

**BOISE COUNTY, IDAHO**

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Report on Audited  
Basic  
Financial Statements  
and  
Supplemental Information

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For the Year Ended September 30, 2015

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Certified Public Accountants

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

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

## Independent Auditor's Report

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, 2015, 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, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As described in Note 13 to the financial statements, in 2015, the County adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of October 1, 2014. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedule of funding progress, schedule of employer's share of net pension liability – PERSI, schedule of employer contributions, 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 – budget and actual 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2016, on our consideration of **Boise County, Idaho's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Bailey & Co.*

Nampa, Idaho  
March 9, 2016

**Boise County, Idaho**  
Statement of Net Position  
September 30, 2015

|                                   | Governmental<br>Activities |
|-----------------------------------|----------------------------|
| <b>Assets</b>                     |                            |
| Cash and Cash Equivalents         | \$ 9,437,107               |
| Receivables, Net:                 |                            |
| Property Taxes                    | 410,630                    |
| Interest                          | 4,730                      |
| Due from Other Governments        | 394,807                    |
| Accounts                          | 155,726                    |
| Prepaid Items                     | 4,930                      |
| Capital Assets:                   |                            |
| Land and Construction in Progress | 706,270                    |
| Buildings, Net                    | 1,562,759                  |
| Equipment, Net                    | 1,709,716                  |
| Total Capital Assets              | 3,978,745                  |
| Total Assets                      | 14,386,675                 |
| <b>Deferred Outflows</b>          |                            |
| Pension                           | 573,272                    |
| <b>Liabilities</b>                |                            |
| Accounts Payable                  | 93,086                     |
| Salaries and Benefits Payable     | 41,788                     |
| Accrued Interest                  | 7,419                      |
| Long-Term Liabilities:            |                            |
| Due Within One Year:              |                            |
| Compensated Absences              | 105,384                    |
| Bonds Payable                     | 395,000                    |
| Municipal Leases Payable          | 292,531                    |
| Due in More than One Year:        |                            |
| Other Post-Employment Benefits    | 45,750                     |
| Compensated Absences              | 26,346                     |
| Net Pension Liability             | 1,215,339                  |
| Bonds Payable                     | 1,322,960                  |
| Municipal Leases Payable          | 512,741                    |
| Total Liabilities                 | 4,058,344                  |
| <b>Deferred Inflows</b>           |                            |
| Pension                           | 817,519                    |
| <b>Net Position</b>               |                            |
| Net Investment in Capital Assets  | 3,173,473                  |
| Restricted for:                   |                            |
| Roads and Bridges                 | 1,545,250                  |
| Public Safety                     | 1,513,411                  |
| Sanitation                        | 1,123,827                  |
| Debt Service                      | 464,764                    |
| Other Purposes                    | 2,447,004                  |
| Unrestricted (Deficit) Surplus    | (183,645)                  |
| Total Net Position                | \$ 10,084,084              |

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

**Boise County, Idaho**  
Statement of Activities  
For the Year Ended September 30, 2015

|                                      | Expenses            | Program Revenues                     |  |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position -<br>Governmental<br>Activities |
|--------------------------------------|---------------------|--------------------------------------|--|--|--|
|                                      |                     | Charges for<br>Services<br>and Sales | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |  |
| <b>Primary Government</b>            |                     |                                      |  |  |  |
| Governmental Activities:             |                     |                                      |  |  |  |
| General Government                   | \$ 2,376,853        | \$ 360,171                           | \$ 134,534                               | \$ 0                                   | \$ (1,882,148)   |
| Public Safety                        | 2,718,686           | 402,965                              | 108,250                                  | 10,021                                 | (2,197,450)  |
| Highways and Roads                   | 1,312,009           | 4,165                                | 0  | 857,627                                | (450,217)  |
| Sanitation                           | 679,998             | 49,012                               | 0  | 0                                      | (630,986)  |
| Weed Control                         | 160,254             | 63,313                               | 792                                      | 0                                      | (96,149)   |
| Welfare                              | 152,773             | 0                                    | 0  | 0                                      | (152,773)  |
| Education                            | 20,470              | 0                                    | 0  | 0                                      | (20,470)   |
| Culture and Recreation               | 23,788              | 0                                    | 1,002                                    | 0                                      | (22,786)   |
| Interest on Long-term Debt           | 45,610              | 0                                    | 0  | 0                                      | (45,610)   |
| Debt Fees                            | 797                 | 0                                    | 0  | 0                                      | (797)  |
| <b>Total Governmental Activities</b> | <b>\$ 7,491,238</b> | <b>\$ 879,626</b>                    | <b>\$ 244,578</b>                        | <b>\$ 867,648</b>                      | <b>(5,499,386)</b>   |

|   |                      |
|---|----------------------|
| General Revenues:                               |                      |
| Property Taxes and Special Fees                 | 4,697,117            |
| Intergovernmental                               | 1,455,042            |
| Investment Earnings                             | 90,348               |
| Other   | 975,844              |
| Disposal of Assets                              | 14,776               |
| <b>Total General Revenues and Special Items</b> | <b>7,233,127</b>     |
| Change in Net Position                          | 1,733,741            |
| Net Position - Beginning, Previously            | 9,814,350            |
| Prior Period/Pro Forma Adjustments              | (1,464,007)          |
| Net Position - Beginning, Restated              | 8,350,343            |
| <b>Net Position - End of Year</b>               | <b>\$ 10,084,084</b> |

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



**Boise County, Idaho**  
Balance Sheet -  
Governmental Funds  
September 30, 2015

|   | General                    | Road and<br>Bridge         | Justice Fund               | Solid Waste                |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Assets</b>   |                            |                            |                            |                            |
| Cash and Cash Equivalents                                 | \$ 2,372,062               | \$ 1,456,329               | \$ 1,373,699               | \$ 1,122,137               |
| Receivables, Net:   |                            |                            |                            |                            |
| Taxes   | 117,589                    | 7,421                      | 113,549                    | 60,601                     |
| Interest  | 4,730                      | 0                          | 0                          | 0                          |
| Due from Other Governments                                | 58,122                     | 241,386                    | 67,672                     | 0                          |
| Accounts  | 104,915                    | 0                          | 0                          | 0                          |
| Prepaid Items   | 0                          | 0                          | 0                          | 0                          |
| Total Assets  | <u>2,657,418</u>           | <u>1,705,136</u>           | <u>1,554,920</u>           | <u>1,182,738</u>           |
| <b>Deferred Outflows</b>                                  | <u>0</u>                   | <u>0</u>                   | <u>0</u>                   | <u>0</u>                   |
| Total Assets and Deferred Outflows                        | <u><u>\$ 2,657,418</u></u> | <u><u>\$ 1,705,136</u></u> | <u><u>\$ 1,554,920</u></u> | <u><u>\$ 1,182,738</u></u> |
| <b>Liabilities</b>  |                            |                            |                            |                            |
| Accounts Payable  | \$ 34,715                  | \$ 0                       | \$ 7,073                   | \$ 0                       |
| Salaries and Benefits Payable                             | 18,517                     | 18,046                     | 34,436                     | 1,459                      |
| Total Liabilities   | <u>53,232</u>              | <u>18,046</u>              | <u>41,509</u>              | <u>1,459</u>               |
| <b>Deferred Inflows</b>                                   |                            |                            |                            |                            |
| Unavailable Property Taxes                                | <u>105,343</u>             | <u>6,957</u>               | <u>105,409</u>             | <u>57,067</u>              |
| <b>Fund Balances</b>                                      |                            |                            |                            |                            |
| Nonspendable  | 0                          | 0                          | 0                          | 0                          |
| Restricted  | 0                          | 1,538,293                  | 1,408,002                  | 1,066,760                  |
| Committed   | 1,702,644                  | 141,840                    | 0                          | 57,452                     |
| Assigned  | 775,000                    | 0                          | 0                          | 0                          |
| Unassigned  | 21,199                     | 0                          | 0                          | 0                          |
| Total Fund Balances                                       | <u>2,498,843</u>           | <u>1,680,133</u>           | <u>1,408,002</u>           | <u>1,124,212</u>           |
| Total Liabilities, Deferred Inflows,<br>and Fund Balances | <u><u>\$ 2,657,418</u></u> | <u><u>\$ 1,705,136</u></u> | <u><u>\$ 1,554,920</u></u> | <u><u>\$ 1,182,738</u></u> |

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

**Boise County, Idaho**  
Balance Sheet -  
Governmental Funds  
September 30, 2015  
(continued)

|   | Bond Fund         | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|-------------------|--------------------------------|--------------------------------|
| <b>Assets</b>   |                   |                                |                                |
| Cash and Cash Equivalents                                 | \$ 460,698        | \$ 2,652,182                   | \$ 9,437,107                   |
| Receivables, Net:   |                   |                                |                                |
| Taxes   | 11,485            | 99,985                         | 410,630                        |
| Interest  | 0                 | 0                              | 4,730                          |
| Due from Other Governments                                | 0                 | 27,627                         | 394,807                        |
| Accounts  |                   | 50,811                         | 155,726                        |
| Prepaid Items   | 0                 | 4,930                          | 4,930                          |
| Total Assets  | <u>472,183</u>    | <u>2,835,535</u>               | <u>10,407,930</u>              |
| <b>Deferred Outflows</b>                                  | <u>0</u>          | <u>0</u>                       | <u>0</u>                       |
| Total Assets and Deferred Outflows                        | <u>\$ 472,183</u> | <u>\$ 2,835,535</u>            | <u>\$ 10,407,930</u>           |
| <b>Liabilities</b>  |                   |                                |                                |
| Accounts Payable  | \$ 0              | \$ 0                           | \$ 41,788                      |
| Salaries and Benefits Payable                             | 0                 | 20,628                         | 93,086                         |
| Total Liabilities   | <u>0</u>          | <u>20,628</u>                  | <u>134,874</u>                 |
| <b>Deferred Inflows</b>                                   |                   |                                |                                |
| Unavailable Property Taxes                                | <u>10,647</u>     | <u>92,698</u>                  | <u>378,121</u>                 |
| <b>Fund Balances</b>                                      |                   |                                |                                |
| Nonspendable  | 0                 | 4,930                          | 4,930                          |
| Restricted  | 461,536           | 2,354,306                      | 6,828,897                      |
| Committed   | 0                 | 237,973                        | 2,139,909                      |
| Assigned  | 0                 | 125,000                        | 900,000                        |
| Unassigned  | 0                 | 0                              | 21,199                         |
| Total Fund Balances                                       | <u>461,536</u>    | <u>2,722,209</u>               | <u>9,894,935</u>               |
| Total Liabilities, Deferred Inflows,<br>and Fund Balances | <u>\$ 472,183</u> | <u>\$ 2,835,535</u>            | <u>\$ 10,407,930</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, 2015

Total Fund Balances - Governmental Funds \$ 9,894,935

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                      | \$ 706,270       |           |
| Buildings, net of \$515,212 accumulated depreciation   | 1,562,759        |           |
| Equipment, net of \$4,697,480 accumulated depreciation | <u>1,709,716</u> |           |
|  |                  | 3,978,745 |

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. 378,121

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 net pension liability | 573,272          |           |
| Deferred inflows related to net pension liability  | <u>(817,519)</u> |           |
|  |                  | (244,247) |

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               |                  | (7,419)            |
| Bonds Payable                  | (1,610,000)      |                    |
| Unamortized Bond Premiums      | (107,960)        |                    |
| Municipal Leases Payable       | (805,272)        |                    |
| Net Pension Liability          | (1,215,339)      |                    |
| Other Post-Employment Benefits | (45,750)         |                    |
| Compensated Absences           | <u>(131,730)</u> |                    |
| Total Long-Term Liabilities    |                  | <u>(3,916,051)</u> |

Net Position of Governmental Activities \$ 10,084,084

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, 2015

|  | <u>General Fund</u> | <u>Road and<br/>Bridge</u> | <u>Justice Fund</u> | <u>Solid Waste</u>  |
|--|---------------------|----------------------------|---------------------|---------------------|
| <b>Revenues</b>  |                     |                            |                     |                     |
| Property Taxes and Special Fees                              | \$ 1,377,490        | \$ 117,135                 | \$ 1,360,399        | \$ 651,624          |
| Intergovernmental  | 93,526              | 883,014                    | 407,955             | 0                   |
| Grants and Donations   | 74,055              | 857,627                    | 103,116             | 0                   |
| Charges for Services   | 278,281             | 4,165                      | 198,661             | 49,012              |
| Investment Earnings  | 90,348              | 0                          | 0                   | 0                   |
| Other  | 587,929             | 158,028                    | 52,080              | 91,490              |
| Total Revenues   | <u>2,501,629</u>    | <u>2,019,969</u>           | <u>2,122,211</u>    | <u>792,126</u>      |
| <b>Expenditures</b>  |                     |                            |                     |                     |
| Current:   |                     |                            |                     |                     |
| General Government   | 1,410,612           | 0                          | 0                   | 0                   |
| Public Safety  | 402,745             | 0                          | 1,895,280           | 0                   |
| Highways and Roads   | 0                   | 1,253,536                  | 0                   | 0                   |
| Sanitation   | 0                   | 0                          | 0                   | 574,529             |
| Weed Control   | 0                   | 0                          | 0                   | 0                   |
| Welfare  | 0                   | 0                          | 0                   | 0                   |
| Education  | 0                   | 0                          | 0                   | 0                   |
| Culture and Recreation                                       | 0                   | 0                          | 0                   | 0                   |
| Debt Service:  |                     |                            |                     |                     |
| Principal  | 8,157               | 94,372                     | 60,747              | 0                   |
| Interest   | 317                 | 11,822                     | 8,176               | 0                   |
| Fees   | 0                   | 0                          | 0                   | 0                   |
| Capital Outlay   | 109,761             | 896,608                    | 298,869             | 80,000              |
| Total Expenditures   | <u>1,931,592</u>    | <u>2,256,338</u>           | <u>2,263,072</u>    | <u>654,529</u>      |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <u>570,037</u>      | <u>(236,369)</u>           | <u>(140,861)</u>    | <u>137,597</u>      |
| <b>Other Financing Sources (Uses)</b>                        |                     |                            |                     |                     |
| Debt Proceeds  | 0                   | 515,142                    | 228,892             | 0                   |
| Sale of Assets   | 0                   | 14,776                     | 0                   | 0                   |
| Transfers In   | 0                   | 200,000                    | 0                   | 0                   |
| Transfers Out  | (898,660)           | 0                          | 0                   | 0                   |
| Total Other Financing Sources (Uses)                         | <u>(898,660)</u>    | <u>729,918</u>             | <u>228,892</u>      | <u>0</u>            |
| Net Change in Fund Balances                                  | <u>(328,623)</u>    | <u>493,549</u>             | <u>88,031</u>       | <u>137,597</u>      |
| Fund Balances - Beginning, Previously                        | 2,827,466           | 1,186,584                  | 1,319,971           | 986,615             |
| Prior Period Adjustment                                      | 0                   | 0                          | 0                   | 0                   |
| Fund Balances - Beginning, Restated                          | <u>2,827,466</u>    | <u>1,186,584</u>           | <u>1,319,971</u>    | <u>986,615</u>      |
| Fund Balances - Ending                                       | <u>\$ 2,498,843</u> | <u>\$ 1,680,133</u>        | <u>\$ 1,408,002</u> | <u>\$ 1,124,212</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, 2015  
(continued)

|  | Bond Fund         | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>  |                   |                                |                                |
| Property Taxes and Special Fees                              | \$ 32,191         | \$ 1,223,692                   | \$ 4,762,531                   |
| Intergovernmental  | 0                 | 70,547                         | 1,455,042                      |
| Grants and Donations   | 0                 | 77,428                         | 1,112,226                      |
| Charges for Services   | 0                 | 349,507                        | 879,626                        |
| Investment Earnings  | 0                 | 0                              | 90,348                         |
| Other  | 0                 | 86,317                         | 975,844                        |
| <b>Total Revenues</b>  | <b>32,191</b>     | <b>1,807,491</b>               | <b>9,275,617</b>               |
| <b>Expenditures</b>  |                   |                                |                                |
| Current:   |                   |                                |                                |
| General Government   | 0                 | 881,444                        | 2,292,056                      |
| Public Safety  | 0                 | 252,312                        | 2,550,337                      |
| Highways and Roads   | 0                 | 0                              | 1,253,536                      |
| Sanitation   | 0                 | 0                              | 574,529                        |
| Weed Control   | 0                 | 152,660                        | 152,660                        |
| Welfare  | 0                 | 153,135                        | 153,135                        |
| Education  | 0                 | 20,470                         | 20,470                         |
| Culture and Recreation                                       | 0                 | 20,794                         | 20,794                         |
| Debt Service:  |                   |                                |                                |
| Principal  | 380,000           | 0                              | 543,276                        |
| Interest   | 51,712            | 0                              | 72,027                         |
| Fees   | 797               | 0                              | 797                            |
| Capital Outlay   | 0                 | 17,251                         | 1,402,489                      |
| <b>Total Expenditures</b>                                    | <b>432,509</b>    | <b>1,498,066</b>               | <b>9,036,106</b>               |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>(400,318)</b>  | <b>309,425</b>                 | <b>239,511</b>                 |
| <b>Other Financing Sources (Uses)</b>                        |                   |                                |                                |
| Debt Proceeds  | 0                 | 0                              | 744,034                        |
| Sale of Assets   | 0                 | 0                              | 14,776                         |
| Transfers In   | 809,327           | 211,999                        | 1,221,326                      |
| Transfers Out  | 0                 | (322,666)                      | (1,221,326)                    |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>809,327</b>    | <b>(110,667)</b>               | <b>758,810</b>                 |
| <b>Net Change in Fund Balances</b>                           | <b>409,009</b>    | <b>198,758</b>                 | <b>998,321</b>                 |
| Fund Balances - Beginning, Previously                        | 52,527            | 2,466,602                      | 8,839,765                      |
| Prior Period Adjustment                                      | 0                 | 56,849                         | 56,849                         |
| Fund Balances - Beginning, Restated                          | 52,527            | 2,523,451                      | 8,896,614                      |
| <b>Fund Balances - Ending</b>                                | <b>\$ 461,536</b> | <b>\$ 2,722,209</b>            | <b>\$ 9,894,935</b>            |

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, 2015

Total Net Change in Fund Balance - Governmental Funds \$ 998,321

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       | \$ 1,350,069     |         |
| Depreciation Expense | <u>(433,345)</u> | 916,724 |

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. (65,414)

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 | (744,034)    |           |
| Principal Payments Made           | 543,276      |           |
| Amortization of Bond Premium      | 26,990       |           |
| Change in Accrued Interest        | <u>(573)</u> | (174,341) |

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.

|                                |              |               |
|--------------------------------|--------------|---------------|
| Pension Expenditures           | (375,580)    |               |
| Pension Contributions          | 436,850      |               |
| Other Post-Employment Benefits | (6,173)      |               |
| Compensated Absences           | <u>3,354</u> | <u>58,451</u> |

Change in Net Position of Governmental Activities \$ 1,733,741

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

**Boise County, Idaho**  
Statement of Fiduciary Net Position  
September 30, 2015

|  | Agency Funds        |                               |                         | Total        |
|--|---------------------|-------------------------------|-------------------------|--------------|
|  | State<br>Remittance | Special<br>Taxing<br>District | Miscellaneous<br>Trusts |              |
| <b>Assets</b>                          |                     |                               |                         |              |
| Cash and Cash Equivalents              | \$ 97,216           | \$ 54,235                     | \$ 629,388              | \$ 780,839   |
| Property Taxes Receivable              | 0                   | 333,817                       | 0                       | 333,817      |
| Total Assets                           | 97,216              | 388,052                       | 629,388                 | 1,114,656    |
| <b>Deferred Outflows</b>               | 0                   | 0                             | 0                       | 0            |
| Total Assets and Deferred Outflows     | \$ 97,216           | \$ 388,052                    | \$ 629,388              | \$ 1,114,656 |
| <b>Liabilities</b>                     |                     |                               |                         |              |
| Due to Other Funds or Taxing Units     | \$ 97,216           | \$ 388,052                    | \$ 629,388              | \$ 1,114,656 |
| <b>Deferred Inflows</b>                | 0                   | 0                             | 0                       | 0            |
| Total Liabilities and Deferred Inflows | \$ 97,216           | \$ 388,052                    | \$ 629,388              | \$ 1,114,656 |

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

**Boise County, Idaho** (the County) operates under the direction of a Board of Commissioners who are responsible for the various operations of the County. The accompanying basic financial statements present the County (the primary government) and any component units, entities for which the government is considered to be financially accountable. However, the County's reporting entity does not contain any component units as defined in *Government Accounting Standards*.

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

*Government-wide Statements:* The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall County, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses - expenses of the County related to the administration and support of the County's programs, such as personnel and accounting - are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category - *governmental and fiduciary* - are presented. The emphasis of fund



**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows and liabilities plus deferred inflows is reported as fund balance. The County reports the following major governmental funds:

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

Fiduciary Funds

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

Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Fund Balance Reporting in Governmental Funds

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

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position/fund balances available to finance the program. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

It is also the County's policy that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the County considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

The purpose of restricted fund balances are detailed as follows:

| Fund                           | Purpose   |
|--------------------------------|---|
| General fund                   | These revenues are elections funds received from the State to be used for election expenditures.  |
| Road and Bridge                | Revenues in this fund come from Federal forest funds, State highway user funds, other intergovernmental revenue, some property tax revenue, and other revenues that are to be used for maintaining and improving roads and bridges within the County.   |
| Justice                        | Revenues in this fund come from property taxes, charges for services, intergovernmental revenue, grants, and other revenues that are to be used for public safety services.   |
| Solid Waste                    | Revenues in this fund come from special fees, charges for services, and other revenues that are to be used for sanitation and disposal of the County's solid waste. Also, funds are restricted by the EPA for the estimated remaining post-closure landfill costs.  |
| Bond fund                      | Revenues in this fund come from property taxes that are to be used to pay down the 2012 C Bond Series.  |
| Nonmajor Special Revenue Funds | Revenues in these funds come from levied property taxes, intergovernmental revenue, grants, charges for services, and other revenues that are to be used for items ranging from public assistance and safety, health and welfare, maintenance and improvement of public ways and facilities, district and magistrate court activities, culture and recreation, education, and other governmental type activities. |

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The purpose of committed fund balances are detailed as follows:

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

The assigned fund balance within the General fund is the amount the Clerk has estimated will be needed for capital improvements or replacements, disaster/emergency funds, extraordinary legal costs, and the long term repayment of bond debt. The remaining assigned fund balances are amounts the Clerk has estimated will be needed for capital improvements or replacements in the Ambulance fund.

C. Assets and Liabilities

Cash Equivalents

The County, based on State Statute, requires all cash belonging to the County to be placed in custody of the Treasurer. A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the pooled cash and investment accounts are considered to be cash and cash equivalents. See Note 2.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

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

The allowance for doubtful accounts for the governmental activities is \$86,598 as of September 30, 2015. 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 on or before June 20th of the following year. A lien is filed on property three years from the date of delinquency.

The property tax calendar is as follows:

|                                 |  |
|---------------------------------|--|
| Date property is valued         | January 1  |
| Date tax levies are established | Second Monday of September                                   |
| Date taxes are billed           | November 20  |
| Date taxes are due              | One half on December 20 and<br>half on the following June 20 |
| Date taxes become delinquent    | First day of January of the<br>succeeding year               |

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Accounts Payable

Accounts payable represent debt obligations that will be paid within the next billing cycle. Amounts shown are not over 60 days past due.

Compensated Absences

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

Use of Estimates

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

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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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2. CASH AND INVESTMENTS

Deposits

As of September 30, 2015, the carrying amount of the County's deposits was \$4,024,254 and the respective bank balances totaled \$4,136,889. The total bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the County. The County also keeps \$1,000 petty cash on hand for their change drawers.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. It is the County's policy to fully collateralize deposits exceeding insurance limits with government and/or agency securities held by the pledging financial institution. As of September 30, 2015, all of the County's deposits were covered by the federal depository insurance or by collateral held by the County's agent or pledging financial institution's trust department or agent in the name of the County, and thus were not exposed to custodial credit risk.

Custodial Credit Risk – Investments

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

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

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

Investment were held at Wells Fargo Investments and the Idaho State Local Government Investment Pool.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

2. CASH AND INVESTMENTS (continued)

Interest Rate Risk

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

Investments

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

The County's investments at September 30, 2015 are summarized below:

| <u>Investment Type</u>   | <u>Credit Rating</u> | <u>Fair Value</u>  | <u>Investment Maturities (in years)</u> |                   |
|--------------------------|----------------------|--------------------|---|-------------------|
|                          |                      |                    | <u>Less Than 1</u>                      | <u>1-5</u>        |
| External Investment Pool | Not Rated            | \$2,764,051        | \$ 2,764,051                            | \$ 0              |
| State Bond Fund          | Not Rated            | 2,893,898          | 2,893,898                               | 0                 |
| Money Market             | Not Rated            | 3,152              | 3,152                                   | 0                 |
| Government Bonds         | Aaa                  | 647,560            | 0                                       | 647,560           |
|                          |                      | <u>\$6,308,661</u> | <u>\$ 5,661,101</u>                     | <u>\$ 647,560</u> |

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

|                                     | <u>Governmental<br/>Activities</u> | <u>Fiduciary<br/>Funds</u> | <u>Total</u>        |
|-------------------------------------|------------------------------------|----------------------------|---------------------|
| Cash and cash equivalents           | \$ 3,128,446                       | \$ 780,839                 | \$ 3,909,285        |
| Investments categorized as deposits | 6,308,661                          | 0                          | 6,308,661           |
|                                     | <u>\$ 9,437,107</u>                | <u>\$ 780,839</u>          | <u>\$10,217,946</u> |



**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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2. CASH AND INVESTMENTS (continued)

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

|                      | Book Balance | Bank Balance |
|----------------------|--------------|--------------|
| Tax Collectors Sweep | \$ 86,444    | \$ 218,124   |
| Credit Card          | 29,527       | 27,141       |
|                      | \$ 115,971   | \$ 245,265   |

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units (State of Idaho) consist of the liquor apportionment of \$10,819, cigarette tax of \$3,793, highway user revenue of \$241,386, federal grant funds of \$21,157, and state revenue sharing of \$117,652 for a total of \$394,807.

4. RISK MANAGEMENT

The County is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) worker's compensation, i.e. employee injuries and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

5. TRANSFERS

Transfers in and out of funds at September 30, 2015 consist of the following:

|             |  |
|-------------|--|
| \$ 698,660  | From the General fund to the Bond fund for bond payments.                                |
| 200,000     | From the General fund to the Road & Bridge fund to recover funds used for bond payments. |
| 211,999     | From the District Court fund to the Court Facilities fund to establish the new fund.     |
| 110,667     | From the Tort fund to the Bond fund to utilize for future bond payments.                 |
| \$1,221,326 | Total  |

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2015 was as follows:

|                                       | <u>Balance</u><br>10/1/2014 | <u>Additions</u>  | <u>Disposals</u> | <u>Balance</u><br>9/30/2015 |
|---------------------------------------|-----------------------------|-------------------|------------------|-----------------------------|
| <u>Governmental Activities:</u>       |                             |                   |                  |                             |
| Capital Assets Not Being Depreciated: |                             |                   |                  |                             |
| Land                                  | \$ 195,772                  | \$ 0              | \$ 0             | \$ 195,772                  |
| Construction in Progress              | <u>0</u>                    | <u>510,498</u>    | <u>0</u>         | <u>510,498</u>              |
|                                       | <u>195,772</u>              | <u>510,498</u>    | <u>0</u>         | <u>706,270</u>              |
| Capital Assets Being Depreciated:     |                             |                   |                  |                             |
| Buildings and Improvements            | 2,060,091                   | 17,880            | 0                | 2,077,971                   |
| Equipment                             | <u>6,272,628</u>            | <u>821,691</u>    | <u>(687,123)</u> | <u>6,407,196</u>            |
| Total Historical Cost                 | <u>8,332,719</u>            | <u>839,571</u>    | <u>(687,123)</u> | <u>8,485,167</u>            |
| Less: Accumulated Depreciation        |                             |                   |                  |                             |
| Buildings and Improvements            | 473,468                     | 41,744            | 0                | 515,212                     |
| Equipment                             | <u>4,993,002</u>            | <u>391,601</u>    | <u>(687,123)</u> | <u>4,697,480</u>            |
| Total Accumulated Depreciation        | <u>5,466,470</u>            | <u>433,345</u>    | <u>(687,123)</u> | <u>5,212,692</u>            |
| Net Depreciable Assets                | <u>2,866,249</u>            | <u>406,226</u>    | <u>0</u>         | <u>3,272,475</u>            |
| Governmental Activities               |                             |                   |                  |                             |
| Capital Assets - Net                  | <u>\$ 3,062,021</u>         | <u>\$ 916,724</u> | <u>\$ 0</u>      | <u>\$ 3,978,745</u>         |

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

|                                 |                   |
|---------------------------------|-------------------|
| <u>Governmental Activities:</u> |                   |
| General Government              | \$ 31,752         |
| Public Safety                   | 148,163           |
| Highways and Roads              | 214,895           |
| Sanitation                      | 27,577            |
| Weed Control                    | 7,964             |
| Culture and Recreation          | <u>2,994</u>      |
|                                 | <u>\$ 433,345</u> |

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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7. COMPENSATED ABSENCES

The County presently accumulates unused vacation days and compensatory time calculated on an individual basis according to an employee's total years worked and total hours per week worked. All accumulated vacation days and compensatory time represents a potential liability to the County.

|                         | <u>10/1/2014</u>  | <u>Increase</u>   | <u>Decrease</u>    | <u>9/30/2015</u>  | <u>Current</u>    |
|-------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| Governmental Activities | <u>\$ 135,084</u> | <u>\$ 129,676</u> | <u>\$(133,030)</u> | <u>\$ 131,730</u> | <u>\$ 105,384</u> |

8. 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](http://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.

Employee membership data related to the PERSI Base Plan, as of June 30, 2015, was as follows:

|   |                |
|---|----------------|
| Retirees and beneficiaries currently receiving benefits         | 42,657         |
| Terminated employees entitled to but not yet receiving benefits | 11,859         |
| Active plan members   | <u>67,008</u>  |
|   | <u>121,524</u> |

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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8. PENSION PLAN (continued)

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 services 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, 2015 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% general employees and 11.66% for police and firefighters. The County's employer contributions were \$295,988 for the year ended September 30, 2015.

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

As of September 30, 2015, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2015, 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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

8. PENSION PLAN (continued)

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. As of July 1, 2015, the County's proportion was .0922923%.

For the year ended September 30, 2015, the County recognized pension expense of \$242,186. At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|---|--|
| Differences between expected and actual experience   | \$ 0  | \$ 145,693                                   |
| Changes in assumptions or other inputs   | 44,261  | 0  |
| Net difference between projected and actual earnings on pension plan investments   | 447,279                                       | 638,218                                      |
| Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions | 0   | 33,608                                       |
| Employer contributions subsequent to the measurement date  | <u>81,732</u>                                 | <u>0</u>                                     |
| Total  | <u>\$ 573,272</u>                             | <u>\$ 817,519</u>                            |

\$81,732 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, 2016.

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, 2014, the beginning of the measurement period ended June 30, 2015, is 5.5 years.

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:

| <u>Year Ended<br/>September 30,</u> |              |
|-------------------------------------|--------------|
| 2016                                | \$ (124,668) |
| 2017                                | \$ (124,668) |
| 2018                                | \$ (124,668) |
| 2019                                | \$ 90,487    |
| 2020                                | \$ (8,854)   |

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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8. PENSION PLAN (continued)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level 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 July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                            |                                  |
|----------------------------|----------------------------------|
| Inflation                  | 3.25%                            |
| Salary increases           | 4.25 - 10.00%                    |
| Salary inflation           | 3.75%                            |
| Investment rate of return  | 7.10%, net of investment expense |
| Cost-of-living adjustments | 1%                               |

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 in 2012 for the period July 1, 2007 through June 30, 2011, 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, 2009 through June 30, 2013. The total pension liability as of June 30, 2015 is based on the results of an actuarial valuation date of July 1, 2015.

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

8. PENSION PLAN (continued)

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 of January 1, 2014.

| Asset Class                | Index                        | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------------|------------------------------|-------------------|--|
| Core Fixed Income          | Barclays Aggregate           | 30.00%            | 0.80%                                  |
| Broad US Equities          | Wilshire 5000 / Russell 3000 | 55.00%            | 6.90%                                  |
| Developed Foreign Equities | MSCI EAFE                    | 15.00%            | 7.55%                                  |

Actuarial Assumptions

|   |              |
|---|--------------|
| Assumed Inflation - Mean  | 3.25%        |
| Assumed Inflation - Standard Deviation                                  | 2.00%        |
| Portfolio Arithmetic Mean Return  | 8.42%        |
| Portfolio Long-Term Expected Geometric Rate of Return                   | 7.50%        |
| Assumed Investment Expenses   | 0.40%        |
| Long-Term Expected Geometric Rate of Return, Net of Investment Expenses | <u>7.10%</u> |

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. 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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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8. PENSION PLAN (continued)

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 Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.10%) or 1% higher (8.10%) than the current rate:

|  | 1% Decrease<br>(6.10%) | Current Discount<br>Rate (7.10%) | 1% Increase<br>(8.10%) |
|--|------------------------|----------------------------------|------------------------|
| Employer's proportionate share<br>of the net pension liability (asset) | <u>\$ 2,960,125</u>    | <u>\$ 1,215,339</u>              | <u>\$ (235,219)</u>    |

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](http://www.persi.idaho.gov).

9. 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.



**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

9. 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   | \$ 1,562,442               |
| Less: accumulated amortization (included as depreciation<br>on the accompanying financial statements) | <u>(517,120)</u>           |
|   | <u><u>\$ 1,045,322</u></u> |

Changes in long-term obligations for the year ended September 30, 2015 are as follows:

| Description              | Rate         | Maturity | 10/1/2014          | Increase          | Decrease            | 9/30/2015          | Current          |
|--------------------------|--------------|----------|--------------------|-------------------|---------------------|--------------------|------------------|
| Lease-Cat Compactor      | 3.20%        | 2016     | \$ 45,000          | \$ 0              | \$ 0                | \$ 45,000          | \$ 45,000        |
| Lease-Wheel Loader       | 4.40%        | 2016     | 83,219             | 0                 | (40,714)            | 42,505             | 42,505           |
| Lease-2 Sheriff Vehicles | 4.46%        | 2017     | 28,409             | 0                 | (3,019)             | 25,390             | 11,985           |
| Lease-Sheriff Vehicle    | 5.47%        | 2017     | 14,072             | 0                 | (5,822)             | 8,250              | 6,149            |
| Lease-Sheriff Vehicle    | 4.41%        | 2017     | 18,796             | 0                 | (7,271)             | 11,525             | 7,598            |
| Lease-Sheriff Vehicle    | 5.94%        | 2017     | 19,010             | 0                 | (7,267)             | 11,743             | 7,712            |
| Lease-Sheriff Vehicle    | 3.88%        | 2017     | 16,008             | 0                 | (7,851)             | 8,157              | 8,157            |
| Lease-Sheriff Vehicle    | 5.32%        | 2018     | 0                  | 30,683            | (7,690)             | 22,993             | 7,265            |
| Lease-Sheriff Vehicle    | 4.10%        | 2019     | 0                  | 93,243            | (12,755)            | 80,488             | 21,507           |
| Lease-2 Sheriff Vehicles | 4.10%        | 2019     | 0                  | 104,966           | (14,358)            | 90,608             | 24,211           |
| Lease-Grader             | 2.50%        | 2020     | 0                  | 171,714           | (18,843)            | 152,871            | 36,814           |
| Lease-Grader             | 2.50%        | 2020     | 0                  | 171,714           | (18,843)            | 152,871            | 36,814           |
| Lease-Grader             | 2.50%        | 2020     | 0                  | 171,714           | (18,843)            | 152,871            | 36,814           |
| 2012 C Bond Series       | 1.25 - 5.00% | 2019     | 1,990,000          | 0                 | (380,000)           | 1,610,000          | 395,000          |
|                          |              |          | <u>\$2,214,514</u> | <u>\$ 744,034</u> | <u>\$ (543,276)</u> | <u>\$2,415,272</u> | <u>\$687,531</u> |
| Unamortized Premium      |              |          | <u>\$ 134,950</u>  | <u>\$ 0</u>       | <u>\$ (26,990)</u>  | <u>\$ 107,960</u>  | <u>\$ 0</u>      |

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

9. LONG-TERM OBLIGATIONS (continued)

Debt service requirements on long-term debt at September 30, 2015, are as follows:

| Year Ending<br>September 30, | Municipal Leases  |                  | Bonds               |                   |
|------------------------------|-------------------|------------------|---------------------|-------------------|
|                              | Principal         | Interest         | Principal           | Interest          |
| 2016                         | \$ 292,531        | \$ 26,880        | \$ 395,000          | \$ 36,512         |
| 2017                         | 192,507           | 16,541           | 400,000             | 31,575            |
| 2018                         | 174,887           | 9,248            | 405,000             | 26,575            |
| 2019                         | 145,344           | 3,284            | 410,000             | 20,500            |
| 2020                         | 3                 | 0                | 0                   | 0                 |
|                              | <u>\$ 805,272</u> | <u>\$ 55,953</u> | <u>\$ 1,610,000</u> | <u>\$ 115,162</u> |

10. LEASE COMMITMENTS

The County is committed to the following leases:

- The Prosecuting Attorney's building over a period of 20 years, payments of \$550 due monthly.
- Office space for the Idaho City ambulance unit of East Boise County Ambulance District, over a period of 22 years, payments of \$1,000 due annually.
- A postage meter for a period of 60 months, payments of \$149 due monthly.
- A copier for a period of 60 months, payments of \$104 due monthly.

| Year Ending<br>September 30, | Amount           |
|------------------------------|------------------|
| 2016                         | \$ 10,635        |
| 2017                         | 10,635           |
| 2018                         | 10,635           |
| 2019                         | 10,635           |
| 2020                         | 8,568            |
| 2021-2025                    | <u>5,000</u>     |
|                              | <u>\$ 56,108</u> |

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, 2015, were \$118,238.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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11. OTHER POST-EMPLOYMENT BENEFITS

The County's Post-Retirement Healthcare Plan is a single-employer defined benefit healthcare plan administered by GemPlan. GemPlan does not issue a stand-alone financial report and a financial report is not included in the report of another entity. GemPlan contracts with Blue Cross of Idaho to provide medical and prescription drug insurance benefits to eligible retirees and their eligible dependents. The administering board of GemPlan has the authority to establish or amend benefit provisions. A retiree, who retires while participating in the Public Employee Retirement System of Idaho (PERSI), is eligible to keep the County's health insurance until age 65 or until the retiree is eligible for coverage under Medicare. Retirement eligibility is determined based on a minimum age of 55 with at least five years of service with an employer that participates in PERSI. Retirees are on the same medical plan as the County's active employees.

Other post-employment benefits (OPEB) have historically been funded on a pay-as-you-go basis. Under government accounting standards, plan sponsors may set up a trust and pre-fund benefits. There is no requirement to pre-fund benefits. However, if benefits are not pre-funded, a net OPEB obligation is created and will grow over time. The County has not pre-funded these benefits. The contribution requirement of plan members is established by the Board of Commissioners in conjunction with the insurance provider. Monthly contribution rates in effect for retirees under age 65 during fiscal year 2015, were \$725 for a single person or \$1,416 with a spouse.

Post-employment benefits are determined on an actuarial basis. Actuarial valuations of these benefits were done as of October 1, 2009 and again on October 1, 2012. The County's plan is considered unfunded, since there are no plan assets. Therefore, the actuarial accrued liability and the unfunded actuarially accrued liability are equal. The unfunded actuarially accrued liability is \$64,793 or 3.5% of covered payroll. The annual required contribution (ARC) for fiscal year 2015 is \$10,657. The ARC is made up of benefits earned in the current period and an amortized portion of the unfunded actuarially accrued liability. The expense and offsetting liability are reflected in the government-wide financial statements. The table below summarizes the OPEB costs.

|   |                  |
|---|------------------|
| Annual required contribution            | \$ 10,657        |
| Interest on net OPEB obligation         | 1,781            |
| ARC adjustment with interest            | (2,457)          |
| Estimated employer contribution         | <u>(3,808)</u>   |
| Increase in net OPEB obligation         | 6,173            |
| Net OPEB obligation - beginning of year | <u>39,577</u>    |
| Net OPEB obligation - end of year       | <u>\$ 45,750</u> |

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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11. OTHER POST-EMPLOYMENT BENEFITS (continued)

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

| Year Ending<br>September 30, | Annual<br>OPEB<br>Cost | Estimated<br>Contribution<br>as a % of<br>Annual OPEB<br>Cost | Net<br>OPEB<br>Obligation |
|------------------------------|------------------------|---|---------------------------|
| 2013                         | \$ 10,300              | 11.6%   | \$ 31,608                 |
| 2014                         | \$ 10,134              | 8.8%  | \$ 39,577                 |
| 2015                         | \$ 9,981               | 21.7%   | \$ 45,750                 |

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

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

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

In the October 1, 2012, actuarial valuation the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.5% discount rate assuming the County will fund the retirement benefit on a pay-as-you-go basis. The valuation assumes 30% of eligible retirees and, of that 30%, 25% of their spouses will participate in the plan; an annual healthcare cost trend rate of 8%, decreasing gradually over six years until reaching an ultimate rate of 5%; and the UAAL is being amortized as a level dollar of projected payrolls over a thirty year period on a closed basis.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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12. LANDFILL CLOSURE

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

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

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

As of September 30, 2015, there is no indication of any action being taken by a Federal or State agency against the County as a result of the closure of the landfill. The County will continue to follow its approved closure plan with respect to any future activity necessary to maintain the closed landfill site.

13. RESTATEMENT OF NET POSITION/PRIOR PERIOD ADJUSTMENT

As of October 1, 2014, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments to calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date. Actual and pro forma amounts are not presented for prior periods, because actuarial valuations are not available to determine their effects.

It was also discovered that, prior to fiscal year 2015, the County had not reported ambulance receivables and the related allowance. This resulted in an increase to beginning net position and fund balance in the amount of \$56,849. The prior year change in net position and fund balance is estimated it should have been higher by \$14,000.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2015

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13. RESTATEMENT OF NET POSITION/PRIOR PERIOD ADJUSTMENT (continued)

The net position restatement and prior period adjustment are demonstrated as follows:

|  | <u>Net Position</u> | <u>Fund Balance</u> |
|--|---------------------|---------------------|
| As of September 30, 2014 - Previously  | \$ 9,814,350        | \$ 8,839,765        |
| Prior Period Adjustment - Ambulance Receivables  | 56,849              | 56,849              |
| Pro Forma Adjustment:  |                     |                     |
| Net Pension Liability as of September 30, 2014   | (697,326)           | 0                   |
| Deferred inflow of resources related to contributions made during the year ended September 30, 2014  | (959,952)           | 0                   |
| Deferred outflow of resources related to contributions made during the year ended September 30, 2014 | 136,422             | 0                   |
|  | <u>136,422</u>      | <u>0</u>            |
| As of September 30, 2014 - Restated  | <u>\$ 8,350,343</u> | <u>\$ 8,896,614</u> |

14. 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.

***REQUIRED SUPPLEMENTARY INFORMATION***

**Boise County, Idaho**  
 Schedule of Funding Progress  
 For the Year Ended September 30, 2015

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



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

|  | 2015         |
|--|--------------|
| Employer's portion of the net pension liability  | 0.0922923%   |
| Employer's proportionate share of the net pension liability  | \$ 1,215,339 |
| Employer's covered-employee payroll  | \$ 2,616,636 |
| Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll | 46.45%       |
| Plan fiduciary net position as a percentage of the total pension liability                                 | 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 July 1, 2015.

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

|  | 2015         |
|--|--------------|
| Statutorily required contribution                                  | \$ 301,890   |
| Contributions in relation to the statutorily required contribution | (296,480)    |
| Contribution (deficiency) excess                                   | \$ 5,410     |
| Employer's covered-employee payroll                                | \$ 2,616,636 |
| Contributions as a percentage of covered-employee payroll          | 11.33%       |

\* 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, 2015.

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 General Fund  
 For the Year Ended September 30, 2015

|  | Budgeted Amounts |                  | Actual              | Variance            |
|--|------------------|------------------|---------------------|---------------------|
|  | Original         | Final            |                     |                     |
| <b>Revenues</b>  |                  |                  |                     |                     |
| Property Taxes   | \$ 1,299,795     | \$ 1,299,795     | \$ 1,377,490        | \$ 77,695           |
| Intergovernmental  | 90,043           | 90,043           | 93,526              | 3,483               |
| Grants and Donations   | 12,845           | 21,932           | 74,055              | 52,123              |
| Charges for Services   | 203,875          | 214,675          | 278,281             | 63,606              |
| Investment Earnings  | 0                | 0                | 90,348              | 90,348              |
| Other  | 41,692           | 143,789          | 587,929             | 444,140             |
| <b>Total Revenues</b>  | <u>1,648,250</u> | <u>1,770,234</u> | <u>2,501,629</u>    | <u>731,395</u>      |
| <b>Expenditures</b>  |                  |                  |                     |                     |
| Current:   |                  |                  |                     |                     |
| Salaries   | 794,412          | 804,959          | 767,125             | 37,834              |
| Benefits   | 338,866          | 343,180          | 305,389             | 37,791              |
| Operating  | 1,008,284        | 1,049,849        | 740,843             | 309,006             |
| Debt Service:  |                  |                  |                     |                     |
| Principal  | 8,183            | 8,183            | 8,157               | 26                  |
| Interest   | 317              | 317              | 317                 | 0                   |
| Capital Outlay   | 127,500          | 132,732          | 109,761             | 22,971              |
| <b>Total Expenditures</b>                                    | <u>2,277,562</u> | <u>2,339,220</u> | <u>1,931,592</u>    | <u>407,628</u>      |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <u>(629,312)</u> | <u>(568,986)</u> | <u>570,037</u>      | <u>1,139,023</u>    |
| <b>Other Financing Sources (Uses)</b>                        |                  |                  |                     |                     |
| Transfers In   | 629,331          | 568,986          | 0                   | (568,986)           |
| Transfers Out  | 0                | 0                | (898,660)           | (898,660)           |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>629,331</u>   | <u>568,986</u>   | <u>(898,660)</u>    | <u>(1,467,646)</u>  |
| <b>Net Change in Fund Balances</b>                           | 19               | 0                | (328,623)           | (328,623)           |
| Fund Balances - Beginning                                    | 0                | 0                | 2,827,466           | 2,827,466           |
| <b>Fund Balances - Ending</b>                                | <u>\$ 19</u>     | <u>\$ 0</u>      | <u>\$ 2,498,843</u> | <u>\$ 2,498,843</u> |

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Road and Bridge  
 For the Year Ended September 30, 2015

|  | Budgeted Amounts |                  | Actual              | Variance            |
|--|------------------|------------------|---------------------|---------------------|
|  | Original         | Final            |                     |                     |
| <b>Revenues</b>  |                  |                  |                     |                     |
| Property Taxes   | \$ 117,332       | \$ 117,332       | \$ 117,135          | \$ (197)            |
| Intergovernmental  | 804,000          | 804,000          | 883,014             | 79,014              |
| Grants and Contributions                                     | 612,635          | 697,872          | 857,627             | 159,755             |
| Charges for Services   | 5,000            | 5,000            | 4,165               | (835)               |
| Other  | 30,000           | 73,589           | 158,028             | 84,439              |
| <b>Total Revenues</b>  | <u>1,568,967</u> | <u>1,697,793</u> | <u>2,019,969</u>    | <u>322,176</u>      |
| <b>Expenditures</b>  |                  |                  |                     |                     |
| Current:   |                  |                  |                     |                     |
| Salaries   | 613,408          | 613,412          | 512,314             | 101,098             |
| Benefits   | 253,767          | 253,768          | 216,349             | 37,419              |
| Operating  | 615,574          | 657,474          | 524,873             | 132,601             |
| Debt Service:  |                  |                  |                     |                     |
| Principal  | 95,067           | 95,067           | 94,372              | 695                 |
| Interest   | 11,822           | 11,822           | 11,822              | 0                   |
| Capital Outlay   | 253,500          | 382,326          | 896,608             | (514,282)           |
| <b>Total Expenditures</b>                                    | <u>1,843,138</u> | <u>2,013,869</u> | <u>2,256,338</u>    | <u>(242,469)</u>    |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <u>(274,171)</u> | <u>(316,076)</u> | <u>(236,369)</u>    | <u>79,707</u>       |
| <b>Other Financing Sources (Uses)</b>                        |                  |                  |                     |                     |
| Debt Proceeds  | 0                | 0                | 515,142             | 515,142             |
| Sale of Assets   | 15,000           | 15,000           | 14,776              | (224)               |
| Transfers In   | 259,176          | 301,076          | 200,000             | (101,076)           |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>274,176</u>   | <u>316,076</u>   | <u>729,918</u>      | <u>413,842</u>      |
| <b>Net Change in Fund Balances</b>                           | 5                | 0                | 493,549             | 493,549             |
| Fund Balances - Beginning                                    | 0                | 0                | 1,186,584           | 1,186,584           |
| <b>Fund Balances - Ending</b>                                | <u>\$ 5</u>      | <u>\$ 0</u>      | <u>\$ 1,680,133</u> | <u>\$ 1,680,133</u> |

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Justice Fund  
 For the Year Ended September 30, 2015

|  | Budgeted Amounts |                  | Actual              | Variance            |
|--|------------------|------------------|---------------------|---------------------|
|  | Original         | Final            |                     |                     |
| <b>Revenues</b>  |                  |                  |                     |                     |
| Property Taxes   | \$ 1,311,749     | \$ 1,311,749     | \$ 1,360,399        | \$ 48,650           |
| Intergovernmental  | 457,931          | 457,931          | 407,955             | (49,976)            |
| Grants and Contributions                                     | 114,837          | 116,587          | 103,116             | (13,471)            |
| Charges for Services   | 172,003          | 172,003          | 198,661             | 26,658              |
| Other  | 40,000           | 62,286           | 52,080              | (10,206)            |
| Total Revenues   | <u>2,096,520</u> | <u>2,120,556</u> | <u>2,122,211</u>    | <u>1,655</u>        |
| <b>Expenditures</b>  |                  |                  |                     |                     |
| Current:   |                  |                  |                     |                     |
| Salaries   | 1,084,999        | 1,153,051        | 1,032,150           | 120,901             |
| Benefits   | 408,704          | 431,217          | 372,281             | 58,936              |
| Operating  | 550,219          | 508,462          | 490,849             | 17,613              |
| Debt Service:  |                  |                  |                     |                     |
| Principal  | 86,824           | 86,824           | 60,747              | 26,077              |
| Interest   | 8,176            | 8,176            | 8,176               | 0                   |
| Capital Outlay   | 10,500           | 126,501          | 298,869             | (172,368)           |
| Total Expenditures   | <u>2,149,422</u> | <u>2,314,231</u> | <u>2,263,072</u>    | <u>51,159</u>       |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <u>(52,902)</u>  | <u>(193,675)</u> | <u>(140,861)</u>    | <u>52,814</u>       |
| <b>Other Financing Sources (Uses)</b>                        |                  |                  |                     |                     |
| Debt Proceeds  | 0                | 80,429           | 228,892             | 148,463             |
| Transfers In   | 52,902           | 113,246          | 0                   | (113,246)           |
| Total Other Financing Sources (Uses)                         | <u>52,902</u>    | <u>193,675</u>   | <u>228,892</u>      | <u>35,217</u>       |
| Net Change in Fund Balances                                  | 0                | 0                | 88,031              | 88,031              |
| Fund Balances - Beginning                                    | 0                | 0                | 1,319,971           | 1,319,971           |
| Fund Balances - Ending                                       | <u>\$ 0</u>      | <u>\$ 0</u>      | <u>\$ 1,408,002</u> | <u>\$ 1,408,002</u> |

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Solid Waste  
 For the Year Ended September 30, 2015

|  | Budgeted Amounts |                  | Actual              | Variance            |
|--|------------------|------------------|---------------------|---------------------|
|  | Original         | Final            |                     |                     |
| <b>Revenues</b>  |                  |                  |                     |                     |
| Special Fees   | \$ 566,000       | \$ 566,000       | \$ 651,624          | \$ 85,624           |
| Charges for Services   | 27,000           | 27,000           | 49,012              | 22,012              |
| Other  | 0                | 46,257           | 91,490              | 45,233              |
| <b>Total Revenues</b>  | <u>593,000</u>   | <u>639,257</u>   | <u>792,126</u>      | <u>152,869</u>      |
| <b>Expenditures</b>  |                  |                  |                     |                     |
| Current:   |                  |                  |                     |                     |
| Salaries   | 148,806          | 148,809          | 124,275             | 24,534              |
| Benefits   | 42,941           | 42,943           | 41,856              | 1,087               |
| Operating  | 428,758          | 475,015          | 408,398             | 66,617              |
| Capital Outlay   | 80,000           | 80,000           | 80,000              | 0                   |
| <b>Total Expenditures</b>                                    | <u>700,505</u>   | <u>746,767</u>   | <u>654,529</u>      | <u>92,238</u>       |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <u>(107,505)</u> | <u>(107,510)</u> | <u>137,597</u>      | <u>245,107</u>      |
| <b>Other Financing Sources (Uses)</b>                        |                  |                  |                     |                     |
| Transfers In   | 107,510          | 107,510          | 0                   | (107,510)           |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>107,510</u>   | <u>107,510</u>   | <u>0</u>            | <u>(107,510)</u>    |
| <b>Net Change in Fund Balances</b>                           | 5                | 0                | 137,597             | 137,597             |
| <b>Fund Balances - Beginning</b>                             | 0                | 0                | 986,615             | 986,615             |
| <b>Fund Balances - Ending</b>                                | <u>\$ 5</u>      | <u>\$ 0</u>      | <u>\$ 1,124,212</u> | <u>\$ 1,124,212</u> |

**Boise County, Idaho**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2015

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1. OPEB TRENDS AND OTHER INFORMATION

Past, present, and future schedules may present factors that significantly affect the identification of trends in the amounts reported, such as changes in benefit provisions, the size or composition of the employee group covered by the plan, or the actuarial methods and assumptions used. Prior year amounts will not be restated. For instance since the last actuarial valuation, the number of plan participants has gone down from 81 to 74, healthcare trend rates were changed to better anticipate short-term and long-term medical increases, and the mortality table was updated to reflect the projection of 2000 rates to 2012 based on Scale BB.

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

2. BUDGETS AND BUDGETARY ACCOUNTING

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

- A. Prior to September 1, the County Clerk and County Commissioners prepare a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted at the County Seat (Idaho City) to obtain taxpayer comments.
- C. Prior to October 1, the budget is legally enacted through passage of a resolution.
- D. The County is authorized to transfer budgeted amounts between departments within any fund; however, no revision can be made to increase the overall tax supported funds except when federal or state grants are approved. The County, however, must follow the same budgetary procedures as they followed when the original budget was approved.
- E. Formal budgetary integration is employed as a management control device during the year for the General fund and Special Revenue funds.
- F. The budget for the General and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles.
- G. Expenditures may not legally exceed budgeted appropriations at the fund level. The County does not use the encumbrance method of accounting.

**Boise County, Idaho**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2015

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3. EXPENDITURES IN EXCESS OF APPROPRIATIONS

Expenditures exceeded appropriations in the Road and Bridge fund in the amount of \$242,469. This has been noted as a compliance finding in violation of Idaho Code Section 31-1606. The violation occurred as a result of entering into a (municipal) lease to obtain three motor graders and which was originally recorded as an operating lease. The terms of the lease required the transaction to be recorded as a capital lease and the reclassification has been recorded within the financial statements.



***SUPPLEMENTAL INFORMATION***

**Boise County, Idaho**  
 Supplemental Schedule of Revenues by Source  
 Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2015

|                                | Budget       | Actual       | Variance   |
|--------------------------------|--------------|--------------|------------|
| <b>Revenue</b>                 |              |              |            |
| Property Taxes                 | \$ 1,299,795 | \$ 1,377,490 | \$ 77,695  |
| Intergovernmental              | 90,043       | 93,526       | 3,483      |
| Grants and Donations           | 21,932       | 74,055       | 52,123     |
| Charges for Services           | 214,675      | 278,281      | 63,606     |
| Investment Earnings            | 0            | 90,348       | 90,348     |
| Other Revenue                  | 143,789      | 587,929      | 444,140    |
| <br>                           |              |              |            |
| Other Financing Sources (Uses) |              |              |            |
| Transfers In                   | 568,986      | 0            | (568,986)  |
| <br>                           |              |              |            |
| Total Revenue                  | \$ 2,339,220 | \$ 2,501,629 | \$ 162,409 |

**Boise County, Idaho**  
 Supplemental Schedule of Expenditures by Object of Expenditure  
 - Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2015

|                                 | Budget         | Actual         | Variance      |
|---------------------------------|----------------|----------------|---------------|
| <b>Clerk-Auditor:</b>           |                |                |               |
| Salaries                        | \$ 208,029     | \$ 198,072     | \$ 9,957      |
| Benefits                        | 93,299         | 84,922         | 8,377         |
| Operating                       | 8,000          | 6,448          | 1,552         |
| Capital Outlay                  | 500            | 221            | 279           |
|                                 | <u>309,828</u> | <u>289,663</u> | <u>20,165</u> |
| <b>Assessor:</b>                |                |                |               |
| Salaries                        | 156,874        | 149,486        | 7,388         |
| Benefits                        | 74,699         | 71,036         | 3,663         |
| Operating                       | 14,500         | 13,063         | 1,437         |
| Capital Outlay                  | 500            | 237            | 263           |
|                                 | <u>246,573</u> | <u>233,822</u> | <u>12,751</u> |
| <b>Treasurer/Tax Collector:</b> |                |                |               |
| Salaries                        | 95,361         | 89,197         | 6,164         |
| Benefits                        | 34,584         | 32,733         | 1,851         |
| Operating                       | 46,050         | 28,780         | 17,270        |
| Capital Outlay                  | 500            | 421            | 79            |
|                                 | <u>176,495</u> | <u>151,131</u> | <u>25,364</u> |
| <b>Commissioners:</b>           |                |                |               |
| Salaries                        | 95,917         | 97,078         | (1,161)       |
| Benefits                        | 43,943         | 32,388         | 11,555        |
| Operating                       | 6,600          | 4,200          | 2,400         |
| Capital Outlay                  | 3,000          | 3,000          | 0             |
|                                 | <u>149,460</u> | <u>136,666</u> | <u>12,794</u> |
| <b>Coroner:</b>                 |                |                |               |
| Salaries                        | 19,083         | 17,705         | 1,378         |
| Benefits                        | 7,695          | 3,066          | 4,629         |
| Operating                       | 36,725         | 18,146         | 18,579        |
|                                 | <u>63,503</u>  | <u>38,917</u>  | <u>24,586</u> |
| <b>County Elections:</b>        |                |                |               |
| Salaries                        | 17,059         | 14,414         | 2,645         |
| Benefits                        | 7,770          | 7,013          | 757           |
| Operating                       | 29,300         | 20,538         | 8,762         |
|                                 | <u>54,129</u>  | <u>41,965</u>  | <u>12,164</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, 2015  
(continued)

|                               | Budget              | Actual              | Variance          |
|-------------------------------|---------------------|---------------------|-------------------|
| Emergency Management:         |                     |                     |                   |
| Salaries                      | 39,615              | 37,369              | 2,246             |
| Benefits                      | 9,238               | 9,193               | 45                |
| Operating                     | 17,510              | 18,370              | (860)             |
| Capital Outlay                | 5,732               | 6,037               | (305)             |
|                               | <u>72,095</u>       | <u>70,969</u>       | <u>1,126</u>      |
| Contingency:                  |                     |                     |                   |
| Operating                     | 63,735              | 0                   | 63,735            |
|                               | <u>63,735</u>       | <u>0</u>            | <u>63,735</u>     |
| Data Processing:              |                     |                     |                   |
| Operating                     | 180,240             | 169,421             | 10,819            |
| Capital Outlay                | 98,000              | 96,953              | 1,047             |
|                               | <u>278,240</u>      | <u>266,374</u>      | <u>11,866</u>     |
| CDH and Community Projects:   |                     |                     |                   |
| Operating                     | 18,900              | 18,900              | 0                 |
|                               | <u>18,900</u>       | <u>18,900</u>       | <u>0</u>          |
| General Operations:           |                     |                     |                   |
| Salaries                      | 85,367              | 72,603              | 12,764            |
| Benefits                      | 38,147              | 32,600              | 5,547             |
| Operating                     | 99,810              | 86,269              | 13,541            |
| Capital Outlay                | 4,000               | 1,937               | 2,063             |
|                               | <u>227,324</u>      | <u>193,409</u>      | <u>33,915</u>     |
| Planning and Zoning:          |                     |                     |                   |
| Salaries                      | 87,654              | 91,201              | (3,547)           |
| Benefits                      | 33,805              | 32,438              | 1,367             |
| Debt Service                  | 8,500               | 8,474               | 26                |
| Operating                     | 80,725              | 57,812              | 22,913            |
| Capital Outlay                | 500                 | 0                   | 500               |
|                               | <u>211,184</u>      | <u>189,925</u>      | <u>21,259</u>     |
| Title III Red Zone/WUI:       |                     |                     |                   |
| Operating                     | 130,010             | 42,026              | 87,984            |
|                               | <u>130,010</u>      | <u>42,026</u>       | <u>87,984</u>     |
| Extraordinary Legal/Homicide: |                     |                     |                   |
| Operating                     | 317,744             | 256,870             | 60,874            |
|                               | <u>317,744</u>      | <u>256,870</u>      | <u>60,874</u>     |
| Capital Project               | 20,000              | 955                 | 19,045            |
| Total Expenditures            | <u>\$ 2,339,220</u> | <u>\$ 1,931,592</u> | <u>\$ 407,628</u> |

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2015

|   | East Boise<br>County<br>Ambulance | District<br>Court | Court<br>Facilities | Health<br>Preventative | Indigent          |
|---|-----------------------------------|-------------------|---------------------|------------------------|-------------------|
| <b>Assets</b>   |                                   |                   |                     |                        |                   |
| Cash and Cash Equivalents   | \$ 448,870                        | \$ 470,069        | \$ 211,480          | \$ 8,732               | \$ 264,704        |
| Receivables, Net:   |                                   |                   |                     |                        |                   |
| Taxes   | 7,734                             | 21,955            | 0                   | 3,288                  | 11,069            |
| Due from Other Governments  | 1,616                             | 8,144             | 0                   | 0                      | 0                 |
| Accounts  | 50,811                            | 0                 | 0                   | 0                      | 0                 |
| Prepaid Items   | 0                                 | 0                 | 0                   | 0                      | 0                 |
| <b>Total Assets</b>   | <b>509,031</b>                    | <b>500,168</b>    | <b>211,480</b>      | <b>12,020</b>          | <b>275,773</b>    |
| <b>Deferred Outflows</b>  |                                   |                   |                     |                        |                   |
|   | 0                                 | 0                 | 0                   | 0                      | 0                 |
| <b>Total Assets and Deferred Outflows</b>                         | <b>\$ 509,031</b>                 | <b>\$ 500,168</b> | <b>\$ 211,480</b>   | <b>\$ 12,020</b>       | <b>\$ 275,773</b> |
| <b>Liabilities</b>  |                                   |                   |                     |                        |                   |
| Accounts Payable  | \$ 0                              | \$ 0              | \$ 0                | \$ 0                   | \$ 0              |
| Salaries and Benefits Payable                                     | 1,153                             | 6,064             | 0                   | 0                      | 1,022             |
| <b>Total Liabilities</b>  | <b>1,153</b>                      | <b>6,064</b>      | <b>0</b>            | <b>0</b>               | <b>1,022</b>      |
| <b>Deferred Inflows</b>   |                                   |                   |                     |                        |                   |
| Unavailable Property Taxes  | 7,036                             | 20,382            | 0                   | 3,079                  | 10,228            |
| <b>Fund Balances</b>  |                                   |                   |                     |                        |                   |
| Nonspendable  | 0                                 | 0                 | 0                   | 0                      | 0                 |
| Restricted  | 351,530                           | 473,722           | 136,480             | 8,941                  | 239,646           |
| Committed   | 24,312                            | 0                 | 75,000              | 0                      | 24,877            |
| Assigned  | 125,000                           | 0                 | 0                   | 0                      | 0                 |
| Unassigned  | 0                                 | 0                 | 0                   | 0                      | 0                 |
| <b>Total Fund Balances</b>  | <b>500,842</b>                    | <b>473,722</b>    | <b>211,480</b>      | <b>8,941</b>           | <b>264,523</b>    |
| <b>Total Liabilities, Deferred Inflows,<br/>and Fund Balances</b> | <b>\$ 509,031</b>                 | <b>\$ 500,168</b> | <b>\$ 211,480</b>   | <b>\$ 12,020</b>       | <b>\$ 275,773</b> |

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2015  
(continued)

|   | Junior<br>College<br>Tuition | Revaluation       | Tort              | Weeds             | Emergency<br>Communi-<br>cations 911 |
|---|------------------------------|-------------------|-------------------|-------------------|--------------------------------------|
| <b>Assets</b>   |                              |                   |                   |                   |                                      |
| Cash and Cash Equivalents                                 | \$ 155,433                   | \$ 267,075        | \$ 375,927        | \$ 240,428        | \$ 107,865                           |
| Receivables, Net:   |                              |                   |                   |                   |                                      |
| Taxes   | 0                            | 22,746            | 33,182            | 11                | 0                                    |
| Due from Other Governments                                | 5,409                        | 2,437             | 0                 | 0                 | 0                                    |
| Accounts  | 0                            | 0                 | 0                 | 0                 | 0                                    |
| Prepaid Items   | 0                            | 0                 | 0                 | 0                 | 4,930                                |
| Total Assets  | <u>160,842</u>               | <u>292,258</u>    | <u>409,109</u>    | <u>240,439</u>    | <u>112,795</u>                       |
| <b>Deferred Outflows</b>                                  | <u>0</u>                     | <u>0</u>          | <u>0</u>          | <u>0</u>          | <u>0</u>                             |
| Total Assets and Deferred Outflows                        | <u>\$ 160,842</u>            | <u>\$ 292,258</u> | <u>\$ 409,109</u> | <u>\$ 240,439</u> | <u>\$ 112,795</u>                    |
| <b>Liabilities</b>  |                              |                   |                   |                   |                                      |
| Accounts Payable  | \$ 0                         | \$ 0              | \$ 0              | \$ 0              | \$ 0                                 |
| Salaries and Benefits Payable                             | 0                            | 6,123             | 0                 | 5,043             | 0                                    |
| Total Liabilities   | <u>0</u>                     | <u>6,123</u>      | <u>0</u>          | <u>5,043</u>      | <u>0</u>                             |
| <b>Deferred Inflows</b>                                   |                              |                   |                   |                   |                                      |
| Unavailable Property Taxes                                | <u>0</u>                     | <u>21,103</u>     | <u>30,857</u>     | <u>13</u>         | <u>0</u>                             |
| <b>Fund Balances</b>                                      |                              |                   |                   |                   |                                      |
| Nonspendable  | 0                            | 0                 | 0                 | 0                 | 4,930                                |
| Restricted  | 151,173                      | 265,032           | 378,252           | 199,740           | 59,087                               |
| Committed   | 9,669                        | 0                 | 0                 | 35,643            | 48,778                               |
| Assigned  | 0                            | 0                 | 0                 | 0                 | 0                                    |
| Unassigned  | 0                            | 0                 | 0                 | 0                 | 0                                    |
| Total Fund Balances                                       | <u>160,842</u>               | <u>265,032</u>    | <u>378,252</u>    | <u>235,383</u>    | <u>112,795</u>                       |
| Total Liabilities, Deferred Inflows,<br>and Fund Balances | <u>\$ 160,842</u>            | <u>\$ 292,258</u> | <u>\$ 409,109</u> | <u>\$ 240,439</u> | <u>\$ 112,795</u>                    |

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2015  
(continued)

|   | Snowmobile<br>IC8-A | Snowmobile<br>GV8-B | Sheriff's<br>Vessel | Total               |
|---|---------------------|---------------------|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |                     |                     |
| Cash and Cash Equivalents                                 | \$ 26,039           | \$ 17,458           | \$ 58,102           | \$ 2,652,182        |
| Receivables, Net:   |                     |                     |                     |                     |
| Taxes   | 0                   | 0                   | 0                   | 99,985              |
| Due from Other Governments                                | 0                   | 0                   | 10,021              | 27,627              |
| Accounts  | 0                   | 0                   | 0                   | 50,811              |
| Prepaid Items   | 0                   | 0                   | 0                   | 4,930               |
| Total Assets  | <u>26,039</u>       | <u>17,458</u>       | <u>68,123</u>       | <u>2,835,535</u>    |
| <b>Deferred Outflows</b>                                  | <u>0</u>            | <u>0</u>            | <u>0</u>            | <u>0</u>            |
| Total Assets and Deferred Outflows                        | <u>\$ 26,039</u>    | <u>\$ 17,458</u>    | <u>\$ 68,123</u>    | <u>\$ 2,835,535</u> |
| <b>Liabilities</b>  |                     |                     |                     |                     |
| Accounts Payable  | \$ 0                | \$ 0                | \$ 0                | \$ 0                |
| Salaries and Benefits Payable                             | 0                   | 0                   | 1,223               | 20,628              |
| Total Liabilities   | <u>0</u>            | <u>0</u>            | <u>1,223</u>        | <u>20,628</u>       |
| <b>Deferred Inflows</b>                                   |                     |                     |                     |                     |
| Unavailable Property Taxes                                | <u>0</u>            | <u>0</u>            | <u>0</u>            | <u>92,698</u>       |
| <b>Fund Balances</b>                                      |                     |                     |                     |                     |
| Nonspendable  | 0                   | 0                   | 0                   | 4,930               |
| Restricted  | 17,539              | 13,223              | 59,941              | 2,354,306           |
| Committed   | 8,500               | 4,235               | 6,959               | 237,973             |
| Assigned  | 0                   | 0                   | 0                   | 125,000             |
| Unassigned  | 0                   | 0                   | 0                   | 0                   |
| Total Fund Balances                                       | <u>26,039</u>       | <u>17,458</u>       | <u>66,900</u>       | <u>2,722,209</u>    |
| Total Liabilities, Deferred Inflows,<br>and Fund Balances | <u>\$ 26,039</u>    | <u>\$ 17,458</u>    | <u>\$ 68,123</u>    | <u>\$ 2,835,535</u> |

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2015

|  | East Boise<br>County<br>Ambulance | District<br>Court | Court<br>Facilities | Health<br>Preventative | Indigent          |
|--|-----------------------------------|-------------------|---------------------|------------------------|-------------------|
| <b>Revenues</b>  |                                   |                   |                     |                        |                   |
| Property Taxes   | \$ 112,761                        | \$ 268,185        | \$ 0                | \$ 38,600              | \$ 136,533        |
| Intergovernmental  | 6,810                             | 25,911            | 0                   | 0                      | 0                 |
| Grants and Donations   | 0                                 | 60,479            | 0                   | 0                      | 0                 |
| Charges for Services   | 72,198                            | 81,890            | 0                   | 0                      | 0                 |
| Other  | 4,750                             | 18,638            | 0                   | 0                      | 27,972            |
| <b>Total Revenues</b>  | <b>196,519</b>                    | <b>455,103</b>    | <b>0</b>            | <b>38,600</b>          | <b>164,505</b>    |
| <b>Expenditures</b>  |                                   |                   |                     |                        |                   |
| Current:   |                                   |                   |                     |                        |                   |
| Salaries   | 24,321                            | 195,495           | 0                   | 0                      | 15,444            |
| Benefits   | 3,558                             | 87,707            | 0                   | 0                      | 7,220             |
| Operating  | 60,027                            | 80,408            | 0                   | 34,814                 | 95,657            |
| Capital Outlay   | 665                               | 125               | 519                 | 0                      | 0                 |
| <b>Total Expenditures</b>                                    | <b>88,571</b>                     | <b>363,735</b>    | <b>519</b>          | <b>34,814</b>          | <b>118,321</b>    |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>107,948</b>                    | <b>91,368</b>     | <b>(519)</b>        | <b>3,786</b>           | <b>46,184</b>     |
| <b>Other Financing Sources (Uses)</b>                        |                                   |                   |                     |                        |                   |
| Transfers In   | 0                                 | 0                 | 211,999             | 0                      | 0                 |
| Transfers Out  | 0                                 | (211,999)         | 0                   | 0                      | 0                 |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>0</b>                          | <b>(211,999)</b>  | <b>211,999</b>      | <b>0</b>               | <b>0</b>          |
| <b>Net Change in Fund Balances</b>                           | <b>107,948</b>                    | <b>(120,631)</b>  | <b>211,480</b>      | <b>3,786</b>           | <b>46,184</b>     |
| Fund Balances - Beginning, Previously                        | 336,045                           | 594,353           | 0                   | 5,155                  | 218,339           |
| Prior Period Adjustment                                      | 56,849                            | 0                 | 0                   | 0                      | 0                 |
| Fund Balances - Beginning, Restated                          | 392,894                           | 594,353           | 0                   | 5,155                  | 218,339           |
| <b>Fund Balances - Ending</b>                                | <b>\$ 500,842</b>                 | <b>\$ 473,722</b> | <b>\$ 211,480</b>   | <b>\$ 8,941</b>        | <b>\$ 264,523</b> |



**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2015  
(continued)

|  | Junior<br>College<br>Tuition | Revaluation       | Tort              | Weeds             | Emergency<br>Communi-<br>cations<br>911 |
|--|------------------------------|-------------------|-------------------|-------------------|---|
| <b>Revenues</b>  |                              |                   |                   |                   |   |
| Property Taxes   | \$ 0                         | \$ 270,110        | \$ 397,476        | \$ 27             | \$ 0                                    |
| Intergovernmental  | 26,614                       | 11,212            | 0                 | 0                 | 0                                       |
| Grants and Donations   | 0                            | 0                 | 0                 | 792               | 5,134                                   |
| Charges for Services   | 0                            | 0                 | 0                 | 63,313            | 87,358                                  |
| Other  | 4,440                        | 0                 | 0                 | 3,693             | 0                                       |
| <b>Total Revenues</b>  | <b>31,054</b>                | <b>281,322</b>    | <b>397,476</b>    | <b>67,825</b>     | <b>92,492</b>                           |
| <b>Expenditures</b>  |                              |                   |                   |                   |   |
| Current:   |                              |                   |                   |                   |   |
| Salaries   | 0                            | 166,780           | 0                 | 62,929            | 8,284                                   |
| Benefits   | 0                            | 77,220            | 0                 | 24,975            | 3,835                                   |
| Operating  | 20,470                       | 8,968             | 264,866           | 64,756            | 118,369                                 |
| Capital Outlay   | 0                            | 0                 | 0                 | 1,002             | 14,940                                  |
| <b>Total Expenditures</b>                                    | <b>20,470</b>                | <b>252,968</b>    | <b>264,866</b>    | <b>153,662</b>    | <b>145,428</b>                          |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>10,584</b>                | <b>28,354</b>     | <b>132,610</b>    | <b>(85,837)</b>   | <b>(52,936)</b>                         |
| <b>Other Financing Sources (Uses)</b>                        |                              |                   |                   |                   |   |
| Transfers In   | 0                            | 0                 | 0                 | 0                 | 0                                       |
| Transfers Out  | 0                            | 0                 | (110,667)         | 0                 | 0                                       |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>0</b>                     | <b>0</b>          | <b>(110,667)</b>  | <b>0</b>          | <b>0</b>                                |
| <b>Net Change in Fund Balances</b>                           | <b>10,584</b>                | <b>28,354</b>     | <b>21,943</b>     | <b>(85,837)</b>   | <b>(52,936)</b>                         |
| Fund Balances - Beginning, Previously                        | 150,258                      | 236,678           | 356,309           | 321,220           | 165,731                                 |
| Prior Period Adjustment                                      | 0                            | 0                 | 0                 | 0                 | 0                                       |
| Fund Balances - Beginning, Restated                          | 150,258                      | 236,678           | 356,309           | 321,220           | 165,731                                 |
| <b>Fund Balances - Ending</b>                                | <b>\$ 160,842</b>            | <b>\$ 265,032</b> | <b>\$ 378,252</b> | <b>\$ 235,383</b> | <b>\$ 112,795</b>                       |

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Nonmajor Governmental Funds  
For the Year Ended September 30, 2015  
(continued)

|  | Snowmobile<br>IC8-A | Snowmobile<br>GV8-B | Sheriff's<br>Vessel | Total               |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>  |                     |                     |                     |                     |
| Property Taxes   | \$ 0                | \$ 0                | \$ 0                | \$ 1,223,692        |
| Intergovernmental  | 0                   | 0                   | 0                   | 70,547              |
| Grants and Donations   | 1,002               | 0                   | 10,021              | 77,428              |
| Charges for Services   | 0                   | 0                   | 44,748              | 349,507             |
| Other  | 18,315              | 8,509               | 0                   | 86,317              |
| Total Revenues   | <u>19,317</u>       | <u>8,509</u>        | <u>54,769</u>       | <u>1,807,491</u>    |
| <b>Expenditures</b>  |                     |                     |                     |                     |
| Current:   |                     |                     |                     |                     |
| Salaries   | 6,286               | 2,079               | 21,119              | 502,737             |
| Benefits   | 509                 | 168                 | 1,828               | 207,020             |
| Operating Expenses   | 8,260               | 3,492               | 10,971              | 771,058             |
| Capital Outlay   | 0                   | 0                   | 0                   | 17,251              |
| Total Expenditures   | <u>15,055</u>       | <u>5,739</u>        | <u>33,918</u>       | <u>1,498,066</u>    |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b>     | <u>4,262</u>        | <u>2,770</u>        | <u>20,851</u>       | <u>309,425</u>      |
| <b>Other Financing Sources (Uses)</b>                            |                     |                     |                     |                     |
| Transfers In   | 0                   | 0                   | 0                   | 211,999             |
| Transfers Out  | 0                   | 0                   | 0                   | (322,666)           |
| Total Other Financing Sources (Uses)                             | <u>0</u>            | <u>0</u>            | <u>0</u>            | <u>(110,667)</u>    |
| Net Change in Fund Balances                                      | <u>4,262</u>        | <u>2,770</u>        | <u>20,851</u>       | <u>198,758</u>      |
| Fund Balances - Beginning, Previously<br>Prior Period Adjustment | 21,777<br>0         | 14,688<br>0         | 46,049<br>0         | 2,466,602<br>56,849 |
| Fund Balances - Beginning, Restated                              | <u>21,777</u>       | <u>14,688</u>       | <u>46,049</u>       | <u>2,523,451</u>    |
| Fund Balances - Ending   | <u>\$ 26,039</u>    | <u>\$ 17,458</u>    | <u>\$ 66,900</u>    | <u>\$ 2,722,209</u> |

**Boise County, Idaho**  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2015

| <u>Program Title</u>                                     | <u>Federal<br/>CFDA<br/>Number</u> | <u>Grant<br/>Number</u>  | <u>Program<br/>Expenditures</u> |
|--|------------------------------------|--|---------------------------------|
| <u>U.S. Department of Agriculture</u>                    |                                    |  |                                 |
| Schools and Roads - Grants to Counties (Direct)          | 10.666                             | None   | <u>\$ 644,873</u>               |
| <u>U.S. Department of Interior</u>                       |                                    |  |                                 |
| Payment in Lieu of Taxes (Direct)                        | 15.226                             | None   | <u>359,579</u>                  |
| <u>U.S. Department of Justice</u>                        |                                    |  |                                 |
| Passed through State Department of Juvenile Corrections: |                                    |  |                                 |
| Juvenile Accountability Incentive Block Grant            | 16.523                             | 2013JBFX0007   | 2,500                           |
| Juvenile Justice and Delinquency Prevention              | 16.540                             | 2012JFFX0022   | 625                             |
| Passed through State Department of Idaho State Police:   |                                    |  |                                 |
| Violence Against Women Formula Grant                     | 16.588                             | 2012-WF-AX-0057<br>2011-WF-AX-0048                                   | 27,345                          |
| Total U.S. Department of Justice                         |                                    |  | <u>30,470</u>                   |
| <u>U.S. Department of Transportation</u>                 |                                    |  |                                 |
| Passed Through State Department of Transportation:       |                                    |  |                                 |
| Highway Planning and Construction                        | 20.205                             | A010(660)<br>A012(539)   | 4,055                           |
| State and Community Highway Safety                       | 20.600                             | OP-2014-01-00-00<br>PT-2014-01-00-00<br>AL-2014-01-00-00             | 7,999                           |
| National Priority Safety Programs                        | 20.616                             | M5HVE-2014-01-00-00<br>M2HVE-2015-01-00-00<br>M5HVE-2015-01-00-00    | 10,343                          |
| Total U.S. Department of Transportation                  |                                    |  | <u>22,397</u>                   |
| <u>U.S. Department of Health and Human Services</u>      |                                    |  |                                 |
| Passed through State Department of Health and Welfare:   |                                    |  |                                 |
| National Bioterrorism Hospital Preparedness              | 93.889                             | None   | 6,093                           |
| Passed through Secretary of State:                       |                                    |  |                                 |
| Voting Access for Individuals with Disabilities          | 93.618                             | HHS-2015-ACL-AIDD-<br>DH-0095  | 3,240                           |
| Total U.S. Department of Health and Human Services       |                                    |  | <u>9,333</u>                    |
| <u>U.S. Department of Homeland Security</u>              |                                    |  |                                 |
| Passed through State Department of Military Division:    |                                    |  |                                 |
| Emergency Management Performance                         | 97.042                             | EMW2013EP00061<br>EMW2014EP00058                                     | 12,670                          |
| Fire Management Assistance Grant                         | 97.046                             | FM-5019-ID   | 11,738                          |
| Homeland Security Grant                                  | 97.067                             | EMW2011SS00018<br>EMW2012SS00136<br>EMW2013SS00149<br>EMW2014SS00084 | 68,767                          |
| Passed through State Department of Parks and Recreation: |                                    |  |                                 |
| Boating Safety Financial Assistance                      | 97.012                             | 14.01.16   | 10,021                          |
| Total U.S. Department of Homeland Security               |                                    |  | <u>103,196</u>                  |
| Total Expenditures of Federal Awards                     |                                    |  | <u>\$ 1,169,848</u>             |

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

***FEDERAL REPORTS***



Certified Public Accountants

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

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

**Independent Auditor’s Report on 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, 2015, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated March 9, 2016.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2015-001)

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Boise County, Idaho's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2015-002.

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

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bailey & Co.*

Nampa, Idaho  
March 9, 2016



Certified Public Accountants

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

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

## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133**

To the Board of Commissioners  
Boise County, Idaho

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

We have audited **Boise County, Idaho's** (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

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

In our opinion, the **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, 2015.

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

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

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

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

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

***Bailey & Co.***

Nampa, Idaho  
March 9, 2016



**Boise County, Idaho**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2015

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**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     2015-001
- Material weakness(es) disclosed?             yes     none reported
- Noncompliance material to financial  
statements noted?                                 yes     2015-002

*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 510(a) of OMB Circular A-  
133?      yes     no

Identification of major programs:

| CFDA Numbers | Name of Federal Program  |
|--------------|--------------------------|
| 15.226       | Payment in Lieu of Taxes |

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

Auditee qualified as low risk auditee?  yes  no

## **Section II - Financial Statement Findings**

### **2015-001: Capital Asset Reporting**

**Criteria:**

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

**Condition:**

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

- Not all capital assets were being recorded when purchased.
- Not all capital assets were reported at the correct cost.

**Cause:**

Complete and accurate information was not obtained from the County's departments in order to prepare an accurate capital asset depreciation schedule.

**Effect:**

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

**Recommendation:**

We recommend each month the department heads go over their capital assets with the employee in charge of maintaining the capital asset detail. Department heads and the employee in charge of maintaining the capital asset detail should all have a clear understanding of what should be considered a capital asset and what is included as a cost.

**Response:**

See Corrective Action Plan.

### **2015-002: Budget Compliance**

**Criteria:**

Idaho Code Section 31-1606 requires that actual expenditures not exceed appropriations in the Road and Bridge fund.

Condition:

During our audit we noted expenditures did exceed appropriations in the Road and Bridge fund.

Cause:

Financing was obtained during the year to purchase three motor graders and the budget was not amended to account for these additional funds and the corresponding expenditures.

Effect:

Failing to follow Idaho Code could result in the State of Idaho penalizing or withholding funds from the County.

Recommendation:

We recommend the budget is amended whenever financing is obtained in order to make purchases. We also recommend a periodic review of the applicable sections of Idaho Code in order to mitigate the risk of noncompliance.

Response:

See Corrective Action Plan.

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

None reported.

**Boise County, Idaho**  
Corrective Action Plan  
For the Year Ended September 30, 2015

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2015-001: Capital Asset Reporting

Boise County agrees with the condition noted. The Boise County Board of County Commissioners, currently in office during the 2016 year, will review the procedures currently in effect over capital asset additions and deletions and develop a policy to establish tighter controls over capital asset reporting. The recommendation provided by Bailey & Co. will be taken into consideration during the improvement process.

2015-002: Budget Compliance

Boise County agrees with the condition noted. The Boise County Road and Bridge Fund expenditures exceeded appropriations due to the misclassification of an equipment lease as an operating lease. The result of adjusting the financial statements to properly reflect the equipment lease as a capital lease, created an excess expenditure.

The Boise County Board of Commissioners will review the current policy for contract review and processing. The policy will be adjusted to include assessment of lease type *during* the contract review process, such that budget amendments may be addressed in a timely fashion.

For questions regarding these plans, please contact Mary T. Prisco, Clerk at (208) 392-4431, ext. 125.