



# BOISE COUNTY

## **RESOLUTION #2013-2 A BOISE COUNTY RESOLUTION ADOPTING FINANCIAL POLICIES**

**WHEREAS**, Boise County, Idaho (the "County") is a duly organized and existing county under the laws and Constitution of the State of Idaho; and

**WHEREAS**, the County is mandated by I.C. 67-450B to have its financial statements audited; and

**WHEREAS**, a pronouncement, GASB Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions was adopted as part of the FY 2011 audited financial statements; and

**WHEREAS**, a component of GASB Statement 54 requires the County to report fund balance designations as: non-spendable, restricted, committed, assigned or unassigned; and

**WHEREAS**, in order to report the fund balance designations, the County must have a financial policy in place that outlines what it considers committed, assigned and unassigned fund balances; and

**WHEREAS**, the financial policy also needs to address the order in which the County spends its resources; and

**WHEREAS**, the current practice for cash basis, minimum fund balance and subsequent year's expenditures also need to be a part of the financial policy;

**NOW THEREFORE BE IT RESOLVED**, that the Board of Boise County Commissioners does hereby adopt the following five financial policies that are attached hereto as Exhibits A through E:

- Committed, Assigned and Unassigned Fund Balance – Exhibit A
- Order of Spending Resources – Exhibit B
- Cash Basis – Exhibit C
- Minimum Fund Balance – Exhibit D
- Subsequent Year's Expenditures – Exhibit E

**APPROVED** and **ADOPTED** in Open Session on the 22<sup>nd</sup> day of October, 2012.

### **BOISE COUNTY BOARD OF COMMISSIONERS**

  
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**ROBERT A. FRY**, Chairman

  
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**TERRY C. DAY**, Commissioner

  
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**JAMIE A. ANDERSON**, Commissioner



*Mary T. Prisco*  
Mary T. Prisco, Clerk to the Board

**EXHIBIT A**  
**BOISE COUNTY FINANCIAL POLICY**

**SUBJECT: COMMITTED, ASSIGNED AND UNASSIGNED FUND BALANCE**

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**PURPOSE:** To outline in policy what committed, assigned and unassigned fund balance is and how it is determined.

**BACKGROUND:** GASB Statement #54 – Fund Balance Reporting and Governmental Fund Type Definitions issued February 2009. Required initial implementation for Boise County is for the fiscal year ended September 30, 2011, audited financial statements.

**DEFINITIONS:**

*Fund Balance:* Fund balance represents the difference between fund assets and fund liabilities. Fund balance is also referred to as net assets. Fund balance is intended to serve as a measure of the financial resources available in a governmental fund.

*Non-spendable Fund Balance:* Non-spendable fund balance is when assets are never converted to cash (prepaids or inventory) or won't convert to cash soon enough for the current period (long term portions of notes receivable or non-financial assets held for resale i.e. foreclosures) or resources that must be maintained intact pursuant to legal or contractual requirements (the principle of an endowment or capital of a revolving loan fund).

*Restricted:* Restricted fund balance is where limitations are imposed by creditors, grantors, contributors or law and regulations of other governments or limitations imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance:* Committed fund balance is where a self-imposed limitation is set in place prior to the end of the period. The limitation is imposed at the highest level of decision-making that requires formal action at the same level to remove. This would occur annually via a resolution approved by the Board of County Commissioners.

*Assigned Fund Balance:* Assigned fund balance is where a limitation results from intended uses either by: 1) highest level of decision-making, 2) body designated for that purpose or 3) official designated for that purpose. This would occur every year by the Board of County Commissioners and/or the Elected Official or Department Director and done in conjunction with the close of the fiscal year.

*Unassigned Fund Balance:* Residual net resources – total fund balance in excess of the other classifications (surplus) or excess of the other classifications over total fund balance (deficit).

**COMMITTED FUND BALANCE:**

Subsequent Years Expenditures

During the budget process, for the subsequent year, departments may request the use of fund balance to support their budget requests where expenditures exceed revenues and taxes. This request is formalized during a public hearing (Per I.C. Section 31, Chapter 16, the county must adopt a final budget on or before the first Tuesday after the first Monday in September) in which the County Commissioners take comments; upon conclusion of the hearing, the County Commissioners legally adopt the budget by a resolution in the official minutes of the Board. *See Subsequent Years Expenditures Policy.*