

**BOISE COUNTY, IDAHO**

---

Report on Audited  
Basic  
Financial Statements  
and  
Supplemental Information

---

For the Year Ended September 30, 2011

## 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 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

Notes to Required Supplementary Information 36

## **SUPPLEMENTAL INFORMATION**

Supplemental Schedule of Revenues by Source - Budget (GAAP Basis) and Actual - General Fund 37

Supplemental Schedule of Expenditures by Object of Expenditure - Budget (GAAP Basis) and Actual - General Fund 38

Combining Balance Sheet – Nonmajor Governmental Funds 40

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds 43

## **FEDERAL REPORTS**

Schedule of Expenditures of Federal Awards 46

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* 47

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 49

Summary Schedule of Prior Audit Findings 51

Schedule of Findings and Questioned Costs 52



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, 2011, 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, 2011, 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 June 29, 2012, 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 36 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 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 (pages 37 to 45) 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 combining and individual 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 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  
June 29, 2012

**Boise County, Idaho**  
Statement of Net Assets  
September 30, 2011

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 8,013,388
Receivables:	
Property Taxes, Net	620,065
Due from Other Governments	113,893
Prepaid Items	11,291
Capital Assets:	
Land	195,772
Buildings, Net	1,064,201
Equipment, Net	<u>2,482,052</u>
Total Capital Assets	<u>3,742,025</u>
Total Assets	<u>12,500,662</u>
 <b>Liabilities</b>	
Accrued Interest	18,459
Long-Term Liabilities:	
Due Within One Year:	
Compensated Absences	124,256
Claims and Judgments	2,250,000
Municipal Lease	336,623
Due in More than One Year:	
Other Post-Employment Benefits	14,934
Compensated Absences	31,065
Claims and Judgments	3,150,000
Municipal Lease	<u>370,641</u>
Total Liabilities	<u>6,295,978</u>
 <b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	3,034,761
Restricted for:	
Roads and Bridges	1,229,834
Public Safety	533,555
Sanitation	1,439,109
Other Purposes	2,415,526
Unrestricted (Deficit) Surplus	<u>(2,448,101)</u>
Total Net Assets	<u>\$ 6,204,684</u>

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

**Boise County, Idaho**  
Statement of Activities  
For the Year Ended September 30, 2011

	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	\$ 2,955,373	\$ 273,701	\$ 315,666	\$ 0	\$ (2,366,006)
Public Safety	1,950,889	335,636	272,867	54,527	(1,287,859)
Highways and Roads	1,874,264	450	0	1,180,440	(693,374)
Sanitation	619,010	43,553	0	0	(575,457)
Weed Control	210,347	54,879	119,212	0	(36,256)
Welfare	162,031	0	0	0	(162,031)
Education	14,250	0	0	0	(14,250)
Culture and Recreation	46,088	33,114	0	0	(12,974)
Interest on Long-term Debt	45,680	0	0	0	(45,680)
<b>Total Governmental Activities</b>	<b>\$ 7,877,932</b>	<b>\$ 741,333</b>	<b>\$ 707,745</b>	<b>\$ 1,234,967</b>	<b>(5,193,887)</b>

General Revenues:	
Property Taxes and Special Fees	3,876,435
Intergovernmental	1,640,477
Investment Earnings	679,547
Other	133,393
Disposal of Assets	(87,482)
<b>Total General Revenues and Special Items</b>	<b>6,242,370</b>
Change in Net Assets	1,048,483
Net Assets, Beginning of Year - Previously Restatement	4,577,686 578,515
Net Assets, Beginning of Year - Restated	5,156,201
Net Assets, End of Year	<b>\$ 6,204,684</b>

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

**Boise County, Idaho**  
Balance Sheet -  
Governmental Funds  
September 30, 2011

	<u>General</u>	<u>Road and Bridge</u>	<u>Justice Fund</u>	<u>Solid Waste</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,046,825	\$ 1,218,543	\$ 672,266	\$ 1,502,395
Receivables:				
Taxes	168,108	0	204,368	71,038
Due from Other Governments	57,844	0	50,431	0
Prepaid Items	0	11,291	0	0
Total Assets	<u>\$ 2,272,777</u>	<u>\$ 1,229,834</u>	<u>\$ 927,065</u>	<u>\$ 1,573,433</u>
<b>Liabilities and Fund Equity</b>				
Deferred Revenue	\$ 158,656	\$ 0	\$ 196,755	\$ 67,162
Total Liabilities	<u>158,656</u>	<u>0</u>	<u>196,755</u>	<u>67,162</u>
<b>Fund Balances</b>				
Nonspendable	0	11,291	0	0
Restricted	0	1,218,543	730,310	1,506,271
Unassigned	2,114,121	0	0	0
Total Fund Balances	<u>2,114,121</u>	<u>1,229,834</u>	<u>730,310</u>	<u>1,506,271</u>
Total Liabilities and Fund Equity	<u>\$ 2,272,777</u>	<u>\$ 1,229,834</u>	<u>\$ 927,065</u>	<u>\$ 1,573,433</u>

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

**Boise County, Idaho**  
 Balance Sheet -  
 Governmental Funds  
 September 30, 2011  
 (continued)

	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,573,359	\$ 8,013,388
Receivables:		
Taxes	176,551	620,065
Due from Other Governments	5,618	113,893
Prepaid Items	0	11,291
Total Assets	\$ 2,755,528	\$ 8,758,637
 <b>Liabilities and Fund Equity</b>		
Deferred Revenue	\$ 170,001	\$ 592,574
Total Liabilities	170,001	592,574
 <b>Fund Balances</b>		
Nonspendable	0	11,291
Restricted	2,585,527	6,040,651
Unassigned	0	2,114,121
Total Fund Balances	2,585,527	8,166,063
Total Liabilities and Fund Equity	\$ 2,755,528	\$ 8,758,637

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, 2011

Total Fund Balances - Governmental Funds \$ 8,166,063

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	\$ 195,772	
Buildings, net of \$406,376 accumulated depreciation	1,064,201	
Equipment, net of \$4,072,085 accumulated depreciation	<u>2,482,052</u>	
		3,742,025

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. 592,574

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		(18,459)
Claims and Judgments	(5,400,000)	
Municipal Leases	(707,264)	
Other Post-Employment Benefits	(14,934)	
Compensated Absences	<u>(155,321)</u>	
Total Long-Term Liabilities		<u>(6,277,519)</u>

Net Assets of Governmental Activities \$ 6,204,684

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, 2011

	General Fund	Road and Bridge	Justice Fund	Solid Waste
<b>Revenues</b>				
Property Taxes and Special Fees	\$ 1,011,796	\$ 0	\$ 1,170,219	\$ 645,354
Intergovernmental	489,093	810,794	259,274	0
Grants and Donations	238,056	1,180,440	26,320	0
Charges for Services	193,666	450	154,920	43,553
Investment Earnings	179,547	0	0	0
Other	11,592	6,254	7,074	29,136
Total Revenues	<u>2,123,750</u>	<u>1,997,938</u>	<u>1,617,807</u>	<u>718,043</u>
<b>Expenditures</b>				
Current:				
General Government	1,290,228	0	0	0
Public Safety	97,371	0	1,478,818	0
Highways and Roads	0	1,248,128	0	0
Sanitation	0	0	0	521,156
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	2,618	288,233	111,357	0
Interest	20	35,215	12,743	0
Capital Outlay	264,110	396,633	97,850	14,476
Total Expenditures	<u>1,654,347</u>	<u>1,968,209</u>	<u>1,700,768</u>	<u>535,632</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>469,403</u>	<u>29,729</u>	<u>(82,961)</u>	<u>182,411</u>
<b>Other Financing Sources (Uses)</b>				
Debt Proceeds	0	0	95,425	0
Sale of Assets	0	10,115	21,000	0
Transfers In	170,335	0	0	0
Transfers (Out)	0	(113,538)	(1,560)	(31,532)
Total Other Financing Sources (Uses)	<u>170,335</u>	<u>(103,423)</u>	<u>114,865</u>	<u>(31,532)</u>
Net Change in Fund Balances	639,738	(73,694)	31,904	150,879
Fund Balance, Beginning	1,474,383	1,303,528	698,406	1,355,392
Fund Balance, Ending	<u>\$ 2,114,121</u>	<u>\$ 1,229,834</u>	<u>\$ 730,310</u>	<u>\$ 1,506,271</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, 2011  
(continued)

	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>		
Property Taxes and Special Fees	\$ 985,337	\$ 3,812,706
Intergovernmental	81,316	1,640,477
Grants and Donations	497,896	1,942,712
Charges for Services	348,744	741,333
Investment Earnings	500,000	679,547
Other	79,337	133,393
Total Revenues	2,492,630	8,950,168
<b>Expenditures</b>		
Current:		
General Government	1,400,407	2,690,635
Public Safety	163,341	1,739,530
Highways and Roads	0	1,248,128
Sanitation	0	521,156
Weed Control	176,261	176,261
Welfare	162,031	162,031
Education	14,250	14,250
Culture and Recreation	36,698	36,698
Debt Service:		
Principal	20,774	422,982
Interest	3,084	51,062
Capital Outlay	120,136	893,205
Total Expenditures	2,096,982	7,955,938
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	395,648	994,230
<b>Other Financing Sources (Uses)</b>		
Debt Proceeds	0	95,425
Sale of Assets	0	31,115
Transfers In	0	170,335
Transfers Out	(23,705)	(170,335)
Total Other Financing Sources (Uses)	(23,705)	126,540
Net Change in Fund Balances	371,943	1,120,770
Fund Balance, Beginning	2,213,584	7,045,293
Fund Balance, Ending	\$ 2,585,527	\$ 8,166,063

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, 2011

Total Net Change in Fund Balance - Governmental Funds \$ 1,120,770

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	\$ 306,731	
Disposal of Assets	(118,597)	
Depreciation Expense	<u>(647,129)</u>	
		(458,995)

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. 63,729

Some capital additions were financed through municipal leases payable. In governmental funds, a municipal lease payable arrangement is considered a source of financing, but in the Statement of Net Assets, the lease obligation is reported as a liability. (95,425)

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	5,380	
Municipal Lease Principal	422,984	
Other Post-Employment Benefits	(7,029)	
Compensated Absences	<u>(2,931)</u>	
		<u>418,404</u>

Change in Net Assets of Governmental Activities \$ 1,048,483

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

**Boise County, Idaho**  
Statement of Fiduciary Net Assets  
September 30, 2011

	Agency Funds			Total
	State Remittance	Special Taxing District	Miscellaneous Trusts	
<b>Assets</b>				
Cash and Cash Equivalents	\$ 208	\$ 155	\$ 1,185,605	\$ 1,185,968
Property Taxes Receivable	0	645,814	0	645,814
Total Assets	\$ 208	\$ 645,969	\$ 1,185,605	1,831,782
 <b>Liabilities</b>				
Due to Other Funds or Taxing Units	\$ 208	\$ 645,969	\$ 1,185,605	\$ 1,831,782

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

---

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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Fund Financial Statements:* The fund financial statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category - *governmental and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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.

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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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 Assets and in the governmental fund Balance Sheet. The County uses the following fund balance categories in the governmental fund Balance Sheet:

- *Nonspendable*. Balances, for example, in permanent funds, prepaid expenses, and inventories that are permanently precluded from conversion to cash.
- *Restricted*. Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Unassigned*. Balances available for any purpose.

The remaining fund balance classifications (committed and assigned) are either not applicable or no formal policy has yet been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the Board of Commissioners, the County's

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

highest level of decision making authority, through a formal action. The Board of Commissioners would also have the authority to assign funds or authorize another official to do so.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net 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.
Juictice	Revenues in this fund come from property taxes, charges for services, intergovernmental, grants, and other revenue 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.
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, 2011

---

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, 2011.

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, 2011

---

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, 2011

---

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2011, the carrying amount of the County's deposits was \$3,745,676 and the respective bank balances totaled \$3,927,567. 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, 2011, 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.

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 do not exceed 1,460 days (four years) but maturities are to be 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, 2011

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 and other bonds (which are uninsured and uncollateralized, held by Wells Fargo Securities, LLC).

The County's investments at September 30, 2011, are summarized below:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less Than 1</u>	<u>1-5</u>
External Investment Pool	Not Rated	\$ 1,552,143	\$ 1,552,143	\$ 0
State Bond Fund	AA	2,697,970	2,697,970	0
Bonds	AA+	1,201,072	0	1,201,072
		<u>\$5,451,185</u>	<u>\$ 4,250,113</u>	<u>\$ 1,201,072</u>

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

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,741,750	\$ 1,006,421	\$ 3,748,171
Investments categorized as deposits	<u>5,271,638</u>	<u>179,547</u>	<u>5,451,185</u>
	<u>\$ 8,013,388</u>	<u>\$ 1,185,968</u>	<u>\$ 9,199,356</u>

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

	<u>Book Balance</u>	<u>Bank Balance</u>
Tax Sweep	\$ 89,877	\$ 156,139
Credit Card	<u>(1,495)</u>	<u>11,195</u>
	<u>\$ 88,382</u>	<u>\$ 167,334</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2011, was as follows:

	<u>Balance 10/1/2010</u>	<u>Restate- ment</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 9/30/2011</u>
<u>Governmental Activities:</u>					
Capital Assets Not Being Depreciated:					
Land	\$ 195,772	\$ 0	\$ 0	\$ 0	\$ 195,772
Capital Assets Being Depreciated:					
Buildings and Improvements	1,135,191	391,473	0	(56,087)	1,470,577
Equipment	<u>6,393,994</u>	<u>443,536</u>	<u>306,731</u>	<u>(590,124)</u>	<u>6,554,137</u>
Total Historical Cost	<u>7,529,185</u>	<u>835,009</u>	<u>306,731</u>	<u>(646,211)</u>	<u>8,024,714</u>
Less: Accumulated Depreciation					
Buildings and Improvements	320,877	58,941	26,558	0	406,376
Equipment	<u>3,781,575</u>	<u>197,553</u>	<u>620,571</u>	<u>(527,614)</u>	<u>4,072,085</u>
Total Accumulated Depreciation	<u>4,102,452</u>	<u>256,494</u>	<u>647,129</u>	<u>(527,614)</u>	<u>4,478,461</u>
Net Depreciable Assets	<u>3,426,733</u>	<u>578,515</u>	<u>(340,398)</u>	<u>(118,597)</u>	<u>3,546,253</u>
Governmental Activities					
Capital Assets - Net	<u>\$3,622,505</u>	<u>\$578,515</u>	<u>\$ (340,398)</u>	<u>\$ (118,597)</u>	<u>\$3,742,025</u>

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

Governmental Activities:	
General Government	\$ 53,029
Public Safety	179,914
Highways and Roads	291,153
Sanitation	83,378
Weed Control	30,265
Culture and Recreation	9,390
	<u>\$ 647,129</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

---

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 time and sick leave represents a potential liability to the County.

	<u>9/30/2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2011</u>	<u>Current</u>
Governmental Activities	<u>\$ 152,390</u>	<u>\$ 194,232</u>	<u>\$ 191,301</u>	<u>\$ 155,321</u>	<u>\$ 124,256</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, 2011, 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 \$273,888, \$266,880, and \$268,073 for the three years ended September 30, 2011, 2010, and 2009, respectively.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

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	2,552,787
Less: accumulated amortization (included as depreciation on the accompanying financial statements)	<u>(1,263,112)</u>
	<u>\$ 1,475,370</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 will begin the repayment of this judgment on November 14, 2011, and semiannual payments will be due February 28 and September 1, beginning 2013. Annual amounts to be paid at that point shall be a minimum of \$811,000 until the judgment and accrued interest is paid off.

Changes in long-term obligations for the year ended September 30, 2011, are as follows:

Description	Rate	Maturity	10/1/2010	Increase	Decrease	9/30/2011	Current
Lease-GMC Sierra Pickup	9.11%	2010	\$ 2,618	\$ 0	\$ (2,618)	\$ 0	\$ 0
Lease-Kubota Tractor	5.71%	2011	9,644	0	(9,644)	0	0
Lease-5 Graders	5.50%	2011	117,611	0	(117,611)	0	0
Lease-08 Ford Pickup	6.60%	2011	8,884	0	(8,884)	0	0
Lease-3 Snow Plows	5.20%	2012	163,565	0	(79,710)	83,855	83,855
Lease-Cat Compactor	4.15%	2012	47,007	0	(1,862)	45,145	45,145
Lease-6 Sheriff Vehicles	6.45%	2012	82,740	0	(40,077)	42,663	42,663
Lease-Real Property	6.35%	2013	116,318	0	(36,381)	79,937	38,729
Lease-Idaho City Amb.	4.65%	2013	65,311	0	(20,774)	44,537	21,755
Lease-Backhoe	4.20%	2014	67,962	0	(15,957)	52,005	16,627
Lease-Wheel Loader	3.80%	2014	123,540	0	(29,179)	94,361	30,288
Lease-Wheel Loader	4.40%	2016	229,623	0	(34,272)	195,351	35,780
Lease-3 Sheriff Vehicles	6.10%	2014	0	95,425	(26,015)	69,410	21,781
Claims and Judgments	5.50%	2016	<u>5,400,000</u>	<u>0</u>	<u>0</u>	<u>5,400,000</u>	<u>2,250,000</u>
			<u>\$1,034,823</u>	<u>\$ 95,425</u>	<u>\$ (422,984)</u>	<u>\$6,107,264</u>	<u>\$2,586,623</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

6. LONG-TERM OBLIGATIONS (continued)

Debt service requirements on long-term debt at September 30, 2011, are as follows:

Year Ending September 30,	<u>Municipal Leases</u>		<u>Claims and Judgments</u>	
	Principal	Interest	Principal	Interest
2012	\$ 336,623	\$ 34,160	\$2,250,000	\$ 0
2013	173,218	16,916	507,132	303,868
2014	114,204	8,872	677,457	133,543
2015	40,714	3,662	714,534	96,466
2016	42,505	1,871	753,509	57,491
2017	0	0	497,368	16,122
	<u>\$ 707,264</u>	<u>\$ 65,481</u>	<u>\$5,400,000</u>	<u>\$ 607,490</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 PA building over a period of 20 years. Future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2012	\$ 6,000
2013	6,000
2014	6,000
2015	6,000
2016	6,000
2017-2021	<u>29,200</u>
	<u>\$ 59,200</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

---

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>
2012	\$ 1,000
2013	1,000
2014	1,000
2015	1,000
2016	1,000
2017-2021	5,000
2022	1,000
	<u>\$ 11,000</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>
2012	\$ 7,673
2013	7,673
	<u>\$ 15,346</u>

The County entered into a lease for a 9245H 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>
2012	\$ 13,762
2013	13,762
2014	13,762
2015	80,000
	<u>\$ 121,286</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

---

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>
2012	\$ 10,500
2013	10,500
2014	10,500
2015	<u>1,750</u>
	<u>\$ 33,250</u>

Rent expenditures for the year ended September 30, 2011, were \$41,335.

9. DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units (State of Idaho) consist of liquor apportionment of \$10,142, cigarette tax of \$4,335, and state revenue sharing of \$99,416 for a total of \$113,893.

10. TRANSFERS

Transfers to/from other funds at September 30, 2011 consist of the following:

\$ 113,538	From the Road and Bridge fund to the General fund to pay for expenses
1,560	From the Justice fund to the General fund to pay for expenses.
31,532	From the Solid Waste fund to the General fund to pay for expenses.
<u>23,705</u>	From Other Governmental funds to the General fund to pay for expenses
<u>\$ 170,335</u>	Total

11. OTHER POST-EMPLOYMENT BENEFITS

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

---

11. OTHER POST-EMPLOYMENT BENEFITS (continued)

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 2011 were \$638 for a single person or \$1,138 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 2011 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	356
ARC adjustment with interest	(474)
Estimated employer contribution	<u>(1,545)</u>
Increase in net OPEB obligation	7,029
Net OPEB obligation - beginning of year	<u>7,905</u>
Net OPEB obligation - end of year	<u><u>\$ 14,934</u></u>

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2011

---

11. OTHER POST-EMPLOYMENT BENEFITS (continued)

Year Ending September 30,	Annual OPEB Cost	Estimated Contribution as a % of Annual OPEB Cost	Net OPEB Obligation
2009	\$ 8,692	0%	\$ 0
2010	8,692	9%	7,905
2011	8,692	18%	14,934

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, 2011

---

12. SUBSEQUENT EVENT

A special levy passed subsequent to September 30, 2011, that will allow the County to levy up to .1% above and beyond the normal 3% limit, in order to repay the judgment referred to in Note 6. This is considered a nonrecognized event, as it has no financial impact on the current financial statements.

13. NET ASSET RESTATEMENT

In the government-wide financial statements in the prior year, capital assets and the related depreciation were understated by \$578,515. This results in an increase to beginning net assets.

***REQUIRED SUPPLEMENTARY INFORMATION***

**Boise County, Idaho**  
 Schedule of Funding Progress  
 For the Year Ended September 30, 2011

---

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, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,021,233	\$ 1,021,233	\$ 1,011,796	\$ (9,437)
Intergovernmental	282,397	282,397	489,093	206,696
Grants and Donations	0	137,500	238,056	100,556
Charges for Services	158,050	158,050	193,666	35,616
Investment Earnings	0	0	179,547	179,547
Other	29,406	29,406	11,592	(17,814)
Total Revenues	<u>1,491,086</u>	<u>1,628,586</u>	<u>2,123,750</u>	<u>495,164</u>
<b>Expenditures</b>				
Current:				
Salaries	802,269	802,282	739,871	62,411
Benefits	324,990	324,977	281,414	43,563
Operating Expenses	830,452	777,384	366,314	411,070
Debt Service:				
Principal	2,618	2,618	2,618	0
Interest	20	20	20	0
Capital Outlay	127,475	313,000	264,110	48,890
Total Expenditures	<u>2,087,824</u>	<u>2,220,281</u>	<u>1,654,347</u>	<u>565,934</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(596,738)</u>	<u>(591,695)</u>	469,403	1,061,098
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	170,335	170,335
Transfers Out	0	(5,043)	0	5,043
Total Other Financing Sources (Uses)	<u>0</u>	<u>(5,043)</u>	<u>170,335</u>	<u>175,378</u>
Net Change in Fund Balances	(596,738)	(596,738)	639,738	1,236,476
Fund Balance - Beginning	596,738	596,738	1,474,383	877,645
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,114,121</u>	<u>\$ 2,114,121</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Road and Bridge  
 For the Year Ended September 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 807,000	\$ 807,000	\$ 810,794	\$ 3,794
Grants and Contributions	1,542,177	1,542,177	1,180,440	(361,737)
Charges for Services	1,000	1,000	450	(550)
Other	0	0	6,254	6,254
Total Revenues	<u>2,350,177</u>	<u>2,350,177</u>	<u>1,997,938</u>	<u>(352,239)</u>
<b>Expenditures</b>				
Current:				
Salaries	600,581	600,581	584,929	15,652
Benefits	239,416	239,416	229,156	10,260
Other Expenses	382,810	435,810	434,043	1,767
Debt Service:				
Principal	287,915	287,915	288,233	(318)
Interest	35,215	35,215	35,215	0
Capital Outlay	865,500	822,615	396,633	425,982
Total Expenditures	<u>2,411,437</u>	<u>2,421,552</u>	<u>1,968,209</u>	<u>453,343</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(61,260)</u>	<u>(71,375)</u>	<u>29,729</u>	<u>101,104</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	0	10,115	10,115	0
Transfers In	0	0	0	0
Transfers Out	(113,538)	(113,538)	(113,538)	0
Total Other Financing Sources (Uses)	<u>(113,538)</u>	<u>(103,423)</u>	<u>(103,423)</u>	<u>0</u>
Net Change in Fund Balances	(174,798)	(174,798)	(73,694)	101,104
Fund Balance - Beginning	174,798	174,798	1,303,528	1,128,730
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,229,834</u>	<u>\$ 1,229,834</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Justice Fund  
 For the Year Ended September 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,167,385	\$ 1,167,385	\$ 1,170,219	\$ 2,834
Intergovernmental	170,000	170,000	259,274	89,274
Grants and Contributions	4,937	4,937	26,320	21,383
Charges for Services	29,884	37,217	154,920	117,703
Other	6,000	6,000	7,074	1,074
Total Revenues	<u>1,378,206</u>	<u>1,385,539</u>	<u>1,617,807</u>	<u>232,268</u>
<b>Expenditures</b>				
Current:				
Salaries	903,461	908,316	890,930	17,386
Benefits	349,474	353,979	332,881	21,098
Operating Expenses	274,019	271,636	255,007	16,629
Debt Service:				
Principal	92,842	109,533	111,357	(1,824)
Interest	12,743	12,743	12,743	0
Capital Outlay	3,824	4,524	97,850	(93,326)
Total Expenditures	<u>1,636,363</u>	<u>1,660,731</u>	<u>1,700,768</u>	<u>(40,037)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(258,157)</u>	<u>(275,192)</u>	<u>(82,961)</u>	<u>192,231</u>
<b>Other Financing Sources (Uses)</b>				
Debt Proceeds	0	0	95,425	95,425
Sale of Assets	0	21,000	21,000	0
Transfers In	0	0	0	0
Transfers Out	0	(1,560)	(1,560)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>19,440</u>	<u>114,865</u>	<u>95,425</u>
Net Change in Fund Balances	(258,157)	(255,752)	31,904	287,656
Fund Balance - Beginning	258,157	258,157	698,406	440,249
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 2,405</u>	<u>\$ 730,310</u>	<u>\$ 727,905</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Solid Waste  
 For the Year Ended September 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Special Fees	\$ 640,000	\$ 640,000	\$ 645,354	\$ 5,354
Charges for Services	38,000	38,000	43,553	5,553
Other	10,000	10,000	29,136	19,136
Total Revenues	<u>688,000</u>	<u>688,000</u>	<u>718,043</u>	<u>30,043</u>
<b>Expenditures</b>				
Current:				
Salaries	177,278	177,278	160,466	16,812
Benefits	56,011	56,011	52,628	3,383
Operating Expenses	435,130	435,130	308,062	127,068
Capital Outlay	18,762	18,762	14,476	4,286
Total Expenditures	<u>687,181</u>	<u>687,181</u>	<u>535,632</u>	<u>151,549</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>819</u>	<u>819</u>	<u>182,411</u>	<u>181,592</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	(31,532)	(31,532)	(31,532)	0
Total Other Financing Sources (Uses)	<u>(31,532)</u>	<u>(31,532)</u>	<u>(31,532)</u>	<u>0</u>
Net Change in Fund Balances	(30,713)	(30,713)	150,879	181,592
Fund Balance - Beginning	30,713	30,713	1,355,392	1,324,679
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,506,271</u>	<u>\$ 1,506,271</u>

**Boise County, Idaho**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2011

---

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.

3. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Justice fund spent \$40,037 more in expenditures than what had been appropriated.

***SUPPLEMENTAL INFORMATION***

**Boise County, Idaho**  
 Supplemental Schedule of Revenues by Source  
 Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2011

	Budget	Actual	Variance
<b>Revenue</b>			
Property Taxes	\$ 1,021,233	\$ 1,011,796	\$ (9,437)
Intergovernmental	282,397	489,093	206,696
Grants and Donations	137,500	238,056	100,556
Charges for Services	158,050	193,666	35,616
Investment Earnings	0	179,547	179,547
Other Revenue	29,406	11,592	(17,814)
	1,628,586	2,123,750	495,164
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	170,335	170,335
	0	170,335	170,335
<b>Total Revenue</b>	<b>\$ 1,628,586</b>	<b>\$ 2,294,085</b>	<b>\$ 665,499</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, 2011

	Budget	Actual	Variance
Clerk-Auditor:			
Salaries	\$ 186,416	\$ 184,453	\$ 1,963
Benefits	79,954	76,241	3,713
Other Expenses	13,300	6,851	6,449
Capital Outlay	2,700	2,517	183
	<u>282,370</u>	<u>270,062</u>	<u>12,308</u>
Assessor:			
Salaries	153,187	147,323	5,864
Benefits	69,443	65,762	3,681
Other Expenses	19,200	10,706	8,494
Capital Outlay	1,500	1,029	471
	<u>243,330</u>	<u>224,820</u>	<u>18,510</u>
Treasurer/Tax Collector:			
Salaries	99,231	92,919	6,312
Benefits	34,832	31,924	2,908
Other Expenses	85,290	11,112	74,178
Capital Outlay	1,200	1,029	171
	<u>220,553</u>	<u>136,984</u>	<u>83,569</u>
Commissioners:			
Salaries	88,408	88,407	1
Benefits	32,677	20,412	12,265
Other Expenses	13,642	9,879	3,763
	<u>134,727</u>	<u>118,698</u>	<u>16,029</u>
Coroner:			
Salaries	14,853	14,853	0
Benefits	2,909	2,504	405
Other Expenses	29,800	24,742	5,058
	<u>47,562</u>	<u>42,099</u>	<u>5,463</u>
County Elections:			
Salaries	26,780	7,978	18,802
Benefits	13,197	3,559	9,638
Other Expenses	40,000	17,382	22,618
	<u>79,977</u>	<u>28,919</u>	<u>51,058</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, 2011  
(continued)

	Budget	Actual	Variance
Emergency Management:			
Salaries	44,774	27,142	17,632
Benefits	8,921	4,808	4,113
Other Expenses	136,116	20,149	115,967
Debt Service			
Principal	2,618	2,618	0
Interest	20	20	0
	<u>192,449</u>	<u>54,737</u>	<u>137,712</u>
Contingency:			
Other Expenses	62,800	4,007	58,793
	<u>62,800</u>	<u>4,007</u>	<u>58,793</u>
Data Processing:			
Other Expenses	155,650	122,212	33,438
Capital Outlay	5,000	2,149	2,851
	<u>160,650</u>	<u>124,361</u>	<u>36,289</u>
CDH and Community Projects:			
Other Expenses	60,001	57,577	2,424
	<u>60,001</u>	<u>57,577</u>	<u>2,424</u>
General Operations:			
Salaries	73,056	72,596	460
Benefits	38,152	36,699	1,453
Other Expenses	74,630	59,480	15,150
Capital Outlay	7,600	7,339	261
	<u>193,438</u>	<u>176,114</u>	<u>17,324</u>
Planning and Zoning:			
Salaries	115,577	104,200	11,377
Benefits	44,892	39,505	5,387
Other Expenses	21,686	19,044	2,642
Capital Outlay	7,500	7,000	500
	<u>189,655</u>	<u>169,749</u>	<u>19,906</u>
Extraordinary Legal/Homicide:			
Other Expenses	65,269	3,173	62,096
	<u>65,269</u>	<u>3,173</u>	<u>62,096</u>
Capital Project	<u>287,500</u>	<u>243,047</u>	<u>44,453</u>
Total Expenditures	<u>\$ 2,220,281</u>	<u>\$ 1,654,347</u>	<u>\$ 514,876</u>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2011

	County Ambulance	District Court	Indigent	Junior College Tuition	Revaluation
<b>Assets</b>					
Cash and Investments	\$ 187,597	\$ 559,856	\$ 553,766	\$ 140,699	\$ 135,475
Receivables:					
Taxes	9,805	44,389	26,759	0	46,886
Due from other Governments	1,283	4,335	0	0	0
Total Assets	<u>\$ 198,685</u>	<u>\$ 608,580</u>	<u>\$ 580,525</u>	<u>\$ 140,699</u>	<u>\$ 182,361</u>
 <b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Deferred Revenue	\$ 9,420	\$ 42,712	\$ 25,823	\$ 0	\$ 45,121
Total Liabilities	9,420	42,712	25,823	0	45,121
 <b>Fund Balances</b>					
Restricted	189,265	565,868	554,702	140,699	137,240
Total Liabilities and Fund Balances	<u>\$ 198,685</u>	<u>\$ 608,580</u>	<u>\$ 580,525</u>	<u>\$ 140,699</u>	<u>\$ 182,361</u>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2011  
(continued)

	Tort	Weeds	Emergency Communications 911	Snowmobile IC8-A
<b>Assets</b>				
Cash and Investments	\$ 190,823	\$ 291,774	\$ 335,326	\$ 27,817
Receivables:				
Taxes	47,525	1,187	0	0
Due from other Governments	0	0	0	0
<b>Total Assets</b>	<b>\$ 238,348</b>	<b>\$ 292,961</b>	<b>\$ 335,326</b>	<b>\$ 27,817</b>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Deferred Revenue	\$ 45,773	\$ 1,152	\$ 0	\$ 0
<b>Total Liabilities</b>	45,773	1,152	0	0
<b>Fund Balances</b>				
Restricted	192,575	291,809	335,326	27,817
<b>Total Liabilities and Fund Balances</b>	<b>\$ 238,348</b>	<b>\$ 292,961</b>	<b>\$ 335,326</b>	<b>\$ 27,817</b>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2011  
(continued)

	Snowmobile GV8-B	Sheriff's Reserves	Sheriff's Vessel	Total
<b>Assets</b>				
Cash and Cash Equivalents	\$ 11,679	\$ 14,406	\$ 124,141	\$ 2,573,359
Receivables:				
Taxes	0	0	0	176,551
Due from Other Governments	0	0	0	5,618
Total Assets	<u>\$ 11,679</u>	<u>\$ 14,406</u>	<u>\$ 124,141</u>	<u>\$ 2,755,528</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Deferred Revenue	\$ 0	\$ 0	\$ 0	\$ 170,001
Total Liabilities	0	0	0	170,001
<b>Fund Balances</b>				
Restricted	11,679	14,406	124,141	2,585,527
Total Liabilities and Fund Balances	<u>\$ 11,679</u>	<u>\$ 14,406</u>	<u>\$ 124,141</u>	<u>\$ 2,755,528</u>

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2011

	County Ambulance	District Court	Indigent	Junior College Tuition	Revaluation
<b>Revenues</b>					
Property Taxes	\$ 82,693	\$ 269,996	\$ 108,360	\$ 0	\$ 279,241
Intergovernmental	4,590	55,694	0	21,032	0
Grants and Donations	28,000	77,610	0	0	0
Charges for Services	60,969	80,035	0	0	0
Investment Earnings	0	0	0	0	0
Other	2,789	25,067	8,437	0	150
<b>Total Revenues</b>	<b>179,041</b>	<b>508,402</b>	<b>116,797</b>	<b>21,032</b>	<b>279,391</b>
<b>Expenditures</b>					
Current:					
Salaries	9,653	210,581	24,820	0	159,832
Benefits	806	88,304	10,200	0	73,879
Operating Expenses	74,652	129,513	127,011	14,250	12,322
Debt Service:					
Principal	20,774	0	0	0	0
Interest	3,084	0	0	0	0
Capital Outlay	36,490	23,240	0	0	7,000
<b>Total Expenditures</b>	<b>145,459</b>	<b>451,638</b>	<b>162,031</b>	<b>14,250</b>	<b>253,033</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>33,582</b>	<b>56,764</b>	<b>(45,234)</b>	<b>6,782</b>	<b>26,358</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	0	0
Transfers Out	(4,731)	(2,880)	0	(2,027)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(4,731)</b>	<b>(2,880)</b>	<b>0</b>	<b>(2,027)</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>28,851</b>	<b>53,884</b>	<b>(45,234)</b>	<b>4,755</b>	<b>26,358</b>
Fund Balance, Beginning	160,414	511,984	599,936	135,944	110,882
<b>Fund Balance, Ending</b>	<b>\$ 189,265</b>	<b>\$ 565,868</b>	<b>\$ 554,702</b>	<b>\$ 140,699</b>	<b>\$ 137,240</b>

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2011  
(continued)

	Tort	Weeds	Emergency Communications 911	Snowmobile IC8-A
<b>Revenues</b>				
Property Taxes	\$ 244,020	\$ 1,027	\$ 0	\$ 0
Intergovernmental	0	0	0	0
Grants and Donations	0	119,212	235,629	0
Charges for Services	0	54,879	77,336	21,862
Investment Earnings	500,000	0	0	0
Other	2,461	35,963	0	2,757
<b>Total Revenues</b>	<b>746,481</b>	<b>211,081</b>	<b>312,965</b>	<b>24,619</b>
<b>Expenditures</b>				
Current:				
Salaries	0	85,356	0	9,948
Benefits	0	21,974	0	831
Operating Expenses	725,976	68,931	22,894	11,876
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital Outlay	0	14,296	39,110	0
<b>Total Expenditures</b>	<b>725,976</b>	<b>190,557</b>	<b>62,004</b>	<b>22,655</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>20,505</b>	<b>20,524</b>	<b>250,961</b>	<b>1,964</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	(4,687)	0	(1,260)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(4,687)</b>	<b>0</b>	<b>(1,260)</b>
<b>Net Change in Fund Balances</b>	<b>20,505</b>	<b>15,837</b>	<b>250,961</b>	<b>704</b>
Fund Balance, Beginning	172,070	275,972	84,365	27,113
<b>Fund Balance, Ending</b>	<b>\$ 192,575</b>	<b>\$ 291,809</b>	<b>\$ 335,326</b>	<b>\$ 27,817</b>

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Nonmajor Governmental Funds  
For the Year Ended September 30, 2011  
(continued)

	Snowmobile GV8-B	Sheriff's Reserves	Sheriff's Vessel	Total
<b>Revenues</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 985,337
Intergovernmental	0	0	0	81,316
Grants and Donations	0	10,918	26,527	497,896
Charges for Services	11,252	0	42,411	348,744
Investment Earnings	0	0	0	500,000
Other	1,713	0	0	79,337
<b>Total Revenues</b>	<b>12,965</b>	<b>10,918</b>	<b>68,938</b>	<b>2,492,630</b>
<b>Expenditures</b>				
Current:				
Salaries	6,092	6,462	33,240	545,984
Benefits	509	743	2,948	200,194
Operating Expenses	7,442	1,153	10,790	1,206,810
Debt Service:				
Principal	0	0	0	20,774
Interest	0	0	0	3,084
Capital Outlay	0	0	0	120,136
<b>Total Expenditures</b>	<b>14,043</b>	<b>8,358</b>	<b>46,978</b>	<b>2,096,982</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,078)</b>	<b>2,560</b>	<b>21,960</b>	<b>395,648</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	(872)	(466)	(6,782)	(23,705)
<b>Total Other Financing Sources (Uses)</b>	<b>(872)</b>	<b>(466)</b>	<b>(6,782)</b>	<b>(23,705)</b>
<b>Net Change in Fund Balances</b>	<b>(1,950)</b>	<b>2,094</b>	<b>15,178</b>	<b>371,943</b>
Fund Balance, Beginning	13,629	12,312	108,963	2,213,584
<b>Fund Balance, Ending</b>	<b>\$ 11,679</b>	<b>\$ 14,406</b>	<b>\$ 124,141</b>	<b>\$ 2,585,527</b>

***FEDERAL REPORTS***

**Boise County, Idaho**  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2011

<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	\$ 850,833
ARRA - Wildland Fire Management	10.688	<u>102,262</u>
Total U.S. Department of Agriculture		<u>953,095</u>
<u>U.S. Department of Interior</u>		
Passed through State Department of Agriculture ARRA - Fish, Wildlife, and Plant Conservation	15.231	<u>9,626</u>
<u>U.S. Department of Justice</u>		
Passed through State Department of Idaho State Police Violence Against Women Formula Grant	16.588	<u>24,450</u>
<u>U.S. Department of Transportation</u>		
Passed through State Department of Military Division Highway Planning and Construction	20.205	3,072
Alcohol Traffic Safety	20.601	4,578
Interagency Hazardous Material	20.600	<u>11,241</u>
Total U.S. Department of Transportation		<u>18,891</u>
<u>U.S. Department of Health &amp; Human Services</u>		
Passed through State Department of Health & Welfare State Domestic Preparedness Equipment	93.889	<u>28,000</u>
<u>U.S. Department of Homeland Security</u>		
Passed through State Department of Military Division Emergency Management Performance	97.042	439
Homeland Security Grant	97.067	19,402
Passed through State Department of Parks and Recreation Boating Safety Financial Assistance	97.012	<u>31,087</u>
Total U.S. Department of Homeland Security		<u>50,928</u>
Total Federal Financial Assistance		<u>\$ 1,084,990</u>

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



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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 29, 2012. 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*.

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  
June 29, 2012



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, 2011. **Boise County, Idaho's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of **Boise County, Idaho's** management. Our responsibility is to express an opinion on **Boise County, Idaho'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 **Boise County, Idaho's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on **Boise County, Idaho'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, 2011.

## Internal Control Over Compliance

Management of **Boise County, Idaho** 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 **Boise County, Idaho'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  
June 29, 2012

**Boise County, Idaho**  
Summary Schedule of Prior Audit Findings  
For the Year Ended September 30, 2011

---

2010-1: Filing of Timely Audit Report

*Condition:* The County failed to submit their audited financial statements within nine months of year end, as required by OMB Circular A-133.

*Status:* The finding does not warrant further action. There were no consequences for the late filing.

**Boise County, Idaho**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2011

---

**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**

No matters reported.

**Section III - Findings and Questioned Costs for Federal Awards**

No matters reported.