

**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, 2014

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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, 2014, 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, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note 13 to the financial statements, in 2014, the County adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***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 38 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.

Management has omitted the 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.

### *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 revenues by source and expenditures 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 March 30, 2015, 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  
March 30, 2015

**Boise County, Idaho**  
Statement of Net Position  
September 30, 2014

	Governmental Activities
<b>Assets</b>	
Cash and Cash Equivalents	\$ 8,498,933
Receivables, Net:	
Property Taxes	487,758
Interest	4,306
Due from Other Governments	358,080
Prepaid Items	14,208
Capital Assets:	
Land	195,772
Buildings, Net	1,586,623
Equipment, Net	1,279,626
Total Capital Assets	3,062,021
Total Assets	12,425,306
<b>Deferred Outflows</b>	0
<b>Liabilities</b>	
Accounts Payable	79,953
Salaries and Benefits Payable	32
Accrued Interest	6,846
Long-Term Liabilities:	
Due Within One Year:	
Compensated Absences	135,084
Bonds Payable	380,000
Municipal Leases Payable	80,493
Due in More than One Year:	
Other Post-Employment Benefits	39,577
Bonds Payable	1,610,000
Municipal Leases Payable	144,021
Total Liabilities	2,476,006
<b>Deferred Inflows</b>	
Bond Premium	134,950
<b>Net Position</b>	
Net Investment in Capital Assets	2,837,507
Restricted for:	
Roads and Bridges	932,411
Public Safety	1,391,843
Sanitation	938,771
Debt Service	68,597
Other Purposes	2,026,784
Unrestricted (Deficit) Surplus	1,618,437
Total Net Position	\$ 9,814,350

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

**Boise County, Idaho**  
Statement of Activities  
For the Year Ended September 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Governmental Activities	
	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions		
Expenses					
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 2,244,066	\$ 282,126	\$ 348,696	\$ 0	\$ (1,613,244)
Public Safety	2,395,192	362,949	178,514	56,915	(1,796,814)
Highways and Roads	1,581,741	4,972	0	728,380	(848,389)
Sanitation	658,214	41,410	0	0	(616,804)
Weed Control	87,816	57,604	42,112	0	11,900
Welfare	181,272	0	0	0	(181,272)
Education	20,135	0	0	0	(20,135)
Culture and Recreation	24,500	0	0	0	(24,500)
Interest on Long-term Debt	53,203	0	0	0	(53,203)
Debt Fees	408	0	0	0	(408)
<b>Total Governmental Activities</b>	<b>\$ 7,246,547</b>	<b>\$ 749,061</b>	<b>\$ 569,322</b>	<b>\$ 785,295</b>	<b>(5,142,869)</b>

General Revenues:	
Property Taxes and Special Fees	4,757,639
Intergovernmental	1,377,532
Investment Earnings	60,353
Other	585,849
Disposal of Assets	2,737
Special Items:	
Theft Loss	(10,608)
<b>Total General Revenues and Special Items</b>	<b>6,773,502</b>
Change in Net Position	1,630,633
Net Position - Beginning, Previously	8,240,001
Prior Period Adjustment	(56,284)
Net Position - Beginning, Restated	8,183,717
<b>Net Position - End of Year</b>	<b>\$ 9,814,350</b>

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



**Boise County, Idaho**  
Balance Sheet -  
Governmental Funds  
September 30, 2014

	General	Road and Bridge	Justice Fund	Solid Waste
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,763,572	\$ 998,582	\$ 1,267,730	\$ 987,628
Receivables:				
Taxes	148,966	4,830	136,484	62,519
Interest	4,306	0	0	0
Due from Other Governments	54,578	209,200	65,141	0
Prepaid Items	0	0	0	0
Total Assets	<u>2,971,422</u>	<u>1,212,612</u>	<u>1,469,355</u>	<u>1,050,147</u>
<b>Deferred Outflows</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u><u>\$ 2,971,422</u></u>	<u><u>\$ 1,212,612</u></u>	<u><u>\$ 1,469,355</u></u>	<u><u>\$ 1,050,147</u></u>
<b>Liabilities</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Salaries and Benefits Payable	15,555	21,025	24,610	3,866
Total Liabilities	<u>15,555</u>	<u>21,025</u>	<u>24,610</u>	<u>3,866</u>
<b>Deferred Inflows</b>				
Unavailable Property Taxes	<u>128,403</u>	<u>5,002</u>	<u>124,775</u>	<u>59,665</u>
<b>Fund Balances</b>				
Nonspendable	0	0	0	0
Restricted	17,132	927,409	1,267,068	879,106
Committed	1,629,331	259,176	52,902	107,510
Assigned	900,000	0	0	0
Unassigned	281,001	0	0	0
Total Fund Balances	<u>2,827,464</u>	<u>1,186,585</u>	<u>1,319,970</u>	<u>986,616</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u><u>\$ 2,971,422</u></u>	<u><u>\$ 1,212,612</u></u>	<u><u>\$ 1,469,355</u></u>	<u><u>\$ 1,050,147</u></u>

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

**Boise County, Idaho**  
 Balance Sheet -  
 Governmental Funds  
 September 30, 2014  
 (continued)

	Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 52,595	\$ 2,428,826	\$ 8,498,933
Receivables:			
Taxes	22,848	112,111	487,758
Interest	0	0	4,306
Due from Other Governments	0	29,161	358,080
Prepaid Items	0	14,208	14,208
Total Assets	<u>75,443</u>	<u>2,584,306</u>	<u>9,363,285</u>
<b>Deferred Outflows</b>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u>\$ 75,443</u>	<u>\$ 2,584,306</u>	<u>\$ 9,363,285</u>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 32	\$ 32
Salaries and Benefits Payable	0	14,897	79,953
Total Liabilities	<u>0</u>	<u>14,929</u>	<u>79,985</u>
<b>Deferred Inflows</b>			
Unavailable Property Taxes	<u>22,915</u>	<u>102,775</u>	<u>443,535</u>
<b>Fund Balances</b>			
Nonspendable	0	14,208	14,208
Restricted	12,528	1,906,877	5,010,120
Committed	40,000	233,518	2,322,437
Assigned	0	311,999	1,211,999
Unassigned	0	0	281,001
Total Fund Balances	<u>52,528</u>	<u>2,466,602</u>	<u>8,839,765</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 75,443</u>	<u>\$ 2,584,306</u>	<u>\$ 9,363,285</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, 2014

Total Fund Balances - Governmental Funds \$ 8,839,765

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 \$473,468 accumulated depreciation	1,586,623	
Equipment, net of \$4,993,002 accumulated depreciation	<u>1,279,626</u>	
		3,062,021

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. 443,535

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 and the related deferrals - both current and long-term - are reported in the Statement of Net Position.

Accrued Interest		(6,846)
Bonds Payable	(1,990,000)	
Unamortized Premiums	(134,950)	
Municipal Leases Payable	(224,514)	
Other Post-Employment Benefits	(39,577)	
Compensated Absences	<u>(135,084)</u>	
Total Long-Term Liabilities		<u>(2,524,125)</u>

Net Position of Governmental Activities \$ 9,814,350

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, 2014

	General Fund	Road and Bridge	Justice Fund	Solid Waste
<b>Revenues</b>				
Property Taxes and Special Fees	\$ 1,382,922	\$ 3,927	\$ 1,370,641	\$ 665,930
Intergovernmental	150,977	870,948	277,372	0
Grants and Donations	293,836	728,380	111,336	0
Charges for Services	210,853	4,972	157,990	41,410
Investment Earnings	60,353	0	0	0
Other	301,879	113,372	73,412	238
<b>Total Revenues</b>	<u>2,400,820</u>	<u>1,721,599</u>	<u>1,990,751</u>	<u>707,578</u>
<b>Expenditures</b>				
Current:				
General Government	1,317,689	0	0	0
Public Safety	248,444	0	1,638,122	0
Highways and Roads	0	1,240,429	0	0
Sanitation	0	0	0	594,532
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	7,557	89,685	82,877	0
Interest	917	7,731	9,721	0
Fees	408	0	0	0
Capital Outlay	170,831	109,146	44,660	82,752
<b>Total Expenditures</b>	<u>1,745,846</u>	<u>1,446,991</u>	<u>1,775,380</u>	<u>677,284</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>654,974</u>	<u>274,608</u>	<u>215,371</u>	<u>30,294</u>
<b>Other Financing Sources (Uses)</b>				
Debt Proceeds	23,565	0	0	0
Sale of Assets	0	547	25,370	0
Transfers In	0	0	76,191	0
Transfers Out	(100,000)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>(76,435)</u>	<u>547</u>	<u>101,561</u>	<u>0</u>
<b>Special Items</b>				
Theft Loss	(4,910)	0	(504)	0
<b>Net Change in Fund Balances</b>	573,629	275,155	316,428	30,294
Fund Balances - Beginning	2,253,835	911,430	1,003,542	956,322
<b>Fund Balances - Ending</b>	<u>\$ 2,827,464</u>	<u>\$ 1,186,585</u>	<u>\$ 1,319,970</u>	<u>\$ 986,616</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, 2014  
(continued)

	Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes and Special Fees	\$ 206,435	\$ 1,246,951	\$ 4,876,806
Intergovernmental	0	78,235	1,377,532
Grants and Donations	0	221,065	1,354,617
Charges for Services	0	333,836	749,061
Investment Earnings	0	0	60,353
Other	0	96,948	585,849
Total Revenues	<u>206,435</u>	<u>1,977,035</u>	<u>9,004,218</u>
<b>Expenditures</b>			
Current:			
General Government	0	940,395	2,258,084
Public Safety	0	256,117	2,142,683
Highways and Roads	0	0	1,240,429
Sanitation	0	0	594,532
Weed Control	0	71,351	71,351
Welfare	0	181,272	181,272
Education	0	20,135	20,135
Culture and Recreation	0	21,496	21,496
Debt Service:			
Principal	365,000	0	545,119
Interest	63,012	0	81,381
Fees	0	0	408
Capital Outlay	0	69,388	476,777
Total Expenditures	<u>428,012</u>	<u>1,560,154</u>	<u>7,633,667</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(221,577)</u>	<u>416,881</u>	<u>1,370,551</u>
<b>Other Financing Sources (Uses)</b>			
Debt Proceeds	0	0	23,565
Sale of Assets	0	0	25,917
Transfers In	199,058	0	275,249
Transfers Out	0	(175,249)	(275,249)
Total Other Financing Sources (Uses)	<u>199,058</u>	<u>(175,249)</u>	<u>49,482</u>
<b>Special Items</b>			
Theft Loss	<u>0</u>	<u>(5,194)</u>	<u>(10,608)</u>
Net Change in Fund Balances	(22,519)	236,438	1,409,425
Fund Balances - Beginning	75,047	2,230,164	7,430,340
Fund Balances - Ending	<u>\$ 52,528</u>	<u>\$ 2,466,602</u>	<u>\$ 8,839,765</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, 2014

Total Net Change in Fund Balance - Governmental Funds \$ 1,409,425

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	\$ 172,129	
Disposal of Assets	(23,180)	
Depreciation Expense	<u>(427,184)</u>	(278,235)

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. (119,167)

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	(23,565)	
Principal Payments Made	545,119	
Amortization of Bond Premium	26,990	
Change in Accrued Interest	<u>1,188</u>	549,732

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	(7,969)	
Compensated Absences	<u>76,847</u>	<u>68,878</u>

Change in Net Position of Governmental Activities \$ 1,630,633

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

**Boise County, Idaho**  
Statement of Fiduciary Net Position  
September 30, 2014

	Agency Funds			Total
	State Remittance	Special Taxing District	Miscellaneous Trusts	
<b>Assets</b>				
Cash and Cash Equivalents	\$ 0	\$ 2	\$ 684,873	\$ 684,875
Property Taxes Receivable	0	374,547	0	374,547
Total Assets	0	374,549	684,873	1,059,422
<b>Deferred Outflows</b>	0	0	0	0
Total Assets and Deferred Outflows	\$ 0	\$ 374,549	\$ 684,873	\$ 1,059,422
<b>Liabilities</b>				
Due to Other Funds or Taxing Units	\$ 0	\$ 374,549	\$ 684,873	\$ 1,059,422
<b>Deferred Inflows</b>	0	0	0	0
Total Liabilities and Deferred Inflows	\$ 0	\$ 374,549	\$ 684,873	\$ 1,059,422

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

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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, 2014

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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 inflows 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, 2014

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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, 2014

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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, 2014

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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 three months of the next fiscal year due to timing differences between receipt of revenues and disbursement of expenditures.

The assigned fund balance within the General fund is the amount the Clerk has estimated will be needed for extraordinary legal costs associated with several high profile criminal cases, and the long term repayment of bond debt. The remaining assigned fund balances are amounts the Clerk has estimated will be needed for capital improvement projects in the Ambulance and District Court funds.

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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2014.

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:

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	<u>Capitalization</u> <u>Policy</u>	<u>Depreciation</u> <u>Method</u>	<u>Estimated</u> <u>Useful Life</u>
Buildings and Improvements	\$5,000	Straight-Line	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.

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, 2014, the carrying amount of the County's deposits was \$3,708,519 and the respective bank balances totaled \$4,362,436. 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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

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2. CASH AND INVESTMENTS (continued)

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, 2014, all of the County's deposits were covered by the federal depository insurance or by collateral held by the County's agent or pledging financial institution's trust department or agent in the name of the County, and thus were not exposed to custodial credit risk.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The County follows Idaho Statute that outlines qualifying investment options as follows:

Idaho Code authorizes the County to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

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

Interest Rate Risk

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

2. CASH AND INVESTMENTS (continued)

Investments

The County voluntarily participates in the State of Idaho Investment Pool. The pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the pool is with the State Treasurer and Idaho Code defines it as an allowable investment. The fair value of the County's investment in the pool is the same as the value of the pool shares. The County also invests in the State of Idaho Diversified Bond Fund.

The County's investments at September 30, 2014 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	\$2,759,386	\$ 2,759,386	\$ 0
State Bond Fund	Not Rated	2,813,662	2,813,662	0
		<u>\$5,573,048</u>	<u>\$ 5,573,048</u>	<u>\$ 0</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	\$ 2,925,885	\$ 684,875	\$3,610,760
Investments categorized as deposits	5,573,048	0	5,573,048
	<u>\$ 8,498,933</u>	<u>\$ 684,875</u>	<u>\$9,183,808</u>

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

	<u>Book Balance</u>	<u>Bank Balance</u>
Tax Collectors Sweep	\$ 76,506	\$ 157,145
Tax Collectors	5	5
Credit Card	22,246	21,936
	<u>\$ 98,757</u>	<u>\$ 179,086</u>



**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units (State of Idaho) consist of the liquor apportionment of \$10,602, cigarette tax of \$3,855, highway user revenue of \$209,200, federal grant funds of \$22,944, and state revenue sharing of \$111,479 for a total of \$358,080.

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2014 was as follows:

	Balance 10/1/2013	Restatement	Additions	Disposals	Balance 9/30/2014
<u>Governmental Activities:</u>					
Capital Assets Not Being Depreciated:					
Land	\$ 195,772	\$ 0	\$ 0	\$ 0	\$ 195,772
Capital Assets Being Depreciated:					
Buildings and Improvements	2,045,303	(32,926)	47,714	0	2,060,091
Equipment	6,310,390	(29,345)	124,415	(132,832)	6,272,628
Total Historical Cost	<u>8,355,693</u>	<u>(62,271)</u>	<u>172,129</u>	<u>(132,832)</u>	<u>8,332,719</u>
Less: Accumulated Depreciation					
Buildings and Improvements	430,033	6,659	36,776	0	473,468
Equipment	4,788,081	(75,835)	390,408	(109,652)	4,993,002
Total Accumulated Depreciation	<u>5,218,114</u>	<u>(69,176)</u>	<u>427,184</u>	<u>(109,652)</u>	<u>5,466,470</u>
Net Depreciable Assets	<u>3,137,579</u>	<u>6,905</u>	<u>(255,055)</u>	<u>(23,180)</u>	<u>2,866,249</u>
Governmental Activities					
Capital Assets - Net	<u>\$3,333,351</u>	<u>\$ 6,905</u>	<u>\$ (255,055)</u>	<u>\$ (23,180)</u>	<u>\$3,062,021</u>

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

<u>Governmental Activities:</u>	
General Government	\$ 23,624
Public Safety	126,373
Highways and Roads	232,166
Sanitation	28,644
Weed Control	13,373
Culture and Recreation	3,004
	<u>\$427,184</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

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5. TRANSFERS

Transfers in and out of funds at September 30, 2014 consist of the following:

\$ 100,000	From the General fund to the Bond fund for bond payments.
76,191	From the Sheriffs Reserve fund to the Justice fund to incorporate the Sheriffs Reserve fund into the Justice fund.
<u>99,058</u>	From the Tort fund to the Bond fund to utilize for future bond payments.
<u>\$275,249</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>10/1/2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2014</u>	<u>Current</u>
Governmental Activities	<u>\$211,931</u>	<u>\$ 52,674</u>	<u>\$(129,521)</u>	<u>\$135,084</u>	<u>\$135,084</u>

Effective October 1, 2013, employees of the Sheriff's office no longer bank overtime as compensated absences and, instead, are paid out their overtime.

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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

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7. PENSION PLAN (continued)

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, 2014, 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 \$290,741, \$266,220, and \$267,971 for the three years ended September 30, 2014, 2013 and 2012, 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.

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:

Equipment	\$ 850,783
Less: accumulated amortization (included as depreciation on the accompanying financial statements)	<u>(392,883)</u>
	<u>\$ 457,900</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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

9. LONG-TERM OBLIGATIONS (continued)

Changes in long-term obligations for the year ended September 30, 2014 are as follows:

Description	Rate	Maturity	10/1/2013	Increase	Decrease	9/30/2014	Current
Lease-Cat Compactor	3.20%	2016	\$ 45,000	\$ 0	\$ 0	\$ 45,000	\$ 0
Lease-Backhoe	4.20%	2014	18,053	0	(18,053)	0	0
Lease-Wheel Loader	3.80%	2014	32,634	0	(32,634)	0	0
Lease-Wheel Loader	4.40%	2016	122,217	0	(38,998)	83,219	40,714
Lease-3 Sheriff Vehicles	6.10%	2014	24,519	0	(24,519)	0	0
Lease-2 Sheriff Vehicles	4.46%	2017	38,728	0	(10,319)	28,409	11,567
Lease-Sheriff Vehicle	5.47%	2017	19,584	0	(5,512)	14,072	5,822
Lease-Sheriff Vehicle	4.96%	2017	28,719	0	(28,719)	0	0
Lease-Sheriff Vehicle	4.41%	2017	25,754	0	(6,958)	18,796	7,271
Lease-Sheriff Vehicle	5.94%	2017	25,860	0	(6,850)	19,010	7,268
Lease-Sheriff Vehicle	3.88%	2017	0	23,565	(7,557)	16,008	7,851
2012 C Bond Series	1.25 - 5.00%	2019	2,355,000	0	(365,000)	1,990,000	380,000
			<u>\$2,736,068</u>	<u>\$23,565</u>	<u>\$(545,119)</u>	<u>\$2,214,514</u>	<u>\$460,493</u>
Unamortized Premium			<u>\$ 161,940</u>	<u>\$ 0</u>	<u>\$(26,990)</u>	<u>\$ 134,950</u>	<u>\$ 0</u>

Debt service requirements on long-term debt at September 30, 2014, are as follows:

Year Ending September 30,	Municipal Leases		Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 80,493	\$ 11,800	\$ 380,000	\$ 51,713
2016	130,086	4,280	395,000	36,512
2017	13,935	453	400,000	31,575
2018	0	0	405,000	26,575
2019	0	0	410,000	20,500
	<u>\$ 224,514</u>	<u>\$ 16,533</u>	<u>\$ 1,990,000</u>	<u>\$ 166,875</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

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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
2015	\$ 6,100
2016	6,600
2017	6,600
2018	6,600
2019	6,600
2020	6,600
	\$ 39,100

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
2015	\$ 80,000

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:

Year Ending September 30,	Amount
2015	\$ 1,000
2016	1,000
2017	1,000
2018	1,000
2019	1,000
2020-2024	5,000
2025	1,000
	\$ 11,000

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

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10. 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:

Year Ending September 30,	Amount
2015	<u>\$ 1,750</u>

Rent expenditures for the year ended September 30, 2014, were \$42,753.

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.

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 2014, were \$698 for a single person or \$1,364 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 2014 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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

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11. OTHER POST-EMPLOYMENT BENEFITS (continued)

government-wide financial statements. The table below summarizes the OPEB costs.

Annual required contribution	\$ 10,657
Interest on net OPEB obligation	1,422
ARC adjustment with interest	(1,945)
Estimated employer contribution	<u>(2,165)</u>
Increase in net OPEB obligation	7,969
Net OPEB obligation - beginning of year	<u>31,608</u>
Net OPEB obligation - end of year	<u><u>\$ 39,577</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:

Year Ending September 30,	Annual OPEB Cost	Estimated Contribution as a % of Annual OPEB Cost	Net OPEB Obligation
2012	\$ 8,459	14.1%	\$ 22,198
2013	\$10,300	8.6%	\$ 31,608
2014	\$10,134	21.4%	\$ 39,577

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

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11. OTHER POST-EMPLOYMENT BENEFITS (continued)

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.

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, 2014, 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.



**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2014

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13. CHANGE IN ACCOUNTING PRINCIPLE

The County determined that adjusting the beginning Net Position was necessary as a result of implementation of Government Accounting Standards Board Statement Number 65 (GASBS 65), which states that any remaining bond issuance costs are to be treated as if fully expensed by reducing beginning net position. Adherence to GASBS 65 is necessary in order that these financial statements are in accordance with general accepted accounting principles.

14. PRIOR PERIOD ADJUSTMENT

In the government-wide financial statements, based on implementation of GASBS 65 as discussed in Note 13, a prior period adjustment of \$63,189 has reduced the beginning net position. The prior year change in net position should have been lower by this amount.

In the government-wide financial statements, an error was discovered where a capital asset had not been disposed of on the depreciation schedule in a prior year. In addition, \$10,729 of expenditures for a storage facility were not capitalized in the prior year that should have been. As a result, a prior period adjustment of \$6,905 has been added back to beginning net position. The prior year change in net position should have been higher by this amount.

15. SUBSEQUENT EVENT

In fiscal year 2013, the County had an estimated theft loss in the amount of \$29,782. In fiscal year 2014, the County had an estimated theft loss in the amount of \$10,608. The total theft loss between fiscal years 2013 and 2014 is estimated to be \$40,390.

The net effect on 2013 to fund balance is zero as neither the revenue taken nor the theft were recorded, but would have netted to zero. Also, the amounts were unknown at the conclusion of the 2013 audit. The same is true for 2014, but the revenue and the corresponding loss have been recorded.

***REQUIRED SUPPLEMENTARY INFORMATION***

**Boise County, Idaho**  
 Schedule of Funding Progress  
 For the Year Ended September 30, 2014

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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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,296,340	\$ 1,296,340	\$ 1,382,922	\$ 86,582
Intergovernmental	134,473	134,473	150,977	16,504
Grants and Donations	62,485	130,426	293,836	163,410
Charges for Services	190,600	190,600	210,853	20,253
Investment Earnings	0	0	60,353	60,353
Other	264,785	188,297	301,879	113,582
<b>Total Revenues</b>	<u>1,948,683</u>	<u>1,940,136</u>	<u>2,400,820</u>	<u>460,684</u>
<b>Expenditures</b>				
Current:				
Salaries	786,369	781,173	725,992	55,181
Benefits	338,630	340,020	299,459	40,561
Operating	925,098	815,143	540,682	274,461
Debt Service:				
Principal	5,675	5,675	7,557	(1,882)
Interest	917	917	917	0
Other Costs	408	408	408	
Capital Outlay	57,592	162,806	170,831	(8,025)
<b>Total Expenditures</b>	<u>2,114,689</u>	<u>2,106,142</u>	<u>1,745,846</u>	<u>360,296</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(166,006)</u>	<u>(166,006)</u>	<u>654,974</u>	<u>820,980</u>
<b>Other Financing Sources (Uses)</b>				
Debt Proceeds	0	0	23,565	23,565
Transfers In	166,006	166,006	0	(166,006)
Transfers Out	0	0	(100,000)	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<u>166,006</u>	<u>166,006</u>	<u>(76,435)</u>	<u>(242,441)</u>
<b>Special Items</b>				
Theft Loss	0	0	(4,910)	(4,910)
<b>Net Change in Fund Balances</b>	0	0	573,629	578,539
Fund Balances - Beginning	0	0	2,253,835	2,253,835
<b>Fund Balances - Ending</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,827,464</u>	<u>\$ 2,832,374</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Road and Bridge  
 For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 0	\$ 0	\$ 3,927	\$ 3,927
Intergovernmental	877,086	877,086	870,948	(6,138)
Grants and Contributions	699,523	735,810	728,380	(7,430)
Charges for Services	5,000	5,000	4,972	(28)
Other	30,000	30,000	113,372	83,372
<b>Total Revenues</b>	<u>1,611,609</u>	<u>1,647,896</u>	<u>1,721,599</u>	<u>73,703</u>
<b>Expenditures</b>				
Current:				
Salaries	564,642	564,642	533,285	31,357
Benefits	238,988	238,988	213,505	25,483
Operating	623,976	623,976	493,639	130,337
Debt Service:				
Principal	98,931	98,931	89,685	9,246
Interest	7,731	7,731	7,731	0
Capital Outlay	144,500	180,787	109,146	71,641
<b>Total Expenditures</b>	<u>1,678,768</u>	<u>1,715,055</u>	<u>1,446,991</u>	<u>268,064</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(67,159)</u>	<u>(67,159)</u>	<u>274,608</u>	<u>341,767</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	14,500	14,500	547	(13,953)
Transfers In	52,659	52,659	0	(52,659)
<b>Total Other Financing Sources (Uses)</b>	<u>67,159</u>	<u>67,159</u>	<u>547</u>	<u>(66,612)</u>
<b>Special Items</b>				
Theft Loss	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	0	0	275,155	275,155
Fund Balances - Beginning	0	0	911,430	911,430
<b>Fund Balances - Ending</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,186,585</u>	<u>\$ 1,186,585</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Justice Fund  
 For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,296,340	\$ 1,296,340	\$ 1,370,641	\$ 74,301
Intergovernmental	299,846	256,588	277,372	20,784
Grants and Contributions	32,000	102,441	111,336	8,895
Charges for Services	160,375	145,384	157,990	12,606
Other	28,642	28,642	73,412	44,770
<b>Total Revenues</b>	<u>1,817,203</u>	<u>1,829,395</u>	<u>1,990,751</u>	<u>161,356</u>
<b>Expenditures</b>				
Current:				
Salaries	964,758	971,261	898,399	72,862
Benefits	365,330	365,336	348,849	16,487
Operating	496,146	479,846	390,874	88,972
Debt Service:				
Principal	65,279	65,279	82,877	(17,598)
Interest	9,721	9,721	9,721	0
Capital Outlay	2,000	43,983	44,660	(677)
<b>Total Expenditures</b>	<u>1,903,234</u>	<u>1,935,426</u>	<u>1,775,380</u>	<u>160,046</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(86,031)</u>	<u>(106,031)</u>	<u>215,371</u>	<u>321,402</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	0	0	25,370	25,370
Transfers In	86,031	106,031	76,191	(29,840)
<b>Total Other Financing Sources (Uses)</b>	<u>86,031</u>	<u>106,031</u>	<u>101,561</u>	<u>(4,470)</u>
<b>Special Items</b>				
Theft Loss	0	0	(504)	(504)
<b>Net Change in Fund Balances</b>	0	0	316,428	316,932
Fund Balances - Beginning	0	0	1,003,542	1,003,542
<b>Fund Balances - Ending</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,319,970</u>	<u>\$ 1,320,474</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Solid Waste  
 For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Special Fees	\$ 629,160	\$ 629,160	\$ 665,930	\$ 36,770
Charges for Services	34,000	34,000	41,410	7,410
Other	10,000	10,000	238	(9,762)
<b>Total Revenues</b>	<u>673,160</u>	<u>673,160</u>	<u>707,578</u>	<u>34,418</u>
<b>Expenditures</b>				
Current:				
Salaries	170,751	170,751	161,668	9,083
Benefits	57,296	57,296	56,941	355
Operating	453,193	469,394	375,923	93,471
Capital Outlay	70,000	70,000	82,752	(12,752)
<b>Total Expenditures</b>	<u>751,240</u>	<u>767,441</u>	<u>677,284</u>	<u>90,157</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(78,080)</u>	<u>(94,281)</u>	<u>30,294</u>	<u>124,575</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	78,080	94,281	0	(94,281)
<b>Total Other Financing Sources (Uses)</b>	<u>78,080</u>	<u>94,281</u>	<u>0</u>	<u>(94,281)</u>
<b>Special Items</b>				
Theft Loss	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	0	0	30,294	30,294
Fund Balances - Beginning	0	0	956,322	956,322
<b>Fund Balances - Ending</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 986,616</u>	<u>\$ 986,616</u>

**Boise County, Idaho**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2014

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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.



***SUPPLEMENTAL INFORMATION***

**Boise County, Idaho**  
 Supplemental Schedule of Revenues by Source  
 Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2014

	Budget	Actual	Variance
<b>Revenue</b>			
Property Taxes	\$ 1,296,340	\$ 1,382,922	\$ 86,582
Intergovernmental	134,473	150,977	16,504
Grants and Donations	130,426	293,836	163,410
Charges for Services	190,600	210,853	20,253
Investment Earnings	0	60,353	60,353
Other Revenue	188,297	301,879	113,582
<b>Other Financing Sources (Uses)</b>			
Debt Proceeds	0	23,565	23,565
Transfers In	166,006	0	(166,006)
<b>Total Revenue</b>	<b>\$ 2,106,142</b>	<b>\$ 2,424,385</b>	<b>\$ 318,243</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, 2014

	Budget	Actual	Variance
<b>Clerk-Auditor:</b>			
Salaries	\$ 196,539	\$ 184,855	\$ 11,684
Benefits	89,572	80,448	9,124
Operating	9,500	6,566	2,934
Capital Outlay	500	175	325
	<u>296,111</u>	<u>272,044</u>	<u>24,067</u>
<b>Assessor:</b>			
Salaries	154,558	144,598	9,960
Benefits	72,771	68,568	4,203
Operating	15,300	11,475	3,825
Capital Outlay	500	0	500
	<u>243,129</u>	<u>224,641</u>	<u>18,488</u>
<b>Treasurer/Tax Collector:</b>			
Salaries	96,648	89,335	7,313
Benefits	35,765	32,058	3,707
Operating	82,950	30,650	52,300
Capital Outlay	500	432	68
	<u>215,863</u>	<u>152,475</u>	<u>63,388</u>
<b>Commissioners:</b>			
Salaries	88,395	88,395	0
Benefits	30,393	28,063	2,330
Operating	6,600	4,525	2,075
	<u>125,388</u>	<u>120,983</u>	<u>4,405</u>
<b>Coroner:</b>			
Salaries	18,253	16,462	1,791
Benefits	7,233	2,732	4,501
Operating	36,350	23,554	12,796
Capital Outlay	1,092	108	984
	<u>62,928</u>	<u>42,856</u>	<u>20,072</u>
<b>County Elections:</b>			
Salaries	16,290	14,576	1,714
Benefits	7,460	7,475	(15)
Operating	28,500	26,862	1,638
	<u>52,250</u>	<u>48,913</u>	<u>3,337</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, 2014  
 (continued)

	Budget	Actual	Variance
Emergency Management:			
Salaries	37,885	37,358	527
Benefits	9,061	8,758	303
Operating	10,810	27,873	(17,063)
Capital Outlay	91,912	91,121	791
	<u>149,668</u>	<u>165,110</u>	<u>(15,442)</u>
Contingency:			
Operating	43,410	0	43,410
	<u>43,410</u>	<u>0</u>	<u>43,410</u>
Data Processing:			
Operating	137,700	118,450	19,250
Capital Outlay	29,802	28,551	1,251
	<u>167,502</u>	<u>147,001</u>	<u>20,501</u>
CDH and Community Projects:			
Operating	21,400	18,900	2,500
	<u>21,400</u>	<u>18,900</u>	<u>2,500</u>
General Operations:			
Salaries	80,035	75,509	4,526
Benefits	41,239	39,426	1,813
Operating	105,335	88,022	17,313
Capital Outlay	16,000	14,030	1,970
	<u>242,609</u>	<u>216,987</u>	<u>25,622</u>
Planning and Zoning:			
Salaries	92,570	74,904	17,666
Benefits	46,526	31,931	14,595
Debt Service	7,000	8,882	(1,882)
Operating	73,400	52,098	21,302
Capital Outlay	2,500	25,389	(22,889)
	<u>221,996</u>	<u>193,204</u>	<u>28,792</u>
Title III Red Zone/WUI:			
Operating	165,715	89,689	76,026
	<u>165,715</u>	<u>89,689</u>	<u>76,026</u>
Extraordinary Legal/Homicide:			
Operating	78,173	42,018	36,155
	<u>78,173</u>	<u>42,018</u>	<u>36,155</u>
Capital Project	20,000	11,025	8,975
Total Expenditures	<u>\$ 2,106,142</u>	<u>\$ 1,745,846</u>	<u>\$ 360,296</u>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2014

	East Boise County Ambulance	District Court	Health Preventative	Indigent	Junior College Tuition
<b>Assets</b>					
Cash and Cash Equivalents	\$ 335,120	\$ 588,778	\$ 5,120	\$ 218,862	\$ 144,957
Receivables:					
Taxes	8,067	26,168	3,084	8,788	0
Due from Other Governments	1,499	7,748	0	0	5,301
Prepaid Items	0	0	0	0	0
<b>Total Assets</b>	<b>344,686</b>	<b>622,694</b>	<b>8,204</b>	<b>227,650</b>	<b>150,258</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>\$ 344,686</b>	<b>\$ 622,694</b>	<b>\$ 8,204</b>	<b>\$ 227,650</b>	<b>\$ 150,258</b>
<b>Liabilities</b>					
Accounts Payable	\$ 0	\$ 32	\$ 0	\$ 0	\$ 0
Salaries and Benefits Payable	786	4,397	0	901	0
<b>Total Liabilities</b>	<b>786</b>	<b>4,429</b>	<b>0</b>	<b>901</b>	<b>0</b>
<b>Deferred Inflows</b>					
Unavailable Property Taxes	7,854	23,913	3,048	8,411	0
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	0
Restricted	236,046	359,534	5,156	218,338	136,938
Committed	0	22,819	0	0	13,320
Assigned	100,000	211,999	0	0	0
Unassigned	0	0	0	0	0
<b>Total Fund Balances</b>	<b>336,046</b>	<b>594,352</b>	<b>5,156</b>	<b>218,338</b>	<b>150,258</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 344,686</b>	<b>\$ 622,694</b>	<b>\$ 8,204</b>	<b>\$ 227,650</b>	<b>\$ 150,258</b>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2014  
(continued)

	Revaluation	Tort	Weeds	Emergency Commun- ications 911	Snowmobile IC8-A
<b>Assets</b>					
Cash and Cash Equivalents	\$ 238,525	\$ 353,323	\$ 323,562	\$ 151,523	\$ 21,777
Receivables:					
Taxes	27,422	38,560	22	0	0
Due from Other Governments	253	0	0	0	0
Prepaid Items	0	0	0	14,208	0
<b>Total Assets</b>	<b>266,200</b>	<b>391,883</b>	<b>323,584</b>	<b>165,731</b>	<b>21,777</b>
<b>Deferred Outflows</b>					
	0	0	0	0	0
<b>Total Assets and Deferred Outflows</b>	<b>\$ 266,200</b>	<b>\$ 391,883</b>	<b>\$ 323,584</b>	<b>\$ 165,731</b>	<b>\$ 21,777</b>
<b>Liabilities</b>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Salaries and Benefits Payable	5,559	0	2,352	0	0
<b>Total Liabilities</b>	<b>5,559</b>	<b>0</b>	<b>2,352</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows</b>					
Unavailable Property Taxes	23,962	35,574	13	0	0
<b>Fund Balances</b>					
Nonspendable	0	0	0	14,208	0
Restricted	223,535	356,309	223,817	81,894	13,561
Committed	13,144	0	97,402	69,629	8,216
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
<b>Total Fund Balances</b>	<b>236,679</b>	<b>356,309</b>	<b>321,219</b>	<b>165,731</b>	<b>21,777</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 266,200</b>	<b>\$ 391,883</b>	<b>\$ 323,584</b>	<b>\$ 165,731</b>	<b>\$ 21,777</b>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2014  
(continued)

	Snowmobile GV8-B	Sheriff's Reserves	Sheriff's Vessel	Total
<b>Assets</b>				
Cash and Cash Equivalents	\$ 14,688	\$ 0	\$ 32,591	\$ 2,428,826
Receivables:				
Taxes	0	0	0	112,111
Due from Other Governments	0	0	14,360	29,161
Prepaid Items	0	0	0	14,208
<b>Total Assets</b>	<u>14,688</u>	<u>0</u>	<u>46,951</u>	<u>2,584,306</u>
<b>Deferred Outflows</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Assets and Deferred Outflows</b>	<u>\$ 14,688</u>	<u>\$ 0</u>	<u>\$ 46,951</u>	<u>\$ 2,584,306</u>
<b>Liabilities</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	32
Salaries and Benefits Payable	0	0	902	14,897
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>902</u>	<u>14,929</u>
<b>Deferred Inflows</b>				
Unavailable Property Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,775</u>
<b>Fund Balances</b>				
Nonspendable	0	0	0	14,208
Restricted	10,984	0	40,765	1,906,877
Committed	3,704	0	5,284	233,518
Assigned	0	0	0	311,999
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<u>14,688</u>	<u>0</u>	<u>46,049</u>	<u>2,466,602</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 14,688</u>	<u>\$ 0</u>	<u>\$ 46,951</u>	<u>\$ 2,584,306</u>

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2014

	East Boise County Ambulance	District Court	Health Preventative	Indigent	Junior College Tuition
<b>Revenues</b>					
Property Taxes	\$ 108,905	\$ 251,670	\$ 39,162	\$ 171,870	\$ 0
Intergovernmental	6,424	37,562	0	0	26,618
Grants and Donations	12,387	40,746	0	0	0
Charges for Services	69,901	71,273	0	0	0
Other	10,965	22,105	0	35,229	0
<b>Total Revenues</b>	<b>208,582</b>	<b>423,356</b>	<b>39,162</b>	<b>207,099</b>	<b>26,618</b>
<b>Expenditures</b>					
Current:					
Salaries	24,543	210,380	0	15,014	0
Benefits	4,196	94,901	0	6,481	0
Operating	83,157	126,083	34,850	124,927	20,135
Capital Outlay	1,714	6,257	0	0	0
<b>Total Expenditures</b>	<b>113,610</b>	<b>437,621</b>	<b>34,850</b>	<b>146,422</b>	<b>20,135</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>94,972</b>	<b>(14,265)</b>	<b>4,312</b>	<b>60,677</b>	<b>6,483</b>
<b>Other Financing Sources (Uses)</b>					
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Special Items</b>					
Theft Loss	(27)	(5,167)	0	0	0
<b>Net Change in Fund Balances</b>	<b>94,945</b>	<b>(19,432)</b>	<b>4,312</b>	<b>60,677</b>	<b>6,483</b>
Fund Balances - Beginning	241,101	613,784	844	157,661	143,775
<b>Fund Balances - Ending</b>	<b>\$ 336,046</b>	<b>\$ 594,352</b>	<b>\$ 5,156</b>	<b>\$ 218,338</b>	<b>\$ 150,258</b>



**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2014  
(continued)

	Revaluation	Tort	Weeds	Emergency Communi- cations 911	Snowmobile IC8-A
<b>Revenues</b>					
Property Taxes	\$ 277,398	\$ 397,922	\$ 24	\$ 0	\$ 0
Intergovernmental	7,631	0	0	0	0
Grants and Donations	14,114	0	42,112	67,178	0
Charges for Services	0	0	57,604	91,584	0
Other	0	0	591	0	18,414
<b>Total Revenues</b>	<b>299,143</b>	<b>397,922</b>	<b>100,331</b>	<b>158,762</b>	<b>18,414</b>
<b>Expenditures</b>					
Current:					
Salaries	170,771	0	26,225	0	7,956
Benefits	82,673	0	5,444	0	641
Operating	11,633	243,954	39,682	103,614	10,366
Capital Outlay	0	0	3,092	55,378	0
<b>Total Expenditures</b>	<b>265,077</b>	<b>243,954</b>	<b>74,443</b>	<b>158,992</b>	<b>18,963</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>34,066</b>	<b>153,968</b>	<b>25,888</b>	<b>(230)</b>	<b>(549)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers Out	0	(99,058)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(99,058)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Special Items</b>					
Theft Loss	0	0	0	0	0
<b>Net Change in Fund Balances</b>	<b>34,066</b>	<b>54,910</b>	<b>25,888</b>	<b>(230)</b>	<b>(549)</b>
Fund Balances - Beginning	202,613	301,399	295,331	165,961	22,326
<b>Fund Balances - Ending</b>	<b>\$ 236,679</b>	<b>\$ 356,309</b>	<b>\$ 321,219</b>	<b>\$ 165,731</b>	<b>\$ 21,777</b>

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Nonmajor Governmental Funds  
For the Year Ended September 30, 2014  
(continued)

	Snowmobile GV8-B	Sheriff's Reserves	Sheriff's Vessel	Total
<b>Revenues</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 1,246,951
Intergovernmental	0	0	0	78,235
Grants and Donations	0	0	44,528	221,065
Charges for Services	0	0	43,474	333,836
Other	9,644	0	0	96,948
<b>Total Revenues</b>	<b>9,644</b>	<b>0</b>	<b>88,002</b>	<b>1,977,035</b>
<b>Expenditures</b>				
Current:				
Salaries	1,420	0	24,970	481,279
Benefits	115	0	2,331	196,782
Operating Expenses	998	0	13,306	812,705
Capital Outlay	0	0	2,947	69,388
<b>Total Expenditures</b>	<b>2,533</b>	<b>0</b>	<b>43,554</b>	<b>1,560,154</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>7,111</b>	<b>0</b>	<b>44,448</b>	<b>416,881</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	0	(76,191)	0	(175,249)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(76,191)</b>	<b>0</b>	<b>(175,249)</b>
<b>Special Items</b>				
Theft Loss	0	0	0	(5,194)
<b>Net Change in Fund Balances</b>	<b>7,111</b>	<b>(76,191)</b>	<b>44,448</b>	<b>236,438</b>
Fund Balances - Beginning	7,577	76,191	1,601	2,230,164
<b>Fund Balances - Ending</b>	<b>\$ 14,688</b>	<b>\$ 0</b>	<b>\$ 46,049</b>	<b>\$ 2,466,602</b>

**Boise County, Idaho**  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2014

<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	\$ 627,190
ARRA - Wildland Fire Management	10.688	34,838
Total U.S. Department of Agriculture		<u>662,028</u>
<u>U.S. Department of Housing and Urban Development</u>		
Passed through State Department of Commerce Community Development Block Grants	14.228	12,387
<u>U.S. Department of Interior</u>		
Payment in Lieu of Taxes (Direct)	15.226	391,157
<u>U.S. Department of Justice</u>		
Passed through State Department of Juvenile Corrections Juvenile Accountability Incentive Block Grant	16.523	3,732
Juvenile Justice and Delinquency Prevention	16.540	6,763
Passed through State Department of Idaho State Police Violence Against Women Formula Grant	16.588	20,835
Total U.S. Department of Justice		<u>31,330</u>
<u>U.S. Department of Transportation</u>		
Passed Through State Department of Transportation Highway Planning and Construction	20.205	7,457
State and Community Highway Safety	20.600	1,818
Alcohol Impaired Driving Countermeasures	20.601	5,977
Total U.S. Department of Transportation		<u>15,252</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	67,940
<u>U.S. Department of Homeland Security</u>		
Passed through State Department of Military Division Emergency Management Performance	97.042	1,188
Homeland Security Grant	97.067	36,282
Passed through State Department of Parks and Recreation Boating Safety Financial Assistance	97.012	14,360
Total U.S. Department of Homeland Security		<u>51,830</u>
Total Federal Financial Assistance		<u>\$ 1,231,924</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, 2014, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated March 30, 2015.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2014-001, 2014-002)

## **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*.

## **The County's Response to Findings**

The County's response to the findings identified in our audit is described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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  
March 30, 2015

**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, 2014. 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, 2014.

## **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  
March 30, 2015



**Boise County, Idaho**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2014

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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
15.226	Payment in Lieu of Taxes

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**

### 2014-001: Capital Asset Reporting

#### Criteria:

In order to accurately report capital assets, controls must be in place that allow for timely identification of asset purchases and disposals.

#### Condition:

During our audit we noted the following errors in the tracking of capital assets:

- Not all capital assets were being recorded when purchased.
- Not all capital assets were reported as disposed in a timely manner.

#### Cause:

The County's controls over the recording and tracking of capital assets are not operating effectively. Complete and accurate information was not obtained from the County's departments in order to prepare an accurate capital asset depreciation schedule.

#### Effect:

Lack of adequate controls over the capital assets allows for misappropriation of assets and/or inaccurate financial statements. These types of issues have resulted in prior period adjustments in multiple years.

#### Recommendation:

We recommend each month the department heads go over their capital assets with the employee in charge of maintaining the capital asset detail. We also recommend when a capital asset is purchased or sold/disposed, the department head inform the Clerk Auditor's Office in a reasonable period of time.

#### Response:

See Corrective Action Plan.

2014-002: Cash Collections

Criteria:

In order to create a proper internal control environment there needs to be proper segregation of duties as it relates to custody and recording of cash collections.

Condition:

There was not proper segregation of duties for cash collections.

Cause:

Failure to evaluate employee duties by management.

Effect:

Lack of internal controls in this area allowed funds in the amount of \$40,390 to be stolen.

Recommendation:

When the cash is delivered to the County, the actual cash needs to go to the Treasurer's Office and the transmittal to the Clerk's Office to create the Auditor's Certificate in the system.

Response:

See Corrective Action Plan.

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

None reported.

**Boise County, Idaho**  
Corrective Action Plan  
For the Year Ended September 30, 2014

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2014-001: Capital Asset Reporting

Boise County agrees with the condition noted. The Boise County Board of County Commissioners will review the procedures currently in effect over capital asset additions and deletions and develop a policy to establish tighter controls over capital asset reporting. The recommendation provided by Bailey & Co. will be taken into consideration during the improvement process.

2014-002: Cash Collections

Boise County agrees with the condition noted. Subsequent to September 30, 2014, the Boise County Board of County Commissioners implemented, via Resolution 2015-15, an Internal Controls Policy for Financial Reporting. This policy specifically addresses cash collection procedures. The Internal Controls Policy for Financial Reporting was amended, via Resolution 2015-22, effective March 25, 2015.