/30/2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2013</u>	<u>Current</u>
Governmental Activities	<u>\$ 206,228</u>	<u>\$ 196,640</u>	<u>\$ (188,938)</u>	<u>\$ 213,930</u>	<u>\$ 169,546</u>

After September 30, 2013, employees of the Sheriff's office no longer bank overtime as compensated absences and, instead, are paid out their overtime.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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7. 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 State's year ended June 30, 2013, 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 \$266,220, \$267,971, and \$273,888 for the three years ended September 30, 2013, 2012 and 2011, respectively.

8. 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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

9. 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	964,670
Less: accumulated amortization (included as depreciation on the accompanying financial statements)	<u>(462,401)</u>
	<u><u>\$ 687,964</u></u>

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, 2013 are as follows:

Description	Rate	Maturity	9/30/2012	Increase	Decrease	9/30/2013	Current
Lease-Cat Compactor	4.15%	2015	\$ 45,000	\$ 0	\$ 0	\$ 45,000	\$ 40,210
Lease-Real Property	6.35%	2013	41,208	0	(41,208)	0	0
Lease-Idaho City Amb.	4.65%	2013	22,782	0	(22,782)	0	0
Lease-Backhoe	4.20%	2014	35,378	0	(17,325)	18,053	18,053
Lease-Wheel Loader	3.80%	2014	64,073	0	(31,439)	32,634	32,634
Lease-Wheel Loader	4.40%	2016	159,571	0	(37,354)	122,217	38,998
Lease-3 Sheriff Vehicles	6.10%	2014	47,629	0	(23,110)	24,519	24,519
Lease-2 Sheriff Vehicles	4.46%	2017	0	45,246	(6,518)	38,728	10,320
Lease-Sheriff Vehicle	5.47%	2017	0	23,623	(4,039)	19,584	5,512
Lease-Sheriff Vehicle	4.96%	2017	0	32,374	(3,655)	28,719	7,704
Lease-Sheriff Vehicle	4.41%	2017	0	29,074	(3,320)	25,754	6,958
Lease-Sheriff Vehicle	5.94%	2017	0	29,074	(3,214)	25,860	6,850
2012 C Bond Series	1.25 - 5.00%	2019	0	2,690,000	(335,000)	2,355,000	365,000
Claims and Judgments	5.50%	2016	<u>2,744,500</u>	<u>0</u>	<u>(2,744,500)</u>	<u>0</u>	<u>0</u>
			<u>\$ 3,160,141</u>	<u>\$ 2,849,391</u>	<u>\$ (3,273,464)</u>	<u>\$ 2,736,068</u>	<u>\$ 556,758</u>
Unamortized Premium			<u>\$ 0</u>	<u>\$ 188,930</u>	<u>\$ (26,990)</u>	<u>\$ 161,940</u>	<u>\$ 0</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

9. LONG-TERM OBLIGATIONS (continued)

Debt service requirements on long-term debt at September 30, 2013, are as follows:

Year Ending September 30,	Municipal Leases		Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 191,758	\$ 20,861	\$ 365,000	\$ 62,662
2015	85,527	8,528	380,000	51,713
2016	85,435	4,504	395,000	36,512
2017	18,348	564	400,000	31,575
2018	0	0	405,000	26,575
2019	0	0	410,000	20,500
	<u>\$ 381,068</u>	<u>\$ 34,457</u>	<u>\$ 2,355,000</u>	<u>\$ 229,537</u>

10. LEASE COMMITMENTS

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

Year Ending September 30,	Amount
2014	\$ 6,000
2015	6,250
2016	6,600
2017	6,600
2018	6,600
2019-2020	<u>13,200</u>
	<u>\$ 45,250</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:

Year Ending September 30,	Amount
2014	\$ 13,762
2015	<u>80,000</u>
	<u>\$ 93,762</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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10. LEASE COMMITMENTS (continued)

The County has entered into a lease agreement for office space for the Idaho City ambulance unit of East Boise County Ambulance District, over a period of 22 years. Future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2014	\$ 1,000
2015	1,000
2016	1,000
2017	1,000
2018	1,000
2019-2023	5,000
2024-2025	<u>2,000</u>
	<u>\$ 12,000</u>

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>
2014	\$ 10,500
2015	<u>1,750</u>
	<u>\$ 12,250</u>

Rent expenditures for the year ended September 30, 2013, were \$40,096.

11. OTHER POST-EMPLOYMENT BENEFITS

The County's Post-Retirement Healthcare Plan is a single-employer defined benefit healthcare plan administered by GemPlan. GemPlan does not issue a stand-alone financial report and a financial report is not included in the report of another entity. GemPlan contracts with Blue Cross of Idaho to provide medical and prescription drug insurance benefits to eligible retirees and their eligible dependents. The administering board of GemPlan has the authority to establish or amend benefit provisions. 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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

11. OTHER POST-EMPLOYMENT BENEFITS (continued)

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 2013, were \$624 for a single person or \$1,217 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 again on October 1, 2012. 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 \$64,793 or 3.5% of covered payroll. The annual required contribution (ARC) for fiscal year 2013 is \$10,657. The ARC is made up of benefits earned in the current period and an amortized portion of the unfunded actuarially accrued liability. The expense and offsetting liability are reflected in the government-wide financial statements. The table below summarizes the OPEB costs.

Annual required contribution	\$ 10,657
Interest on net OPEB obligation	999
ARC adjustment with interest	(1,356)
Estimated employer contribution	<u>(890)</u>
Increase in net OPEB obligation	9,410
Net OPEB obligation - beginning of year	<u>22,198</u>
Net OPEB obligation - end of year	<u>\$ 31,608</u>

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

Year Ending September 30,	Annual OPEB Cost	Estimated Contribution as a % of Annual OPEB Cost	Net OPEB Obligation
2011	\$ 8,574	18.0%	\$ 14,934
2012	\$ 8,459	14.1%	\$ 22,198
2013	\$ 10,300	8.6%	\$ 31,608

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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11. OTHER POST-EMPLOYMENT BENEFITS (continued)

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 each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

In the October 1, 2012, actuarial valuation the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.5% discount rate assuming the County will fund the retirement benefit on a pay-as-you-go basis. The valuation assumes 30% of eligible retirees and, of that 30%, 25% of their spouses will participate in the plan; an annual healthcare cost trend rate of 8%, decreasing gradually over six 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.

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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2013

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12. LANDFILL CLOSURE (continued)

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, 2013, 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. SUBSEQUENT EVENT

Effective October 1, 2013, the Sheriff's Reserve fund (a nonmajor fund) was closed and the fund balance of \$76,791 was transferred to the Justice fund. This event occurred in order to properly align the Sheriff's Reserve's operating activities with the statutory protection and operating activities of the Justice fund.

***REQUIRED SUPPLEMENTARY INFORMATION***

**Boise County, Idaho**  
 Schedule of Funding Progress  
 For the Year Ended September 30, 2013

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Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
10/1/2009	\$ 0	\$50,708	\$50,708	0%	\$2,446,614	2.1%
10/1/2012	\$ 0	\$64,793	\$64,793	0%	\$1,869,585	3.5%

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 General Fund  
 For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,257,132	\$ 1,257,132	\$ 1,376,932	\$ 119,800
Intergovernmental	502,302	502,302	335,485	(166,817)
Grants and Donations	10,925	11,825	470	(11,355)
Charges for Services	53,250	53,250	193,173	139,923
Investment Earnings/Unrealized Losses	0	0	(16,390)	(16,390)
Other	0	0	411,983	411,983
Total Revenues	<u>1,823,609</u>	<u>1,824,509</u>	<u>2,301,653</u>	<u>477,144</u>
<b>Expenditures</b>				
Current:				
Salaries	799,024	808,719	765,366	43,353
Benefits	329,944	331,083	296,761	34,322
Operating Expenses	833,048	841,487	466,984	374,503
Capital Outlay	43,825	44,725	40,732	3,993
Total Expenditures	<u>2,005,841</u>	<u>2,026,014</u>	<u>1,569,843</u>	<u>456,171</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(182,232)</u>	<u>(201,505)</u>	<u>731,810</u>	<u>933,315</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	182,232	201,505	0	(201,505)
Transfers Out	0	0	(10,000)	(10,000)
Total Other Financing Sources (Uses)	<u>182,232</u>	<u>201,505</u>	<u>(10,000)</u>	<u>(211,505)</u>
Net Change in Fund Balances	0	0	721,810	721,810
Fund Balances - Beginning	1,532,024	0	1,532,024	1,532,024
Fund Balances - Ending	<u>\$ 1,532,024</u>	<u>\$ 0</u>	<u>\$ 2,253,834</u>	<u>\$ 2,253,834</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Road and Bridge  
 For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 143,020	\$ 143,020	\$ 136,329	\$ (6,691)
Intergovernmental	1,489,661	1,489,661	1,510,607	20,946
Grants and Contributions	158,120	226,517	52,046	(174,471)
Charges for Services	2,000	2,000	3,565	1,565
Other	0	0	20,381	20,381
Total Revenues	<u>1,792,801</u>	<u>1,861,198</u>	<u>1,722,928</u>	<u>(138,270)</u>
<b>Expenditures</b>				
Current:				
Salaries	573,009	573,009	537,588	35,421
Benefits	229,022	229,022	206,958	22,064
Other Expenses	570,697	570,697	563,325	7,372
Debt Service:				
Principal	86,120	86,120	86,118	2
Interest	10,942	10,942	10,942	0
Capital Outlay	268,791	337,188	191,813	145,375
Total Expenditures	<u>1,738,581</u>	<u>1,806,978</u>	<u>1,596,744</u>	<u>210,234</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>54,220</u>	<u>54,220</u>	<u>126,184</u>	<u>71,964</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	0	0	19,316	19,316
Transfers In	0	0	0	0
Transfers Out	(54,220)	(54,220)	0	54,220
Total Other Financing Sources (Uses)	<u>(54,220)</u>	<u>(54,220)</u>	<u>19,316</u>	<u>73,536</u>
Net Change in Fund Balances	0	0	145,500	145,500
Fund Balances - Beginning	0	0	765,930	765,930
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 911,430</u>	<u>\$ 911,430</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Justice Fund  
 For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,257,132	\$ 1,257,132	\$ 1,334,689	\$ 77,557
Intergovernmental	282,353	282,353	295,271	12,918
Grants and Contributions	2,000	2,000	52,292	50,292
Charges for Services	180,832	180,832	170,662	(10,170)
Other	0	0	21,909	21,909
Total Revenues	<u>1,722,317</u>	<u>1,722,317</u>	<u>1,874,823</u>	<u>152,506</u>
<b>Expenditures</b>				
Current:				
Salaries	893,151	952,434	964,400	(11,966)
Benefits	340,270	351,612	340,871	10,741
Operating Expenses	372,069	378,693	340,757	37,936
Debt Service:				
Principal	102,296	102,296	85,064	17,232
Interest	12,333	12,333	12,333	0
Capital Outlay	500	500	159,785	(159,285)
Total Expenditures	<u>1,720,619</u>	<u>1,797,868</u>	<u>1,903,210</u>	<u>(105,342)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>1,698</u>	<u>(75,551)</u>	<u>(28,387)</u>	<u>47,164</u>
<b>Other Financing Sources (Uses)</b>				
Debt Proceeds	0	0	159,391	159,391
Transfers In	0	77,249	0	(77,249)
Transfers Out	(1,698)	(1,698)	(9,688)	(7,990)
Total Other Financing Sources (Uses)	<u>(1,698)</u>	<u>75,551</u>	<u>149,703</u>	<u>74,152</u>
Net Change in Fund Balances	0	0	121,316	121,316
Fund Balances - Beginning	0	0	882,224	882,224
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,003,540</u>	<u>\$ 1,003,540</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Solid Waste  
 For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Special Fees	\$ 639,900	\$ 639,900	\$ 652,335	\$ 12,435
Intergovernmental	55,705	55,705	55,705	0
Charges for Services	34,000	34,000	21,117	(12,883)
Other	10,000	10,000	33,671	23,671
Total Revenues	<u>739,605</u>	<u>739,605</u>	<u>762,828</u>	<u>23,223</u>
<b>Expenditures</b>				
Current:				
Salaries	166,063	166,063	160,930	5,133
Benefits	54,345	54,345	53,561	784
Operating Expenses	466,695	466,695	356,565	110,130
Capital Outlay	19,762	19,762	14,923	4,839
Total Expenditures	<u>706,865</u>	<u>706,865</u>	<u>585,979</u>	<u>120,886</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>32,740</u>	<u>32,740</u>	<u>176,849</u>	<u>144,109</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	0	0	18,090	18,090
Transfers In	0	0	0	0
Transfers Out	(32,740)	(32,740)	0	32,740
Total Other Financing Sources (Uses)	<u>(32,740)</u>	<u>(32,740)</u>	<u>18,090</u>	<u>50,830</u>
Net Change in Fund Balances	0	0	194,939	194,939
Fund Balances - Beginning	0	0	761,383	761,383
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 956,322</u>	<u>\$ 956,322</u>

**Boise County, Idaho**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2013

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1. OPEB TRENDS AND OTHER INFORMATION

Past, present, and 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. For instance since the last actuarial valuation, the number of plan participants has gone down from 81 to 74, healthcare trend rates were changed to better anticipate short-term and long-term medical increases, and the mortality table was updated to reflect the projection of 2000 rates to 2012 based on Scale BB.

The information presented relates to the cost-sharing plan as a whole (of which the County is just a participant). For example, all GemPlan counties were combined to calculate an average annual claim amount of \$12,569. This average amount was then adjusted to reflect the County's underlying plan provisions. The plan adjustment factor was 1.2.

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.

**Boise County, Idaho**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2013

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3. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Justice fund had expenditures in excess of appropriations in the amount of \$105,342. This was entirely due to booking the full cost of the vehicles that were obtained through capital leases in the current year, as the debt proceeds line indicates in the Other Financing Sources (Uses) section of the schedule.

***SUPPLEMENTAL INFORMATION***

**Boise County, Idaho**  
 Supplemental Schedule of Revenues by Source  
 Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2013

	Budget	Actual	Variance
<b>Revenue</b>			
Property Taxes	\$ 1,257,132	\$ 1,376,932	\$ 119,800
Intergovernmental	502,302	335,485	(166,817)
Grants and Donations	11,825	470	(11,355)
Charges for Services	53,250	193,173	139,923
Investment Earnings/Unrealized Losses	0	(16,390)	(16,390)
Other Revenue	0	411,983	411,983
	1,824,509	2,301,653	477,144
Other Financing Sources (Uses)			
Transfers In	201,505	0	(201,505)
Total Revenue	<u>\$ 2,026,014</u>	<u>\$ 2,301,653</u>	<u>\$ 275,639</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, 2013

	Budget	Actual	Variance
<b>Clerk-Auditor:</b>			
Salaries	\$ 201,301	\$ 195,857	\$ 5,444
Benefits	86,125	83,641	2,484
Other Expenses	11,600	4,649	6,951
Capital Outlay	500	0	500
	<u>299,526</u>	<u>284,147</u>	<u>15,379</u>
<b>Assessor:</b>			
Salaries	153,738	145,654	8,084
Benefits	69,099	67,233	1,866
Other Expenses	17,700	15,894	1,806
Capital Outlay	500	0	500
	<u>241,037</u>	<u>228,781</u>	<u>12,256</u>
<b>Treasurer/Tax Collector:</b>			
Salaries	97,194	90,193	7,001
Benefits	34,136	30,782	3,354
Other Expenses	91,750	65,697	26,053
Capital Outlay	500	710	(210)
	<u>223,580</u>	<u>187,382</u>	<u>36,198</u>
<b>Commissioners:</b>			
Salaries	88,395	89,529	(1,134)
Benefits	34,352	26,507	7,845
Other Expenses	8,500	7,676	824
	<u>131,247</u>	<u>123,712</u>	<u>7,535</u>
<b>Coroner:</b>			
Salaries	14,853	14,853	0
Benefits	6,774	2,481	4,293
Other Expenses	35,300	26,342	8,958
Capital Outlay	0	1,092	(1,092)
	<u>56,927</u>	<u>44,768</u>	<u>12,159</u>
<b>County Elections:</b>			
Salaries	16,200	15,826	374
Benefits	7,082	6,833	249
Other Expenses	32,000	15,867	16,133
	<u>55,282</u>	<u>38,526</u>	<u>16,756</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, 2013  
(continued)

	Budget	Actual	Variance
Emergency Management:			
Salaries	37,885	37,894	(9)
Benefits	9,456	8,540	916
Other Expenses	13,450	9,564	3,886
Capital Outlay	900	1,842	(942)
	<u>61,691</u>	<u>57,840</u>	<u>3,851</u>
Data Processing:			
Other Expenses	122,700	104,454	18,246
Capital Outlay	30,000	28,988	1,012
	<u>152,700</u>	<u>133,442</u>	<u>19,258</u>
CDH and Community Projects:			
Other Expenses	21,900	20,100	1,800
	<u>21,900</u>	<u>20,100</u>	<u>1,800</u>
General Operations:			
Salaries	76,045	75,000	1,045
Benefits	38,480	37,904	576
Other Expenses	96,693	68,635	28,058
Capital Outlay	9,000	8,100	900
	<u>220,218</u>	<u>189,639</u>	<u>30,579</u>
Planning and Zoning:			
Salaries	117,008	94,460	22,548
Benefits	45,112	32,352	12,760
Other Expenses	49,795	33,300	16,495
Capital Outlay	1,500	0	1,500
	<u>213,415</u>	<u>160,112</u>	<u>53,303</u>
Title III Red Zone/WUI:			
Other Expenses	183,493	15,288	168,205
	<u>183,493</u>	<u>15,288</u>	<u>168,205</u>
Extraordinary Legal/Homicide:			
Salaries	6,100	6,100	0
Benefits	467	488	(21)
Other Expenses	156,606	79,518	77,088
	<u>163,173</u>	<u>86,106</u>	<u>77,067</u>
Capital Project	<u>1,825</u>	<u>0</u>	<u>1,825</u>
Total Expenditures	<u>\$ 2,026,014</u>	<u>\$ 1,569,843</u>	<u>\$ 456,171</u>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2013

	East Boise County Ambulance	District Court	Health Preventative	Indigent	Junior College Tuition
<b>Assets</b>					
Cash and Cash Equivalents	\$ 241,867	\$ 614,082	\$ 714	\$ 156,893	\$ 140,148
Receivables:					
Taxes	9,524	38,151	2,208	4,505	0
Due from Other Governments	1,450	3,989	0	0	5,100
<b>Total Assets</b>	<b>252,841</b>	<b>656,222</b>	<b>2,922</b>	<b>161,398</b>	<b>145,248</b>
<b>Deferred Outflows</b>					
	0	0	0	0	0
<b>Total Assets and Deferred Outflows</b>	<b>\$ 252,841</b>	<b>\$ 656,222</b>	<b>\$ 2,922</b>	<b>\$ 161,398</b>	<b>\$ 145,248</b>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ 163	\$ 5,530	\$ 0	\$ 0	\$ 0
Interfund Payable	3,282	1,584	0	0	1,473
Deferred Revenue	8,296	35,323	2,078	3,738	0
<b>Total Liabilities</b>	<b>11,741</b>	<b>42,437</b>	<b>2,078</b>	<b>3,738</b>	<b>1,473</b>
<b>Deferred Inflows</b>					
	0	0	0	0	0
<b>Fund Balances</b>					
Restricted	241,100	538,225	844	115,460	133,266
Committed	0	75,560	0	42,200	10,509
<b>Total Fund Balances</b>	<b>241,100</b>	<b>613,785</b>	<b>844</b>	<b>157,660</b>	<b>143,775</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 252,841</b>	<b>\$ 656,222</b>	<b>\$ 2,922</b>	<b>\$ 161,398</b>	<b>\$ 145,248</b>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2013  
(continued)

	Revaluation	Tort	Weeds	Emergency Commun- ications 911	Snowmobile IC8-A
<b>Assets</b>					
Cash and Cash Equivalents	\$ 204,023	\$ 297,971	\$ 301,905	\$ 166,645	\$ 22,907
Receivables:					
Taxes	38,548	47,280	55	0	0
Due from Other Governments	0	0	0	0	0
<b>Total Assets</b>	<b>242,571</b>	<b>345,251</b>	<b>301,960</b>	<b>166,645</b>	<b>22,907</b>
<b>Deferred Outflows</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 242,571</b>	<b>\$ 345,251</b>	<b>\$ 301,960</b>	<b>\$ 166,645</b>	<b>\$ 22,907</b>
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ 4,310	\$ 0	\$ 4,181	\$ 0	\$ 0
Interfund Payable	0	0	2,431	684	581
Deferred Revenue	35,648	43,851	18	0	0
<b>Total Liabilities</b>	<b>39,958</b>	<b>43,851</b>	<b>6,630</b>	<b>684</b>	<b>581</b>
<b>Deferred Inflows</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>					
Restricted	202,613	301,373	285,175	165,961	14,564
Committed	0	27	10,155	0	7,762
<b>Total Fund Balances</b>	<b>202,613</b>	<b>301,400</b>	<b>295,330</b>	<b>165,961</b>	<b>22,326</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 242,571</b>	<b>\$ 345,251</b>	<b>\$ 301,960</b>	<b>\$ 166,645</b>	<b>\$ 22,907</b>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2013  
(continued)

	Snowmobile GV8-B	Sheriff's Reserves	Sheriff's Vessel	Total
<b>Assets</b>				
Cash and Cash Equivalents	\$ 7,874	\$ 49,494	\$ 5,684	\$ 2,210,207
Receivables:				
Taxes	0	0	0	140,271
Due from Other Governments	0	26,940	0	37,479
Total Assets	<u>7,874</u>	<u>76,434</u>	<u>5,684</u>	<u>2,387,957</u>
<b>Deferred Outflows</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u>\$ 7,874</u>	<u>\$ 76,434</u>	<u>\$ 5,684</u>	<u>\$ 2,387,957</u>
<b>Liabilities</b>				
Salaries and Benefits Payable	\$ 0	\$ 0	\$ 902	\$ 15,086
Interfund Payable	297	243	3,181	13,756
Deferred Revenue	0	0	0	128,952
Total Liabilities	<u>297</u>	<u>243</u>	<u>4,083</u>	<u>157,794</u>
<b>Deferred Inflows</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted	7,546	76,191	1,601	2,083,919
Committed	31	0	0	146,244
Total Fund Balances	<u>7,577</u>	<u>76,191</u>	<u>1,601</u>	<u>2,230,163</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 7,874</u>	<u>\$ 76,434</u>	<u>\$ 5,684</u>	<u>\$ 2,387,957</u>

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2013

	East Boise County Ambulance	District Court	Health Preventative	Indigent	Junior College Tuition
<b>Revenues</b>					
Property Taxes	\$ 105,163	\$ 268,334	\$ 33,738	\$ 14,194	\$ 0
Intergovernmental	5,269	19,008	0	0	28,015
Grants and Donations	288,313	81,259	0	0	0
Charges for Services	85,003	68,447	0	0	0
Other	68,600	24,945	0	19,116	0
<b>Total Revenues</b>	<b>552,348</b>	<b>461,993</b>	<b>33,738</b>	<b>33,310</b>	<b>28,015</b>
<b>Expenditures</b>					
Current:					
Salaries	24,387	215,529	0	13,300	0
Benefits	1,981	93,316	0	6,494	0
Operating Expenses	80,124	126,055	35,394	243,534	32,680
Debt Service:					
Principal	22,782	0	0	0	0
Interest	882	0	0	0	0
Capital Outlay	292,163	512	0	0	0
<b>Total Expenditures</b>	<b>422,319</b>	<b>435,412</b>	<b>35,394</b>	<b>263,328</b>	<b>32,680</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>130,029</b>	<b>26,581</b>	<b>(1,656)</b>	<b>(230,018)</b>	<b>(4,665)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	2,500	0	0
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>2,500</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>130,029</b>	<b>26,581</b>	<b>844</b>	<b>(230,018)</b>	<b>(4,665)</b>
Fund Balances, Beginning	111,071	587,204	0	387,678	148,440
<b>Fund Balances, Ending</b>	<b>\$ 241,100</b>	<b>\$ 613,785</b>	<b>\$ 844</b>	<b>\$ 157,660</b>	<b>\$ 143,775</b>

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2013  
(continued)

	Revaluation	Tort	Weeds	Emergency Commun- ications 911	Snowmobile IC8-A
<b>Revenues</b>					
Property Taxes	\$ 269,818	\$ 379,468	\$ 646	\$ 0	\$ 0
Intergovernmental	0	0	0	0	0
Grants and Donations	0	0	99,504	26,547	0
Charges for Services	0	0	59,150	82,768	0
Other	19,593	0	47,625	0	14,674
<b>Total Revenues</b>	<b>289,411</b>	<b>379,468</b>	<b>206,925</b>	<b>109,315</b>	<b>14,674</b>
<b>Expenditures</b>					
Current:					
Salaries	158,364	0	90,181	6,460	6,984
Benefits	75,662	0	15,254	3,228	558
Operating Expenses	9,407	256,946	90,931	95,610	10,536
Debt Service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital Outlay	0	0	0	26,592	0
<b>Total Expenditures</b>	<b>243,433</b>	<b>256,946</b>	<b>196,366</b>	<b>131,890</b>	<b>18,078</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>45,978</b>	<b>122,522</b>	<b>10,559</b>	<b>(22,575)</b>	<b>(3,404)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	9,688	0
Transfers Out	0	(99,107)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(99,107)</b>	<b>0</b>	<b>9,688</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>45,978</b>	<b>23,415</b>	<b>10,559</b>	<b>(12,887)</b>	<b>(3,404)</b>
Fund Balances, Beginning	156,635	277,985	284,771	178,848	25,730
<b>Fund Balances, Ending</b>	<b>\$ 202,613</b>	<b>\$ 301,400</b>	<b>\$ 295,330</b>	<b>\$ 165,961</b>	<b>\$ 22,326</b>

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Nonmajor Governmental Funds  
For the Year Ended September 30, 2013  
(continued)

	Snowmobile GV8-B	Sheriff's Reserves	Sheriff's Vessel	Total
<b>Revenues</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 1,071,361
Intergovernmental	0	480	107	52,879
Grants and Donations	0	46,201	65,442	607,266
Charges for Services	0	0	39,086	334,454
Other	12,233	71,518	16,272	294,576
<b>Total Revenues</b>	<b>12,233</b>	<b>118,199</b>	<b>120,907</b>	<b>2,360,536</b>
<b>Expenditures</b>				
Current:				
Salaries	4,286	23,076	28,301	570,868
Benefits	343	3,835	2,713	203,384
Operating Expenses	9,416	13,996	13,742	1,018,371
Debt Service:				
Principal	0	0	0	22,782
Interest	0	0	0	882
Capital Outlay	0	0	193,256	512,523
<b>Total Expenditures</b>	<b>14,045</b>	<b>40,907</b>	<b>238,012</b>	<b>2,328,810</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,812)</b>	<b>77,292</b>	<b>(117,105)</b>	<b>31,726</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	12,188
Transfers Out	0	0	0	(99,107)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(86,919)</b>
<b>Net Change in Fund Balances</b>	<b>(1,812)</b>	<b>77,292</b>	<b>(117,105)</b>	<b>(55,193)</b>
Fund Balances, Beginning	9,389	(1,101)	118,706	2,285,356
<b>Fund Balances, Ending</b>	<b>\$ 7,577</b>	<b>\$ 76,191</b>	<b>\$ 1,601</b>	<b>\$ 2,230,163</b>

**Boise County, Idaho**  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2013

<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) Passed through State Department of Agriculture	10.666	\$ 803,232
ARRA - Wildland Fire Management	10.688	106,799
Total U.S. Department of Agriculture		<u>910,031</u>
<u>U.S. Department of Housing and Urban Development</u>		
Passed through State Department of Commerce Community Development Block Grants	14.228	<u>243,066</u>
<u>U.S. Department of Justice</u>		
Passed through State Department of Juvenile Corrections Juvenile Accountability Incentive Block Grant	16.523	11,937
Juvenile Justice and Delinquency Prevention	16.540	19,721
Passed through State Department of Idaho State Police Violence Against Women Formula Grant	16.588	36,866
Total U.S. Department of Justice		<u>68,524</u>
<u>U.S. Department of Transportation</u>		
Direct		
Highway Planning and Construction	20.205	3,657
Alcohol Impaired Driving Countermeasures	20.601	7,195
State and Community Highway Safety	20.600	15,549
Total U.S. Department of Transportation		<u>26,401</u>
<u>U.S. Department of Health and Human Services</u>		
Passed through State Department of Health and Welfare National Bioterrorism Hospital Preparedness	93.889	<u>48,500</u>
<u>U.S. Department of Homeland Security</u>		
Passed through State Department of Military Division Emergency Management Performance	97.042	22,010
Homeland Security Grant	97.067	43,816
Passed through State Department of Parks and Recreation Boating Safety Financial Assistance	97.012	12,092
Total U.S. Department of Homeland Security		<u>77,918</u>
Total Federal Financial Assistance		<u>\$ 1,374,440</u>

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

***FEDERAL REPORTS***



Certified Public Accountants

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**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***

To the Board of Commissioners  
Boise County, 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, each major fund, and the aggregate remaining fund information of **Boise County, Idaho** as of and for the year ended September 30, 2013, , and the related notes to the financial statements, which collectively comprise the County’s basic financial statements ,and have issued our report thereon dated February 13, 2014

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County’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 the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’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. 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 **Boise 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.

*Bailey & Co.*

Nampa, Idaho  
February 13, 2014



Certified Public Accountants

James Washburn, CPA  
Weston Flamm, CPA  
Cassie Zattiero, CPA  
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**Independent Auditor’s Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by OMB Circular A-133**

To the Board of Commissioners  
Boise County, Idaho

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

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, 2013. 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.

***Management’s Responsibility***

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

***Auditor’s Responsibility***

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

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

In our opinion, The County, 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, 2013.

### **Report on Internal Control Over Compliance**

Management of the County, 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 the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

***Bailey & Co.***

Nampa, Idaho  
February 13, 2014

**Boise County, Idaho**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2013

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**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.