

BOISE COUNTY, IDAHO

Report on Audited
Basic
Financial Statements
and
Additional Information

For the Year Ended September 30, 2019

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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, 2019, 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, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of employer's share of net pension liability – PERSI, schedule of employer pension contributions, schedule of changes in the County's net OPEB liability, schedule of the County's OPEB liability, and budgetary comparison information as listed in the table of contents, 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 schedules of revenues by source and expenditures by object of expenditure – budget and actual – General fund, and 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 of expenditure – budget and actual – General fund 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 July 20, 2020, 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 solely 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 the effectiveness of the County's 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
July 20, 2020

Boise County, Idaho
Statement of Net Position
September 30, 2019

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 14,696,940
Receivables, Net:	
Property Taxes	375,681
Interest	20,846
Due from Other Governments	744,904
Accounts	99,306
Prepaid Items	15,474
Capital Assets:	
Land and Construction in Progress	755,931
Infrastructure, Net	9,120,220
Buildings, Net	1,833,923
Equipment, Net	1,885,982
Total Capital Assets	13,596,056
Total Assets	29,549,207
Deferred Outflows	
Pension	322,208
OPEB	3,447
Total Deferred Outflows	325,655
Liabilities	
Salaries and Benefits Payable	168,457
Accrued Interest	19,470
Long-Term Liabilities:	
Due Within One Year:	
Compensated Absences	188,312
Municipal Leases Payable	131,128
Due in More than One Year:	
Other Post-Employment Benefits	134,435
Net Pension Liability	1,104,702
Municipal Leases Payable	186,431
Total Liabilities	1,932,935
Deferred Inflows	
Pension	553,930
Net Position	
Net Investment in Capital Assets	13,278,497
Restricted for:	
Roads and Bridges	2,058,959
Public Safety	2,882,387
Sanitation	882,949
Debt Service	91,784
Other Purposes	2,772,906
Unrestricted (Deficit) Surplus	5,420,515
Total Net Position	\$ 27,387,997

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

Boise County, Idaho
Statement of Activities
For the Year Ended September 30, 2019

	Expenses	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	
Primary Government					
Governmental Activities:					
General Government	\$ 2,615,965	\$ 538,079	\$ 184,778	\$ 0	\$ (1,893,108)
Public Safety	3,049,762	552,936	72,408	0	(2,424,418)
Highways and Roads	2,342,567	50,189	1,232,760	0	(1,059,618)
Sanitation	691,116	70,024	0	0	(621,092)
Weed Control	84,261	19,544	766	0	(63,951)
Welfare	431,269	0	0	0	(431,269)
Education	12,400	0	0	0	(12,400)
Culture and Recreation	35,347	24,316	0	0	(11,031)
Interest on Long-term Debt	26,605	0	0	0	(26,605)
Total Governmental Activities	\$ 9,289,292	\$ 1,255,088	\$ 1,490,712	\$ 0	(6,543,492)
		General Revenues and Special Items:			
					5,502,489
					2,018,880
					470,302
					263,564
					14,904
					<u>8,270,139</u>
					Change in Net Position
					1,726,647
					Net Position - Beginning
					25,661,350
					<u>Net Position - Ending</u>
					<u>\$ 27,387,997</u>

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

Boise County, Idaho
Balance Sheet -
Governmental Funds
September 30, 2019

	<u>General</u>	<u>Road and Bridge</u>	<u>Justice Fund</u>
Assets			
Cash and Cash Equivalents	\$ 4,088,832	\$ 3,451,634	\$ 2,678,115
Receivables, Net:			
Taxes	100,705	2,991	112,285
Interest	20,846	0	0
Due from Other Governments	151,047	467,812	102,566
Accounts	0	0	52,374
Prepaid Items	10,053	0	0
Total Assets	<u>4,371,483</u>	<u>3,922,437</u>	<u>2,945,340</u>
Deferred Outflows			
	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u>\$ 4,371,483</u>	<u>\$ 3,922,437</u>	<u>\$ 2,945,340</u>
Liabilities			
Salaries and Benefits Payable	<u>\$ 37,621</u>	<u>\$ 30,847</u>	<u>\$ 62,953</u>
Deferred Inflows			
Unavailable Property Taxes	<u>87,588</u>	<u>2,727</u>	<u>100,082</u>
Fund Balances			
Nonspendable	10,053	0	0
Restricted	0	2,056,232	2,782,305
Committed	2,694,079	1,832,631	0
Assigned	1,535,000	0	0
Unassigned	7,142	0	0
Total Fund Balances	<u>4,246,274</u>	<u>3,888,863</u>	<u>2,782,305</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 4,371,483</u>	<u>\$ 3,922,437</u>	<u>\$ 2,945,340</u>

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

Boise County, Idaho
 Balance Sheet -
 Governmental Funds
 September 30, 2019
 (continued)

	Solid Waste	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 1,365,557	\$ 3,112,802	\$ 14,696,940
Receivables, Net:			
Taxes	69,892	89,808	375,681
Interest	0	0	20,846
Due from Other Governments	0	23,479	744,904
Accounts	0	46,932	99,306
Prepaid Items	0	5,421	15,474
Total Assets	<u>1,435,449</u>	<u>3,278,442</u>	<u>15,953,151</u>
Deferred Outflows	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u>\$ 1,435,449</u>	<u>\$ 3,278,442</u>	<u>\$ 15,953,151</u>
Liabilities			
Salaries and Benefits Payable	<u>\$ 3,074</u>	<u>\$ 33,962</u>	<u>\$ 168,457</u>
Deferred Inflows			
Unavailable Property Taxes	<u>63,457</u>	<u>79,863</u>	<u>333,717</u>
Fund Balances			
Nonspendable	0	5,421	15,474
Restricted	819,492	2,804,297	8,462,326
Committed	177,426	282,757	4,986,893
Assigned	372,000	72,142	1,979,142
Unassigned	0	0	7,142
Total Fund Balances	<u>1,368,918</u>	<u>3,164,617</u>	<u>15,450,977</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,435,449</u>	<u>\$ 3,278,442</u>	<u>\$ 15,953,151</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, 2019

Total Fund Balances - Governmental Funds \$ 15,450,977

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 and Construction in Progress	\$ 755,931	
Infrastructure, Net of \$1,384,347 Accumulated Depreciation	9,120,220	
Buildings, Net of \$764,565 Accumulated Depreciation	1,833,923	
Equipment, Net of \$5,843,567 Accumulated Depreciation	<u>1,885,982</u>	
		13,596,056

Property taxes receivable will be collected this year, but are not available soon enough to pay for current period expenditures and, therefore, are considered unavailable in the funds. 333,717

In the government-wide statements, deferred inflows represent acquisitions of net position that are applicable to a future reporting period and deferred outflows represent the consumption of resources that are applicable to a future reporting period. These deferrals consist of:

Deferred Outflows Related to the Net OPEB Liability	3,447	
Deferred Outflows Related to Net Pension Liability	322,208	
Deferred Inflows Related to Net Pension Liability	<u>(553,930)</u>	
		(228,275)

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Position.

Accrued Interest		(19,470)
Municipal Leases Payable	(317,559)	
Net Pension Liability	(1,104,702)	
Other Post-Employment Benefits	(134,435)	
Compensated Absences	<u>(188,312)</u>	
Total Long-Term Liabilities		<u>(1,745,008)</u>

Net Position of Governmental Activities \$ 27,387,997

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

Boise County, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2019

	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Justice Fund</u>
Revenues			
Property Taxes and Special Fees	\$ 1,538,382	\$ 4,365	\$ 1,749,115
Intergovernmental	178,652	1,385,801	365,089
Grants and Donations	159,721	1,232,760	34,198
Charges for Services	478,567	50,189	298,674
Investment Earnings	469,723	0	0
Other	245,959	104,256	10,559
Total Revenues	<u>3,071,004</u>	<u>2,777,371</u>	<u>2,457,635</u>
Expenditures			
Current:			
General Government	1,553,849	0	0
Public Safety	310,910	0	2,092,732
Highways and Roads	0	1,455,101	0
Sanitation	0	0	0
Weed Control	0	0	0
Welfare	0	0	0
Education	0	0	0
Culture and Recreation	0	0	0
Debt Service:			
Principal	0	150,546	104,494
Interest	0	4,094	25,840
Capital Outlay	486,816	1,176,174	191,146
Total Expenditures	<u>2,351,575</u>	<u>2,785,915</u>	<u>2,414,212</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>719,429</u>	<u>(8,544)</u>	<u>43,423</u>
Other Financing Sources (Uses)			
Debt Proceeds	0	0	155,064
Sale of Assets	4,820	0	16,382
Transfers In	0	660,909	0
Transfers Out	(660,909)	0	0
Total Other Financing Sources (Uses)	<u>(656,089)</u>	<u>660,909</u>	<u>171,446</u>
Net Change in Fund Balances	63,340	652,365	214,869
Fund Balances - Beginning	4,182,934	3,236,498	2,567,436
Fund Balances - Ending	<u>\$ 4,246,274</u>	<u>\$ 3,888,863</u>	<u>\$ 2,782,305</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, 2019
(continued)

	Solid Waste	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes and Special Fees	\$ 698,412	\$ 1,511,983	\$ 5,502,257
Intergovernmental	0	89,338	2,018,880
Grants and Donations	0	64,033	1,490,712
Charges for Services	70,024	357,634	1,255,088
Investment Earnings	0	579	470,302
Other	14,382	101,902	477,058
Total Revenues	782,818	2,125,469	11,214,297
Expenditures			
Current:			
General Government	0	978,534	2,532,383
Public Safety	0	328,702	2,732,344
Highways and Roads	0	0	1,455,101
Sanitation	685,964	0	685,964
Weed Control	0	92,159	92,159
Welfare	0	431,267	431,267
Education	0	16,837	16,837
Culture and Recreation	0	28,636	28,636
Debt Service:			
Principal	0	410,000	665,040
Interest	0	20,500	50,434
Capital Outlay	35,342	73,426	1,962,904
Total Expenditures	721,306	2,380,061	10,653,069
Excess (Deficiency) of Revenues Over Expenditures	61,512	(254,592)	561,228
Other Financing Sources (Uses)			
Debt Proceeds	0	0	155,064
Sale of Assets	0	2,617	23,819
Transfers In	0	0	660,909
Transfers Out	0	0	(660,909)
Total Other Financing Sources (Uses)	0	2,617	178,883
Net Change in Fund Balances	61,512	(251,975)	740,111
Fund Balances - Beginning	1,307,406	3,416,592	14,710,866
Fund Balances - Ending	\$ 1,368,918	\$ 3,164,617	\$ 15,450,977

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, 2019

Total Net Change in Fund Balance - Governmental Funds	\$	740,111
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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	\$	1,291,074	
Disposal of Assets		(8,915)	
Depreciation Expense		<u>(780,066)</u>	
			502,093

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 unavailable tax revenues. They are, however, recorded as revenues in the Statement of Activities.		232
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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		(155,064)	
Principal Payments Made		665,040	
Amortization of Bond Premium		26,990	
Change in Accrued Interest		<u>(3,161)</u>	
			533,805

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.

Changes in Net Pension Liability and the Related Deferrals		(815)	
Other Post-Employment Benefit Liability Changes and the Related Deferrals		(15,570)	
Compensated Absences Liability Changes		<u>(33,209)</u>	
			<u>(49,594)</u>

Change in Net Position of Governmental Activities	\$	<u><u>1,726,647</u></u>
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The accompanying notes are an integral
 part of the financial statements.

Boise County, Idaho
Statement of Fiduciary Net Position
September 30, 2019

	Agency Funds			Total
	State Remittance	Special Taxing District	Miscellaneous Trusts	
Assets				
Cash and Cash Equivalents	\$ 164	\$ 13,641	\$ 873,940	\$ 887,745
Property Taxes Receivable	0	277,936	0	277,936
Total Assets	<u>164</u>	<u>291,577</u>	<u>873,940</u>	<u>1,165,681</u>
Deferred Outflows	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u>\$ 164</u>	<u>\$ 291,577</u>	<u>\$ 873,940</u>	<u>\$ 1,165,681</u>
Liabilities				
Due to Other Funds or Taxing Units	\$ 164	\$ 291,577	\$ 873,940	\$ 1,165,681
Deferred Inflows	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows	<u>\$ 164</u>	<u>\$ 291,577</u>	<u>\$ 873,940</u>	<u>\$ 1,165,681</u>

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

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

The County has one blended component unit – East Boise County Ambulance District. The District is organized and operates under Title 31, Chapter 39 of Idaho Code to provide ambulance services to the east side of the County. The assets, deferred outflows, liabilities, deferred inflows, revenues and expenditures of the District are reported as a special revenue fund in the County's financial statements. The District was formed solely to provide ambulance services to the County, and, management of the primary government has operational responsibility for the blended component unit. Financial statements of the blended component unit may be obtained at the County Clerk's office.

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

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 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.

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County reports the following major governmental funds:

- *General fund.* This is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.
- *Road and Bridge fund.* This fund accounts for repairs and maintenance of roads and bridges and construction of new roads and bridges.
- *Justice fund.* This fund accounts for all activity related to public safety as well as the operations of the Prosecuting Attorney's office.
- *Solid Waste fund.* This fund accounts for solid waste management services.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The types of fiduciary funds include: Expendable Trust, Nonexpendable Trust, Pension Trust, and Agency Funds. Of the four categories, 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 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 property tax revenues reported in the governmental funds to be available if they are collected within sixty days after year-end, all other revenues reported in the governmental funds are considered available if they are collected within six months of 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.

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- *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.

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 purposes of restricted fund balance are detailed as follows:

Fund	Purpose	Amount
Road and Bridge	Revenues in this fund come from Federal forest funds, state highway user funds, other intergovernmental revenue, some property tax revenue, grants, and other revenues that are to be used for maintaining and improving roads and bridges within the County.	\$ 2,056,232
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.	2,782,305
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.	819,492
Bond	Excess fund balance to be held in reserve until the bond bank authority confirms the bonds were paid in full.	91,784
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 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.	2,712,513
		\$ 8,462,326

The purposes of committed fund balance 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

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The amounts determined from this calculation are considered committed fund balance and total \$950,000.

- *Subsequent year's expenditures.* This is the amount needed to support the next year's budget when expenditures exceed revenues and taxes and total \$3,536,893.
- *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 and total \$500,000.

The assigned fund balance within the General fund is the amount the Clerk has estimated will be needed for capital improvements (\$410,000), acquisition of property for County offices (\$250,000), estimated amounts needed to cover shortfalls in state shared revenues due to the COVID Pandemic (\$575,000), disaster and emergency funds (\$150,000), extraordinary legal costs (\$100,000), and extraordinary professional service costs (\$50,000). The remaining assigned fund balances are amounts the Clerk has estimated will be needed in the Solid Waste fund for capital improvements (\$162,000), professional service costs for Grimes Creek Transfer station planning and site survey (\$25,000), backhoe and trailer purchases (\$35,000), and grant match for the Grimes Creek Road intersection redesign (\$150,000); and in the East Boise County Ambulance fund for an ambulance purchase (\$72,142).

Cash and Cash Equivalents and Investments

The County's cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date. However, maturities may be long-term but easily converted to cash and include External Investment Pools, U.S. Government Obligations, Bank Acceptances, and Certificates of Deposit.

Investments are recorded at fair value in accordance with GASB Statement No. 72 – *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets or cash equivalents and investment income.

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.

Accounts Receivable

Accounts receivable of the governmental activities consists of property taxes, sales taxes, use taxes, state grants, federal grants, ambulance, and other miscellaneous receivables.

The allowance for doubtful accounts for the governmental activities is \$142,866 as of September 30, 2019. This allowance is derived from historical data on the collections of ambulance receivables.

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

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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	Third Monday of September
Date taxes are billed	November 20
Date taxes are due	Half on December 20 and half on the following June 20
Date taxes become delinquent	First day in 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 acquisition value.

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

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Land and Land Improvements	All	N/A	N/A
Infrastructure	\$ 100,000	Straight-Line	20 - 50 Years
Buildings and Improvements	\$ 5,000	Straight-Line	15 - 40 Years
Equipment	\$ 5,000	Straight-Line	5 - 15 Years
Personal Property and Software	\$ 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 available to full-time and permanent part-time employees who have completed the equivalent of six months full-time employment.

Use of Estimates

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

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits Other Than Pensions

County employees who retire and have not yet become eligible for Federal Medicare coverage are eligible to purchase insurance through the County's healthcare plan (the Plan). Although retirees pay their own premium, there is an implicit cost due to increased group premiums when retirees are included in the County's healthcare plan. For purposes of measuring the net other post-employment benefits other than pensions (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the implicit medical benefit plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the County recognizes benefit payments when due and payable in accordance with the benefit terms. GASB Statement 75 was implemented as of October 1, 2017.

2. DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. The County's policy is to fully collateralize deposits exceeding insurance limits with government and/or agency securities held by the pledging financial institution. As of September 30, 2019, all of the County's bank balances were insured and collateralized.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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.

The State Treasurer must operate and invest the funds of both pools for the benefit of the participants. They make investments in accordance with Idaho Code, Sections 67-1210 and 67-1210A. The Pools are not registered with the Securities and Exchange Commission or any other regulatory body. The State Treasurer does not provide any legally binding guarantees to support the value of the shares to participants. The value of the County's investments in the LGIP is reported in the accompanying financial statements at amounts based on the County's amortized cost deposited in the pool. Participants have overnight availability to their funds up to \$10 million. Withdrawals of more than \$10 million require 3 business day's notification.

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

2. DEPOSITS AND INVESTMENTS (continued)

At September 30, 2019, the County's investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings	
		AAA	AA
External Investment Pool (DBF)	\$ 3,130,888	\$ 1,407,647	\$ 152,161
Certificates of Deposit	752,518	0	0
U.S. Government Agency Obligations	2,000,974	0	2,000,974
	<u>\$ 5,884,380</u>	<u>\$ 1,407,647</u>	<u>\$ 2,153,135</u>

Investment Type	Quality Ratings		
	A	Baa	Unrated
External Investment Pool (DBF)	\$ 500,003	\$ 10,019	\$ 1,061,058
Certificates of Deposit	0	0	752,518
U.S. Government Agency Obligations	0	0	0
	<u>\$ 500,003</u>	<u>\$ 10,019</u>	<u>\$ 1,813,576</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy states, where possible, portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector, allows for no more than 50% in a specific issuer and in a specific class of securities. In addition, GASBS No. 40 requires disclosure of concentrations over 5% in a single issuer. As of September 30, 2019, the County had three issuers in excess of 5% of the County's investments - US Government Obligation, Federal Home Loan Mortgage Corporation valued at \$501,900, US Government Obligation, Federal Farm Credit valued at \$550,539, and US Government Obligation, Federal Home Loan Banks valued at \$449,645.

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.

As of September 30, 2019, the County's investments had the following maturities:

Investment Type	Amortized Cost	Investment Maturities (in years)		
		Less Than 1	1-5	6-10
External Investment Pool (LGIP)	\$ 8,121,981	\$ 8,121,981	\$ 0	\$ 0

Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1-5	6-10
External Investment Pool (DBF)	\$ 3,130,888	\$ 900,443	\$ 1,649,665	\$ 580,780
Certificates of Deposit	752,518	0	500,518	252,000
U.S. Government Obligations	2,000,974	248,773	1,752,201	0
	<u>\$ 5,884,380</u>	<u>\$ 1,149,216</u>	<u>\$ 3,902,384</u>	<u>\$ 832,780</u>

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

2. DEPOSITS AND INVESTMENTS (continued)

Fair Value of Investments

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

As of September 30, 2019, the County had the following recurring fair value:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
External Investment Pool (DBF)	\$ 3,130,888	\$ 0	\$ 3,130,888	\$ 0
Certificates of Deposit	752,518	0	752,518	0
U.S. Government Agency Obligations	2,000,974	0	2,000,974	0
Total Investments Measured at Fair Value	<u>\$ 5,884,380</u>	<u>\$ 0</u>	<u>\$ 5,884,380</u>	<u>\$ 0</u>

Level 2 inputs for the investments above are valued using the market approach.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs to measure an asset's fair value.

3. 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.

4. DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units (State of Idaho) consist of liquor apportionment of \$17,560, cigarette tax of \$3,821, highway user revenue of \$336,605, federal and state grant funds of \$235,660, and state revenue sharing of \$151,258 for a total of \$744,904.

5. TRANSFERS

Transfers between funds for the current year were as follows:

From the General fund to the Road & Bridge fund to help cover costs of repair and
\$ 660,909 improvement projects.

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2019 was as follows:

	Balance 10/1/2018	Reclass- ifications	Additions	Disposals	Balance 09/30/2019
<u>Governmental Activities:</u>					
Capital Assets Not Being Depreciated:					
Land	\$ 380,107	\$ 0	\$ 0	\$ 0	\$ 380,107
Construction in Progress	33,617	(30,806)	375,824	(2,811)	375,824
	<u>413,724</u>	<u>(30,806)</u>	<u>375,824</u>	<u>(2,811)</u>	<u>755,931</u>
Capital Assets Being Depreciated:					
Infrastructure	10,413,105	0	91,462	0	10,504,567
Buildings and Improvements	2,299,110	45,366	262,012	(8,000)	2,598,488
Equipment	7,509,870	(14,560)	561,776	(327,537)	7,729,549
Total Historical Cost	<u>20,222,085</u>	<u>30,806</u>	<u>915,250</u>	<u>(335,537)</u>	<u>20,832,604</u>
Less: Accumulated Depreciation					
Infrastructure	1,123,972	0	260,375	0	1,384,347
Buildings and Improvements	696,823	0	67,742	0	764,565
Equipment	5,721,051	0	451,949	(329,433)	5,843,567
Total Accumulated Depreciation	<u>7,541,846</u>	<u>0</u>	<u>780,066</u>	<u>(329,433)</u>	<u>7,992,479</u>
Net Depreciable Assets	<u>12,680,239</u>	<u>30,806</u>	<u>135,184</u>	<u>(6,104)</u>	<u>12,840,125</u>
Governmental Activities Capital Assets - Net	<u>\$13,093,963</u>	<u>\$ 0</u>	<u>\$ 511,008</u>	<u>\$ (8,915)</u>	<u>\$13,596,056</u>

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

<u>Governmental Activities:</u>	
General Government	\$ 42,436
Public Safety	316,668
Highways and Roads	367,731
Sanitation	39,233
Weed Control	5,940
Culture and Recreation	8,058
	<u>\$ 780,066</u>

7. LONG-TERM OBLIGATIONS

Government-wide Activities:

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. Those bonds, were in turn, paid off during the current year.

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

7. LONG-TERM OBLIGATIONS (continued)

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	\$ 1,337,443
Less: accumulated amortization (included as depreciation on the accompanying financial statements)	<u>(668,908)</u>
	<u>\$ 668,535</u>

Changes in long-term obligations for the year ended September 30, 2019 are as follows:

Description	Rate	Maturity	10/1/2018	Increase	Decrease	09/30/2019	Current
Direct Borrowing:							
Lease-Cat Compactor	3.20%	2019	\$ 11,480	\$ 0	\$ (11,480)	\$ 0	\$ 0
Lease-Sheriff Vehicle	5.32%	2019	4,088	0	(4,088)	0	0
Lease-2 Sheriff Vehicles	5.32%	2019	12,424	0	(12,424)	0	0
Lease-2 Sheriff Vehicles	5.32%	2019	13,986	0	(13,986)	0	0
Lease-Grader	2.50%	2020	39,646	0	(39,646)	0	0
Lease-Grader	2.50%	2020	39,646	0	(39,646)	0	0
Lease-Grader	2.50%	2020	39,646	0	(39,646)	0	0
Lease-Backhoe Loader	2.89%	2020	40,839	0	(20,128)	20,711	20,711
Lease-Sheriff Vehicle	6.90%	2020	23,646	0	(11,422)	12,224	12,224
Lease-5 Sheriff Vehicles	12.92%	2022	192,134	0	(39,422)	152,712	47,566
Lease-3 Sheriff Vehicles	10.86%	2022	0	155,064	(23,152)	131,912	50,627
Direct Placement:							
2012 C Bond Series	1.25 - 5.00%	2019	<u>410,000</u>	<u>0</u>	<u>(410,000)</u>	<u>0</u>	<u>0</u>
			<u>\$ 827,535</u>	<u>\$ 155,064</u>	<u>\$ (665,040)</u>	<u>\$ 317,559</u>	<u>\$ 131,128</u>
Unamortized Premium			<u>\$ 26,990</u>	<u>\$ 0</u>	<u>\$ (26,990)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Debt service requirements on direct borrowings at September 30, 2019, are as follows:

Year Ending September 30,	Municipal Leases	
	Principal	Interest
2020	\$ 131,127	\$ 45,374
2021	114,048	16,908
2022	<u>72,383</u>	<u>5,426</u>
	<u>\$ 317,558</u>	<u>\$ 67,708</u>

Events of default related to the Sheriff's vehicles include: failure to pay lease payments when due plus any applicable grace period; failure to perform or observe any other term, covenant, or condition in the lease agreements for more than five days; providing false or misleading information to the lessor; the County is no longer a going concern, transfers a substantial part of its assets, becomes insolvent or bankrupt; or the County deems itself insecure. Consequences of events of default include: repossession of the vehicle plus costs of repossession, the full lease balance will be due immediately, and/or the lessor may sue the County to enforce performance under the lease agreement.

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

7. LONG-TERM OBLIGATIONS (continued)

Events of default for the graders include: failure to pay lease payments within ten days after the due date; failure to perform or observe any other term, covenant, or condition in the lease agreement within 20 days of written notice from the lessor. Consequences of events of default include: repossession of the equipment and/or the full lease balance will be due immediately.

Events of default for the compactor and backhoe loader include: failure to pay lease payments when due plus any applicable grace period. Consequences of events of default include: repossession of the equipment and/or the full lease balance will be due immediately.

8. LEASE COMMITMENTS

The County has committed to the following leases:

- The Prosecuting Attorney's building over a period of 18 years, payments of \$550 due monthly, term ends in FY2022.
- Office space for East Boise County Ambulance District, over a period of 10 years, payments of \$1,000 due annually, term is expected to end in FY2025.
- A postage meter for a period of 60 months, payments of \$149 due monthly, term is expected to end in FY2020.
- A copier for a period of 60 months, payments of \$104 due monthly, term is expected to end in FY2020.
- A copier for a period of 60 months, payments of \$1,212 due monthly, term is expected to end in FY2022.

The County also leases a building for the ambulances and another for the Sheriff's office. These leases are year-to-year and no longer require a schedule of future minimum payments. Rent expenditures for the year ended September 30, 2019, were \$26,767. Future minimum payments for the committed leases are as follows:

Year Ending September 30,	Amount
2020	\$ 23,112
2021	22,144
2022	6,062
2023	1,000
2024	1,000
2025	1,000
	<u>\$ 54,318</u>

9. COMPENSATED ABSENCES

The County presently accumulates unused vacation days available to full-time and permanent part-time employees who have completed the equivalent of 6 months full-time employment. All accumulated vacation days represents a potential liability to the County.

	10/1/2018	Increase	Decrease	09/30/2019	Current
Governmental Activities	\$ 155,103	\$ 227,462	\$ (194,253)	\$ 188,312	\$ 188,312

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

10. PENSION PLAN

Plan Description

The County contributes to the Base Plan, which is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service, and three members who are Idaho citizens and are not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year, provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2019, it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. Beginning July 1, 2019, the employee contribution rates changed to 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rates changed to 11.94% for general employees and 12.28% for police and firefighters. The County's contributions were \$381,287 for the year ended September 30, 2019.

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

10. PENSION PLAN (continued)

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

At September 30, 2019, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2019, the County's proportion was .0967787%.

For the year ended September 30, 2019, the County recognized pension expense of \$382,103. At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 102,665	\$ 130,195
Changes in assumptions or other inputs	61,450	0
Net difference between projected and actual earnings on pension plan investments	0	376,340
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	66,052	47,395
Employer contributions subsequent to the measurement date	<u>92,041</u>	<u>0</u>
Total	<u>\$ 322,208</u>	<u>\$ 553,930</u>

\$92,041 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2019.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2017, the beginning of the measurement period ended June 30, 2019, is 4.8 years and for measurement period ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended <u>September 30,</u>	
2020	\$ (30,002)
2021	\$ (168,355)
2022	\$ (84,778)
2023	\$ (40,627)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

10. PENSION PLAN (continued)

percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases including inflation	3.75%
Investment rate of return	7.05%, net of investment expense
Cost-of-living adjustments	1.00%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back three years for teachers
- No offset for male police and firefighters
- Forward one year for female police and firefighters
- Set back one year for all general employees and beneficiaries

An experience study was performed for the period July 1, 2011 through June 30, 2017, which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2011 through June 30, 2017. The total pension liability as of June 30, 2019 is based on the results of an actuarial valuation date of July 1, 2019.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers, and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of the System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as follows:

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

10. PENSION PLAN (continued)

Asset Class		Target Allocation	Long-term Expected Nominal Rate of Return (Arithmetic)	Long-term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	Barclays Aggregate	30.00%	3.05%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	8.30%	6.05%
Developed Foreign Equities	MSCI EAFE/World ex US	15.00%	8.45%	6.20%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.75%	4.50%
Portfolio Standard Deviation			12.54%	12.54%
Portfolio Long-term (Geometric) Expected Rate of Return			6.13%	3.77%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.73%	3.37%
Portfolio Long-term Expected Real Rate of Return, Net of Investment Expenses				4.19%
Portfolio Standard Deviation				14.16%
Valuation Assumptions Chosen by PERSI Board				
Long-term Expected Real Rate of Return, Net of Investment Expenses				4.05%
Assumed Inflation				3.00%
Long-term Expected Geometric Rate of Return, Net of Investment Expenses				7.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.05%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.05%) or 1% higher (8.05%) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
County's proportionate share of the net pension liability (asset)	\$ 3,336,625	\$ 1,104,702	\$ (741,028)

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

10. PENSION PLAN (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

11. DEFERRED COMPENSATION PLAN

Permanent, full-time employees of the County may participate upon hire in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments), administered by Nationwide Retirement Solutions.

Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until withdrawal at a later date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The County has no liability for losses under the plan but it does have the obligation of due care in selecting the third-party administrator (Nationwide Retirement Solutions). The County does not make employer contributions to this plan.

12. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The County's defined benefit OPEB plan is a single-employer defined benefit healthcare plan administered by GemPlan, which is not administered as a trust. GemPlan does issue a stand-alone financial report, and the financial report is not included in the report of another entity. GemPlan's financial report may be obtained by contacting them directly. GemPlan contracts with Blue Cross of Idaho to provide medical and prescription drug insurance benefits to eligible employees and retirees (under 65 years old) and their eligible dependents. The County's Board of Commissioners has the authority to establish or amend benefit provisions.

The contribution requirement of plan members is established by the Board of Commissioners in conjunction with the insurance provider. The required contribution is based on the pay-as-you-go financing requirements. Monthly contribution rates in effect for current employees during fiscal year 2019, were \$730 for a single person or \$1,423 with a spouse. Monthly contribution rates for retirees during fiscal year 2019, were \$745 for a single person or \$1,451 with a spouse. Retirees are required to pay 100% of their premiums.

The net other post-employment benefit liability (NOL) was measured as of October 1, 2018, and the total other post-employment benefit liability was determined by an actuarial valuation as of October 1, 2017.

The County does not pre-fund benefits. The current funding policy is to pay benefits 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 the 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. Therefore, no assets have been accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4. The long-term expected rate of return on OPEB plan investments was zero because the County is not funding it. However, the rate would be determined based on the nature and mix of current and expected OPEB plan investments over a period representative of the expected length of future benefit payments.

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

12. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

The following actuarial assumptions were used in the October 1, 2017 valuation:

Valuation Timing	Actuarial valuations are performed biennially as of October 1 for accounting purposes only. The most recent valuation was performed as of October 1, 2017.
Actuarial Cost Method	Entry Age, level percentage of pay
Inflation	2.50%
Salary Increase	3.00%
Discount Rate	3.50%
Health Cost Trend Rates	6.50% as of October 1, 2017 grading to 5.00% over 6 years. The medical trend rates have been chosen based on a review of historical health care increase rates, projected health care increase rates, and projected health care expenditures as a percentage of GDP. The components of health care costs were considered when developing the aggregate set of trend rates.
Retirement	The plan participation percentages for retirees and their spouses reflect past, current, and expected future expectations of medical plan enrollment for current actives and retirees. These amounts are adjusted to reflect population changes, differences in actual versus expected liabilities, and changes in enrollment/participation patterns.
Mortality	Mortality rates were based on the MP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
Date of Experience Studies	An experience study was performed for the period July 1, 2013 through June 30, 2017, which reviewed all economic and demographic assumptions other than mortality. Mortality assumptions were studied in 2018 for the same time period.

The number of employees related to the Plan are as follows:

Inactive employees or beneficiaries currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	<u>80</u>
	<u>80</u>

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and, if applicable, inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the OPEB liability. There were no significant changes between the valuation date and the fiscal year-end. Any significant changes during this period must be reflected as prescribed by GASBS No. 75. The discount rate is equal to the 20-Year Municipal Bond Yield, as determined by considering published rate information for 20-year high quality, tax exempt, and general obligation municipal bonds as of the measurement date. The long-term expected rate of return and the municipal bond rate in determining the discount rate are applied to projected benefit payments for the periods October 1, 2017 through September 30, 2067.

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

12. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Changes in assumptions or other inputs that affected the total OPEB liability since the prior measurement date include:

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 Total Dataset Mortality Tables with the MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The withdrawal tables for all employees and retirement tables for police and fire personnel only were updated. Also, the retirement rates now begin at age 55, even if the service eligibility requirement to stay on the County's medical plan post-employment has not been met.

The following is a schedule of changes in the net OPEB liability:

Total OPEB Liability as of September 30, 2018	\$ 118,170
Service cost	14,424
Interest cost	4,593
Changes of benefit terms	0
Differences between expected and actual experience	0
Assumption changes	0
Benefit payments	<u>(2,752)</u>
Total OPEB Liability as of September 30, 2019	<u>\$ 134,435</u>

The total OPEB expense recognized in the government-wide statements by the County for the current year was \$19,017.

The balances of deferred outflows of resources and deferred inflows of resources related to OPEB are classified as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes in assumptions or other inputs	0	0
Amounts associated with transactions subsequent to the measurement date	<u>3,447</u>	<u>0</u>
	<u>\$ 3,447</u>	<u>\$ 0</u>

The expected future recognition in OPEB expense of deferred outflows and deferred inflows is as follows:

Year Ending September 30,	Amount
2020	\$ 0
2021	\$ 0
2022	\$ 0
2023	\$ 0
2024	\$ 0
Thereafter	\$ 0

Boise County, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

12. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability (asset)	\$ 146,812	\$ 134,435	\$ 123,203

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current discount rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability (asset)	\$ 117,353	\$ 134,435	\$ 155,363

As of September 30, 2019, the County did not have any outstanding contributions due and payable to the Plan.

13. 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, 2019, 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. Post closure care costs incurred and paid in the current year totaled \$1,300. Estimated future costs to be recognized total \$323,653.

REQUIRED SUPPLEMENTARY INFORMATION

Boise County, Idaho
 Schedule of Employer's Share of Net Pension Liability
 PERSI - Base Plan*
 Last 10 - Fiscal Years

	2019	2018	2017	2016	2015
Employer's portion of the net pension liability	0.0967787%	0.0933328%	0.0981284%	0.0958466%	0.0922923%
Employer's proportionate share of the net pension liability	\$ 1,104,702	\$ 1,376,675	\$ 1,542,410	\$ 1,942,958	\$ 1,215,339
Employer's covered payroll	\$ 3,266,546	\$ 2,985,486	\$ 3,029,054	\$ 2,803,406	\$ 2,571,681
Employer's proportional share of the net pension liability as a percentage of its covered payroll	33.82%	46.11%	50.92%	69.31%	47.26%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	91.69%	90.68%	87.26%	91.38%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for the years the information is available.

Data reported is measured as of June 30, 2019.

Boise County, Idaho
Schedule of Employer Pension Contributions
PERSI - Base Plan*
Last 10 - Fiscal Years

	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 381,287	\$ 347,587	\$ 327,825	\$ 329,813	\$ 295,988
Contributions in relation to the statutorily required contribution	(381,287)	(347,587)	(327,825)	(329,813)	(295,988)
Contribution (deficiency) excess	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Employer's covered payroll	\$ 3,312,383	\$ 3,052,661	\$ 2,878,698	\$ 2,895,756	\$ 2,600,988
Contributions as a percentage of covered payroll	11.51%	11.39%	11.39%	11.39%	11.38%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for the years the information is available.

Data is reported as of September 30, 2019.

Boise County, Idaho
 Schedule of Changes in the County's Net OPEB Liability
 Last 10 - Fiscal Years*

	2019	2018
Total OPEB liability as of October 1	\$ 118,170	\$ 104,387
Service cost	14,424	14,004
Interest cost	4,593	4,069
Change of benefit terms	0	0
Differences between expected and actual experience	0	0
Assumption changes	0	0
Benefit payments	(2,752)	(4,290)
Total OPEB liability as of September 30	<u>\$ 134,435</u>	<u>\$ 118,170</u>

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for the years the information is available.

Boise County, Idaho
 Schedule of the County's OPEB Liability
 Last 10 - Fiscal Years*

	2019	2018
Total OPEB liability	\$ 134,435	\$ 118,170
Covered-employee payroll	\$ 3,074,775	\$ 2,793,978
Total OPEB liability as a percentage of covered employee payroll	4.37%	4.23%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for the years the information is available.

Boise County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 General Fund
 For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 1,499,126	\$ 1,499,126	\$ 1,538,382	\$ 39,256
Intergovernmental	190,123	190,123	178,652	(11,471)
Grants and Donations	0	0	159,721	159,721
Charges for Services	419,600	419,600	478,567	58,967
Investment Earnings	122,000	122,000	469,723	347,723
Other	3,073	37,902	245,959	208,057
Total Revenues	<u>2,233,922</u>	<u>2,268,751</u>	<u>3,071,004</u>	<u>802,253</u>
Expenditures				
Current:				
Salaries	1,136,462	1,136,462	1,005,946	130,516
Benefits	459,713	459,713	406,254	53,459
Operating	1,045,335	1,061,335	452,559	608,776
Contingency	149,368	108,252	0	108,252
Capital Outlay	500,686	560,631	486,816	73,815
Total Expenditures	<u>3,291,564</u>	<u>3,326,393</u>	<u>2,351,575</u>	<u>974,818</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,057,642)</u>	<u>(1,057,642)</u>	<u>719,429</u>	<u>1,777,071</u>
Other Financing Sources (Uses)				
Sale of Assets	0	0	4,820	4,820
Transfers In	1,057,642	1,057,642	0	(1,057,642)
Transfers Out	0	0	(660,909)	(660,909)
Total Other Financing Sources (Uses)	<u>1,057,642</u>	<u>1,057,642</u>	<u>(656,089)</u>	<u>(1,713,731)</u>
Net Change in Fund Balances	0	0	63,340	63,340
Fund Balances - Beginning	0	0	4,182,934	4,182,934
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,246,274</u>	<u>\$ 4,246,274</u>

Boise County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Road and Bridge
 For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 0	\$ 0	\$ 4,365	\$ 4,365
Intergovernmental	1,250,200	1,250,200	1,385,801	135,601
Grants and Contributions	911,774	1,248,974	1,232,760	(16,214)
Charges for Services	20,000	20,000	50,189	30,189
Other	20,000	29,506	104,256	74,750
Total Revenues	2,201,974	2,548,680	2,777,371	228,691
Expenditures				
Current:				
Salaries	656,649	656,649	569,391	87,258
Benefits	276,880	276,880	240,069	36,811
Operating	658,211	667,717	645,641	22,076
Debt Service:				
Principal	790,640	190,640	150,546	40,094
Interest	4,094	4,094	4,094	0
Capital Outlay	825,500	1,877,225	1,176,174	701,051
Total Expenditures	3,211,974	3,673,205	2,785,915	887,290
Excess (Deficiency) of Revenues Over Expenditures	(1,010,000)	(1,124,525)	(8,544)	1,115,981
Other Financing Sources (Uses)				
Sale of Assets	10,000	10,000	0	(10,000)
Transfers In	1,000,000	1,114,525	660,909	(453,616)
Total Other Financing Sources (Uses)	1,010,000	1,124,525	660,909	(463,616)
Net Change in Fund Balances	0	0	652,365	652,365
Fund Balances - Beginning	0	0	3,236,498	3,236,498
Fund Balances - Ending	\$ 0	\$ 0	\$ 3,888,863	\$ 3,888,863

Boise County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Justice Fund
 For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 1,715,281	\$ 1,715,281	\$ 1,749,115	\$ 33,834
Intergovernmental	409,651	409,651	365,089	(44,562)
Grants and Contributions	55,441	55,441	34,198	(21,243)
Charges for Services	277,850	283,727	298,674	14,947
Other	0	0	10,559	10,559
Total Revenues	<u>2,458,223</u>	<u>2,464,100</u>	<u>2,457,635</u>	<u>(6,465)</u>
Expenditures				
Current:				
Salaries	1,429,379	1,440,692	1,280,130	160,562
Benefits	525,597	527,044	484,392	42,652
Operating	352,162	374,161	328,210	45,951
Debt Service:				
Principal	104,494	104,494	104,494	0
Interest	25,840	25,840	25,840	0
Contingency	125,089	35,031	0	35,031
Capital Outlay	31,734	92,910	191,146	(98,236)
Total Expenditures	<u>2,594,295</u>	<u>2,600,172</u>	<u>2,414,212</u>	<u>185,960</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(136,072)</u>	<u>(136,072)</u>	<u>43,423</u>	<u>179,495</u>
Other Financing Sources (Uses)				
Debt Proceeds	136,072	136,072	155,064	18,992
Sale of Assets	0	0	16,382	16,382
Total Other Financing Sources (Uses)	<u>136,072</u>	<u>136,072</u>	<u>171,446</u>	<u>35,374</u>
Net Change in Fund Balances	0	0	214,869	214,869
Fund Balances - Beginning	0	0	2,567,436	2,567,436
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,782,305</u>	<u>\$ 2,782,305</u>

Boise County, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Solid Waste
 For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Special Fees	\$ 685,000	\$ 685,000	\$ 698,412	\$ 13,412
Charges for Services	39,000	39,000	70,024	31,024
Other	10,000	10,000	14,382	4,382
Total Revenues	<u>734,000</u>	<u>734,000</u>	<u>782,818</u>	<u>48,818</u>
Expenditures				
Current:				
Salaries	172,895	172,895	131,570	41,325
Benefits	53,682	53,682	46,163	7,519
Operating	579,259	578,059	508,231	69,828
Contingency	0	0	0	
Capital Outlay	46,500	47,700	35,342	12,358
Total Expenditures	<u>852,336</u>	<u>852,336</u>	<u>721,306</u>	<u>131,030</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(118,336)</u>	<u>(118,336)</u>	<u>61,512</u>	<u>179,848</u>
Other Financing Sources (Uses)				
Transfers In	118,336	118,336	0	(118,336)
Total Other Financing Sources (Uses)	<u>118,336</u>	<u>118,336</u>	<u>0</u>	<u>(118,336)</u>
Net Change in Fund Balances	0	0	61,512	61,512
Fund Balances - Beginning	0	0	1,307,406	1,307,406
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,368,918</u>	<u>\$ 1,368,918</u>

Boise County, Idaho
Notes to Required Supplementary Information
For the Year Ended September 30, 2019

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 up from 72 to 80, healthcare trend rates were changed to better anticipate short-term and long-term medical increases, and the mortality tables were updated from the RP-2014 Total Dataset Mortality Tables with the MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).

The following actuarial assumptions were used in the October 1, 2017 valuation:

Valuation Timing	Actuarial valuations are performed biennially as of October 1 for accounting purposes only. The most recent valuation was performed as of October 1, 2017.
Actuarial Cost Method	Entry Age, level percentage of pay
Inflation	2.50%
Salary Increase	3.00%
Discount Rate	3.50%
Health Cost Trend Rates	6.50% as of October 1, 2017 grading to 5.00% over 6 years. The medical trend rates have been chosen based on a review of historical health care increase rates, projected health care increase rates, and projected health care expenditures as a percentage of GDP. The components of health care costs were considered when developing the aggregate set of trend rates.
Retirement	The plan participation percentages for retirees and their spouses reflect past, current, and expected future expectations of medical plan enrollment for current actives and retirees. These amounts are adjusted to reflect population changes, differences in actual versus expected liabilities, and changes in enrollment/participation patterns.
Mortality	Mortality rates were based on the MP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
Date of Experience Studies	An experience study was performed for the period July 1, 2013 through June 30, 2017, which reviewed all economic and demographic assumptions other than mortality. Mortality assumptions were studied in 2018 for the same time period.

All GemPlan counties were combined to calculate an average annual claim amount of \$16,424. This average amount was then adjusted to reflect the County's underlying plan provisions. The plan adjustment factor was 1.120.

The County has not pre-funded benefits. Therefore, no assets have been accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4.

Boise County, Idaho
Notes to Required Supplementary Information
For the Year Ended September 30, 2019

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, 2019

	Budget	Actual	Variance
Revenue			
Property Taxes	\$ 1,499,126	\$ 1,538,382	\$ 39,256
Intergovernmental	190,123	178,652	(11,471)
Grants and Donations	0	159,721	159,721
Charges for Services	419,600	478,567	58,967
Investment Earnings	122,000	469,723	347,723
Other Revenue	37,902	245,959	208,057
Other Financing Sources (Uses)			
Sale of Assets	0	4,820	4,820
Transfers In	1,057,642	0	(1,057,642)
Total Revenue	\$ 3,326,393	\$ 3,075,824	\$ (250,569)

Boise County, Idaho
Supplemental Schedule of Expenditures by Object of Expenditure
- Budget (GAAP Basis) and Actual - General Fund
For the Year Ended September 30, 2019

	Budget	Actual	Variance
Clerk-Auditor:			
Salaries	\$ 223,860	\$ 219,401	\$ 4,459
Benefits	102,783	98,119	4,664
Operating	11,500	6,522	4,978
Capital Outlay	2,000	1,976	24
	<u>340,143</u>	<u>326,018</u>	<u>14,125</u>
Assessor:			
Salaries	172,731	160,156	12,575
Benefits	78,024	66,556	11,468
Operating	12,700	10,868	1,832
Capital Outlay	500	405	95
	<u>263,955</u>	<u>237,985</u>	<u>25,970</u>
Treasurer/Tax Collector:			
Salaries	105,126	102,216	2,910
Benefits	40,102	37,045	3,057
Operating	87,350	17,186	70,164
Capital Outlay	1,500	1,231	269
	<u>234,078</u>	<u>157,678</u>	<u>76,400</u>
Commissioners:			
Salaries	97,449	94,950	2,499
Benefits	48,166	33,250	14,916
Operating	10,050	3,028	7,022
Capital Outlay	500	0	500
	<u>156,165</u>	<u>131,228</u>	<u>24,937</u>
Coroner:			
Salaries	25,840	24,483	1,357
Benefits	8,644	3,358	5,286
Operating	37,900	29,485	8,415
Capital Outlay	1,200	955	245
	<u>73,584</u>	<u>58,281</u>	<u>15,303</u>
County Elections:			
Salaries	36,299	21,672	14,627
Benefits	10,543	8,407	2,136
Operating	30,000	19,872	10,128
Capital Outlay	31,986	29,441	2,545
	<u>108,828</u>	<u>79,392</u>	<u>29,436</u>
Emergency Management:			
Salaries	46,701	46,328	373
Benefits	19,083	18,338	745
Operating	17,600	13,762	3,838
Capital Outlay	59,945	52,327	7,618
	<u>143,329</u>	<u>130,755</u>	<u>12,574</u>
General Reserve:			
Contingency	108,252	0	108,252
	<u>108,252</u>	<u>0</u>	<u>108,252</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, 2019
(continued)

	Budget	Actual	Variance
Data Processing:			
Salaries	56,692	57,865	(1,173)
Benefits	21,115	20,614	501
Operating	157,150	110,517	46,633
Capital Outlay	27,000	17,837	9,163
	<u>261,957</u>	<u>206,833</u>	<u>55,124</u>
CDH and Community Projects:			
Operating	24,000	21,403	2,597
	<u>24,000</u>	<u>21,403</u>	<u>2,597</u>
General Operations:			
Salaries	97,767	95,530	2,237
Benefits	48,639	46,829	1,810
Operating	115,785	93,385	22,400
Capital Outlay	4,000	2,095	1,905
	<u>266,191</u>	<u>237,839</u>	<u>28,352</u>
Disaster Declaration:			
Operating	150,000	5,640	144,360
	<u>150,000</u>	<u>5,640</u>	<u>144,360</u>
Planning and Zoning:			
Salaries	136,042	133,082	2,960
Benefits	56,424	53,375	3,049
Operating	44,250	22,001	22,249
Capital Outlay	500	500	0
	<u>237,216</u>	<u>208,958</u>	<u>28,258</u>
Title III Red Zone/WUI:			
Salaries	44,355	43,855	500
Benefits	18,606	19,537	(931)
Operating	148,850	72,564	76,286
Capital Outlay	500	0	500
	<u>212,311</u>	<u>135,956</u>	<u>76,355</u>
Extraordinary Legal/Homicide:			
Salaries	93,600	6,408	87,192
Benefits	7,584	826	6,758
Operating	214,200	26,326	187,874
	<u>315,384</u>	<u>33,560</u>	<u>281,824</u>
Capital Project	431,000	380,049	50,951
Total Expenditures	<u>\$ 3,326,393</u>	<u>\$ 2,351,575</u>	<u>\$ 974,818</u>

Boise County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2019

	Special Revenue Fund				
	East Boise County Ambulance	District Court	Court Facilities	Health Preventative	Indigent
Assets					
Cash and Cash Equivalents	\$ 408,462	\$ 411,341	\$ 51,358	\$ 23,173	\$ 217,733
Receivables, Net:					
Taxes	9,152	14,107	0	2,440	16,459
Due from Other Governments	2,098	7,390	0	0	0
Accounts	46,932	0	0	0	0
Prepaid Items	0	0	0	0	0
Total Assets	466,644	432,838	51,358	25,613	234,192
Deferred Outflows	0	0	0	0	0
Total Assets and Deferred Outflows	\$ 466,644	\$ 432,838	\$ 51,358	\$ 25,613	\$ 234,192
Liabilities					
Salaries and Benefits Payable	\$ 4,212	\$ 12,108	\$ 0	\$ 0	\$ 1,353
Total Liabilities	4,212	12,108	0	0	1,353
Deferred Inflows					
Unavailable Property Taxes	8,173	12,509	0	2,167	15,015
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	328,571	408,221	0	18,446	217,824
Committed	53,546	0	51,358	5,000	0
Assigned	72,142	0	0	0	0
Total Fund Balances	454,259	408,221	51,358	23,446	217,824
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 466,644	\$ 432,838	\$ 51,358	\$ 25,613	\$ 234,192

Boise County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2019
(continued)

	Special Revenue Fund				
	Junior College	Revaluation	Tort	Weeds	Emergency
	Tuition				Communications
					911
Assets					
Cash and Cash Equivalents	\$ 205,075	\$ 473,428	\$ 516,193	\$ 287,476	\$ 234,300
Receivables, Net:					
Taxes	0	19,505	21,872	5,068	0
Due from Other Governments	13,991	0	0	0	0
Accounts	0	0	0	0	0
Prepaid Items	0	0	0	0	5,421
Total Assets	219,066	492,933	538,065	292,544	239,721
Deferred Outflows	0	0	0	0	0
Total Assets and Deferred Outflows	\$ 219,066	\$ 492,933	\$ 538,065	\$ 292,544	\$ 239,721
Liabilities					
Salaries and Benefits Payable	\$ 0	\$ 8,013	\$ 0	\$ 6,219	\$ 0
Total Liabilities	0	8,013	0	6,219	0
Deferred Inflows					
Unavailable Property Taxes	0	17,327	19,425	4,698	0
Fund Balances					
Nonspendable	0	0	0	0	5,421
Restricted	219,066	467,593	439,558	281,627	185,765
Committed	0	0	79,082	0	48,535
Assigned	0	0	0	0	0
Total Fund Balances	219,066	467,593	518,640	281,627	239,721
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 219,066	\$ 492,933	\$ 538,065	\$ 292,544	\$ 239,721

Boise County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2019
(continued)

	Special Revenue Fund				Total
	Snowmobile IC8-A	Snowmobile GV8-B	Sheriff's Vessel	Debt Service Bond Fund	
Assets					
Cash and Cash Equivalents	\$ 22,510	\$ 42,687	\$ 127,938	\$ 91,128	\$ 3,112,802
Receivables, Net:					
Taxes	0	0	0	1,205	89,808
Due from Other Governments	0	0	0	0	23,479
Accounts	0	0	0	0	46,932
Prepaid Items	0	0	0	0	5,421
Total Assets	<u>22,510</u>	<u>42,687</u>	<u>127,938</u>	<u>92,333</u>	<u>3,278,442</u>
Deferred Outflows	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u>\$ 22,510</u>	<u>\$ 42,687</u>	<u>\$ 127,938</u>	<u>\$ 92,333</u>	<u>\$ 3,278,442</u>
Liabilities					
Salaries and Benefits Payable	\$ 0	\$ 0	\$ 2,057	\$ 0	\$ 33,962
Total Liabilities	<u>0</u>	<u>0</u>	<u>2,057</u>	<u>0</u>	<u>33,962</u>
Deferred Inflows					
Unavailable Property Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>549</u>	<u>79,863</u>
Fund Balances					
Nonspendable	0	0	0	0	5,421
Restricted	14,805	9,576	121,461	91,784	2,804,297
Committed	7,705	33,111	4,420	0	282,757
Assigned	0	0	0	0	72,142
Total Fund Balances	<u>22,510</u>	<u>42,687</u>	<u>125,881</u>	<u>91,784</u>	<u>3,164,617</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 22,510</u>	<u>\$ 42,687</u>	<u>\$ 127,938</u>	<u>\$ 92,333</u>	<u>\$ 3,278,442</u>

Boise County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended September 30, 2019

Special Revenue Fund

	Special Revenue Fund				
	East Boise County Ambulance	District Court	Court Facilities	Health Preventative	Indigent
Revenues					
Property Taxes	\$ 132,533	\$ 257,624	\$ 0	\$ 37,829	\$ 298,608
Intergovernmental	7,553	39,671	0	0	462
Grants and Donations	1,100	23,957	0	0	0
Charges for Services	110,154	59,512	0	0	0
Investment Earnings	0	0	0	0	0
Other	3,568	5,072	0	0	90,939
Total Revenues	254,908	385,836	0	37,829	390,009
Expenditures					
Current:					
Salaries	68,457	228,859	0	0	11,313
Benefits	33,224	108,928	0	0	6,305
Operating	81,534	85,055	0	37,365	376,284
Debt Service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital Outlay	36,857	5,097	4,223	0	0
Total Expenditures	220,072	427,939	4,223	37,365	393,902
Excess (Deficiency) of Revenues Over Expenditures	34,836	(42,103)	(4,223)	464	(3,893)
Other Financing Sources (Uses)					
Sale of Assets	0	2,617	0	0	0
Transfer In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	2,617	0	0	0
Net Change in Fund Balances	34,836	(39,486)	(4,223)	464	(3,893)
Fund Balances - Beginning	419,423	447,707	55,581	22,982	221,717
Fund Balances - Ending	\$ 454,259	\$ 408,221	\$ 51,358	\$ 23,446	\$ 217,824

Boise County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended September 30, 2019
(continued)

	Special Revenue Fund				
	Junior College		Tort	Weeds	Emergency
	Tuition	Revaluation			Communications
					911
Revenues					
Property Taxes	\$ 0	\$ 297,911	\$ 342,620	\$ 86,548	\$ 49,642
Intergovernmental	40,845	0	0	0	0
Grants and Donations	0	0	0	766	26,664
Charges for Services	0	0	0	19,544	100,556
Investment Earnings	0	0	0	0	0
Other	450	2	0	119	0
Total Revenues	41,295	297,913	342,620	106,977	176,862
Expenditures					
Current:					
Salaries	0	165,549	0	42,397	0
Benefits	0	84,469	0	16,920	0
Operating	16,837	6,848	298,376	32,842	92,915
Debt Service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital Outlay	0	292	0	0	13,041
Total Expenditures	16,837	257,158	298,376	92,159	105,956
Excess (Deficiency) of Revenues Over Expenditures	24,458	40,755	44,244	14,818	70,906
Other Financing Sources (Uses)					
Sale of Assets	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	24,458	40,755	44,244	14,818	70,906
Fund Balances - Beginning	194,608	426,838	474,396	266,809	168,815
Fund Balances - Ending	\$ 219,066	\$ 467,593	\$ 518,640	\$ 281,627	\$ 239,721

Boise County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended September 30, 2019
(continued)

	Special Revenue Fund				Total
	Snowmobile IC8-A	Snowmobile GV8-B	Sheriff's Vessel	Debt Service Bond Fund	
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 8,668	\$ 1,511,983
Intergovernmental	0	0	807	0	89,338
Grants and Donations	0	0	11,546	0	64,033
Charges for Services	18,734	5,582	43,552	0	357,634
Investment Earnings	0	0	0	579	579
Other	1,723	29	0	0	101,902
Total Revenues	20,457	5,611	55,905	9,247	2,125,469
Expenditures					
Current:					
Salaries	7,808	2,942	35,997	0	563,322
Benefits	632	225	2,964	0	253,667
Operating	13,179	3,850	13,611	450	1,059,146
Debt Service:					
Principal	0	0	0	410,000	410,000
Interest	0	0	0	20,500	20,500
Capital Outlay	0	13,916	0	0	73,426
Total Expenditures	21,619	20,933	52,572	430,950	2,380,061
Excess (Deficiency) of Revenues Over Expenditures	(1,162)	(15,322)	3,333	(421,703)	(254,592)
Other Financing Sources (Uses)					
Sale of Assets	0	0	0	0	2,617
Total Other Financing Sources (Uses)	0	0	0	0	2,617
Net Change in Fund Balances	(1,162)	(15,322)	3,333	(421,703)	(251,975)
Fund Balances - Beginning	23,672	58,009	122,548	513,487	3,416,592
Fund Balances - Ending	\$ 22,510	\$ 42,687	\$ 125,881	\$ 91,784	\$ 3,164,617

Boise County, Idaho
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

Program Title	Federal CFDA Number	Pass-through Grant Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Schools and Roads - Grants to Counties (Direct)	10.666	N/A	\$ 604,975
<i>Forest Service Schools and Roads Cluster Total</i>			<u>604,975</u>
Passed through Idaho Department of Lands			
Cooperative Forestry Assistance	10.664	16HFR4	59,780
Total U.S. Department of Agriculture			<u>664,755</u>
<u>U.S. Department of Interior</u>			
Payment in Lieu of Taxes (Direct)	15.226	N/A	<u>652,192</u>
<u>U.S. Department of Justice</u>			
Passed through State Department of Juvenile Corrections:			
Juvenile Justice & Delinquency	16.540	2016-JF-FX-0034	1,417
Passed through State Department of Idaho State Police:			
Violence Against Women Formula Grant (Recovery)	16.588	2016-WF-AX-0044 16STPBCP 2017-WF-AX-0005 17STPBCP	26,553
Total U.S. Department of Justice			<u>27,970</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation:			
State and Community Highway Safety	20.600	Unknown	5,460
National Priority Safety Programs	20.616	Unknown	9,010
<i>Highway Safety Cluster Total</i>			<u>14,470</u>
Total U.S. Department of Transportation			<u>14,470</u>
<u>U.S. Department of Health & Human Services</u>			
Passed through State Office of Drug Policy			
Block Grants for Prevention & Treatment of Substance Abuse	93.959	1H79SP080981-01	<u>220</u>
<u>U.S. Department of Homeland Security</u>			
Passed through State Department of Military Division:			
Emergency Management Performance	97.042	EMS2017EP00003	23,582
Homeland Security Grant	97.067	EMW2017SS00054 EMW2018SS00040	27,211
Passed through State Department of Parks and Recreation:			
Boating Safety Financial Assistance	97.012	14.01.16	11,544
Total U.S. Department of Homeland Security			<u>62,337</u>
Total Expenditures of Federal Awards			<u>\$ 1,421,944</u>

See Notes to Schedule of Expenditures of Federal Awards

Boise County, Idaho
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Boise County, Idaho (the County) under programs of the federal government for the year ended September 30, 2019. The information in this schedule is presented in accordance with the requirements of title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

2. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. DE MINIMIS INDIRECT COST RATE

The County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

4. SUBRECIPIENTS

No awards were passed through to subrecipients.

FEDERAL REPORTS



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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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2019-001.

The County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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
July 20, 2020



Certified Public Accountants

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**Independent Auditor’s Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Commissioners
Boise County, Idaho

Report on Compliance for Each Major Federal Program

We have audited Boise County, Idaho’s (the County) compliance with the types of compliance requirements described in the *OMB 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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, Boise County, Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance findings in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of noncompliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bailey & Co.

Nampa, Idaho
July 20, 2020

Boise County, Idaho
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Significant deficiency(ies) disclosed? yes none reported

Material weakness(es) disclosed? yes none reported

yes 2019-001

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs:

Significant deficiency(ies) disclosed? yes none reported

Material weakness(es) disclosed? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) yes 2019-001

Identification of major programs:

CFDA Numbers

Name of Federal Program

10.666

Schools and Roads - Grants to Counties

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low risk auditee? yes no

Section II - Financial Statement Findings

2019-001: Procurement Policies

Repeat Finding? yes 2018-002

Condition:

The County's policies do not contain all of the required procurement policies as they relate to federal awards.

Cause:

The County was not aware of the change when the regulations were revised and did not take action on it when they were made aware of the change.

Criteria:

Title 2, Part 200, Subpart D - Post Federal Award Requirements, 200.318(a) The non-federal entity must use its own documented procurement procedures which reflect applicable state, local, and tribal laws and regulations, provided that the procurements conform to applicable federal law and the standards identified in this part and 200.318(c)(1). The non-federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. Standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-federal entity. (2) If the non-federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-federal entity must also maintain written standards of conduct covering organizational conflicts of interest.

Effect:

Not having such policies and procedures in place, may increase the risk of procuring items that are not allowable, not procuring items through fair competition, and/or overpaying for items.

Perspective Information:

The policies that are in place are particular to the Road and Bridge fund and somewhat meet the requirements for dollar thresholds and when quotes vs. bids are required. However, the bid threshold should be \$150,000, meaning the existing Idaho Statutes are not restrictive enough. Also, the policies should be effective government-wide for all federal awards. There are similar issues with conflict of interest policies not entirely conforming to federal regulations.

Recommendations:

We recommend that the County's policies and procedures are updated to comply with the Code of Federal Regulations. Resources have been separately provided to the Clerk and Deputy Auditor. It is also recommended that review of the Code of Federal Regulations occur on a periodic basis, as well as periodic communications with the County's attorney and the Idaho Association of Counties for any changes that may affect the County.

View of Responsible Officials and Planned Corrective Actions:

The County agrees with this finding. Their intent is to create a separate Procurement Policy that complies with the Code of Federal Regulations. See Corrective Action Plan.

Section III - Federal Awards Findings and Questioned Costs

2019-001: Procurement Policies

See Section II

Questioned Costs : \$0

Boise County, Idaho
Summary of Prior Year Audit Findings
For the Year Ended September 30, 2019

2018-001: Capital Asset Reporting

Condition:

Controls over the tracking of capital assets were not sufficient to provide an accurate list of the County's capital assets.

Recommendation:

The auditor recommended that policies and procedures be implemented to properly track capital assets, provide training to employees, and provide oversight to ensure policies and procedures are being followed and changes to capital assets during the year follow generally accepting accounting principles.

Current Status:

Cleared.

2018-002: Procurement Policies

Condition:

The County's policies did not contain all of the required procurement policies as they relate to federal awards.

Recommendation:

The auditor recommended that the County's policies and procedures were updated to comply with the Code of Federal Regulations and a review of the regulations occur on a periodic basis to identify any new requirements in a timely manner.

Current Status:

Not cleared.



BOISE COUNTY

Clerk's Office
P. O. Box 1300
Idaho City, Idaho 83631
(208) 392-4431 P
(208) 392-4473 F

CORRECTIVE ACTION PLAN

June 16, 2020

Boise County, Idaho respectfully submits the following corrective action plan for the year ended September 30, 2019:

Bailey & Company, Chtd. CPAs
812-B 12th Ave. South
Nampa, ID 83651

FINDINGS — FEDERAL AWARD PROGRAMS AUDIT 2019-001: PROCUREMENT POLICIES

Recommendation: The County should update its policies and procedures to comply with the Code of Federal Regulations. Resources have been separately provided to the Clerk and Deputy Auditor. Review of the Code of Federal Regulations should also occur on a periodic basis, as well as communications with the County's attorney and the Idaho Association of Counties for any changes that may affect the County.

Action to be Taken:

Boise County agrees with this finding. Our intention was to create a separate Procurement Policy, in compliance with the components of the Code of Federal Regulations, based on this same finding for the FY2018 audit. Due to resource constraints and other matters taking priority, this was not accomplished.

To address the FY2019 finding, we will utilize the Idaho Association of Clerk's group and the Idaho Association of Counties, to determine if a county template policy exists. Presuming one is available through one of these resources, we plan to tailor the template to Boise County's operations and include our Prosecuting Attorney on the development and review of the policy. We anticipate completion of the policy by the end of fiscal year 2020.

Though Boise County lacks a written policy document, the CFRs are reviewed on a periodic basis and we do comply with those regulations. Communications are directed to the Boise County Prosecutor (and/or IAC), as needed.

If there are any questions by oversight agencies regarding this plan, please call Mary Prisco at (208) 392-4431.

Sincerely yours,

A handwritten signature in blue ink that reads "Mary Prisco".

Mary T. Prisco
Boise County Clerk

Mary T. Prisco
Boise County Clerk