

**BOISE COUNTY, IDAHO**

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Report on Audited  
Basic  
Financial Statements  
and  
Additional Information

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For the Year Ended September 30, 2017

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## Independent Auditor's Report

To the Board of Commissioners  
Boise County, Idaho

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Boise County, Idaho** (the County), as of and for the year ended September 30, 2017, 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, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedule of 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 of expenditure – 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 combining nonmajor fund financial statements 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedules of revenues by source and expenditures by object of expenditure – budget and actual 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 20, 2018, 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 20, 2018

**Boise County, Idaho**  
Statement of Net Position  
September 30, 2017

	Governmental Activities
<b>Assets</b>	
Cash and Cash Equivalents	\$ 12,586,035
Receivables, Net:	
Property Taxes	438,597
Interest	9,648
Due from Other Governments	481,953
Accounts	125,529
Prepaid Items	24,596
Capital Assets:	
Land	390,107
Infrastructure, Net	9,549,458
Buildings, Net	1,651,956
Equipment, Net	1,485,226
Total Capital Assets	13,076,747
Total Assets	26,743,105
<b>Deferred Outflows</b>	
Pension	381,858
<b>Liabilities</b>	
Accounts Payable	4,120
Salaries and Benefits Payable	123,773
Personnel Settlement Liability	34,000
Accrued Interest	5,105
Unearned Revenue	25,000
Long-Term Liabilities:	
Due Within One Year:	
Compensated Absences	169,219
Bonds Payable	405,000
Municipal Leases Payable	216,270
Due in More than One Year:	
Other Post-Employment Benefits	65,413
Net Pension Liability	1,542,410
Bonds Payable	463,980
Municipal Leases Payable	221,311
Total Liabilities	3,275,601
<b>Deferred Inflows</b>	
Pension	250,040
<b>Net Position</b>	
Net Investment in Capital Assets	12,639,166
Restricted for:	
Roads and Bridges	2,050,489
Public Safety	2,236,908
Sanitation	1,121,627
Debt Service	510,095
Other Purposes	2,859,794
Unrestricted (Deficit) Surplus	2,181,243
Total Net Position	\$ 23,599,322

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

**Boise County, Idaho**  
Statement of Activities  
For the Year Ended September 30, 2017

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>					
Governmental Activities:					
General Government	\$ 2,505,726	\$ 387,735	\$ 116,504	\$ 0	\$ (2,001,487)
Public Safety	2,600,282	298,138	431,429	6,388	(1,864,327)
Highways and Roads	1,805,312	24,376	0	314,491	(1,466,445)
Sanitation	692,130	57,551	0	0	(634,579)
Weed Control	125,941	56,359	46,329	0	(23,253)
Welfare	213,695	0	0	0	(213,695)
Education	21,945	0	0	0	(21,945)
Culture and Recreation	31,307	0	0	0	(31,307)
Interest on Long-term Debt	24,203	0	0	0	(24,203)
<b>Total Governmental Activities</b>	<b>\$ 8,020,541</b>	<b>\$ 824,159</b>	<b>\$ 594,262</b>	<b>\$ 320,879</b>	<b>(6,281,241)</b>

General Revenues:	
Property Taxes and Special Fees	5,171,156
Intergovernmental	1,806,969
Investment Earnings	59,609
Other	645,930
Disposal of Assets	38,524
<b>Total General Revenues and Special Items</b>	<b>7,722,188</b>
Change in Net Position	1,440,947
Net Position - Beginning, Previously	22,083,440
Prior Period Adjustments	74,935
Net Position - Beginning, Restated	22,158,375
<b>Net Position - End of Year</b>	<b>\$ 23,599,322</b>

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



**Boise County, Idaho**  
Balance Sheet -  
Governmental Funds  
September 30, 2017

	General	Road and Bridge	Justice Fund	Solid Waste
<b>Assets</b>				
Cash and Cash Equivalents	\$ 3,350,491	\$ 1,785,128	\$ 1,987,834	\$ 1,314,949
Receivables, Net:				
Taxes	128,601	1,313	124,316	64,971
Interest	9,648	0	0	0
Due from Other Governments	45,553	312,942	111,777	0
Accounts	31,745	0	52,374	0
Prepaid Items	21,660	0	0	0
Total Assets	<u>3,587,698</u>	<u>2,099,383</u>	<u>2,276,301</u>	<u>1,379,920</u>
<b>Deferred Outflows</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u>\$ 3,587,698</u>	<u>\$ 2,099,383</u>	<u>\$ 2,276,301</u>	<u>\$ 1,379,920</u>
<b>Liabilities</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Salaries and Benefits Payable	30,084	24,194	39,393	1,743
Personnel Settlement Liability	0	0	0	24,000
Unearned Revenue	0	0	0	0
Total Liabilities	<u>30,084</u>	<u>24,194</u>	<u>39,393</u>	<u>25,743</u>
<b>Deferred Inflows</b>				
Unavailable Property Taxes	<u>123,155</u>	<u>1,261</u>	<u>118,876</u>	<u>62,018</u>
<b>Fund Balances</b>				
Nonspendable	21,660	0	0	0
Restricted	0	2,049,228	2,118,032	1,059,609
Committed	1,689,000	24,700	0	132,550
Assigned	1,325,000	0	0	100,000
Unassigned	398,799	0	0	0
Total Fund Balances	<u>3,434,459</u>	<u>2,073,928</u>	<u>2,118,032</u>	<u>1,292,159</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 3,587,698</u>	<u>\$ 2,099,383</u>	<u>\$ 2,276,301</u>	<u>\$ 1,379,920</u>

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

**Boise County, Idaho**  
Balance Sheet -  
Governmental Funds  
September 30, 2017  
(continued)

	Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 920,097	\$ 3,227,536	\$ 12,586,035
Receivables, Net:			
Taxes	27,128	92,268	438,597
Interest	0	0	9,648
Due from Other Governments	0	11,681	481,953
Accounts	0	41,410	125,529
Prepaid Items	0	2,936	24,596
Total Assets	<u>947,225</u>	<u>3,375,831</u>	<u>13,666,358</u>
<b>Deferred Outflows</b>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u>\$ 947,225</u>	<u>\$ 3,375,831</u>	<u>\$ 13,666,358</u>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 4,120	\$ 4,120
Salaries and Benefits Payable	0	28,359	123,773
Personnel Settlement Liability	0	10,000	34,000
Unearned Revenue	0	25,000	25,000
Total Liabilities	<u>0</u>	<u>67,479</u>	<u>186,893</u>
<b>Deferred Inflows</b>			
Unavailable Property Taxes	<u>26,263</u>	<u>88,264</u>	<u>419,837</u>
<b>Fund Balances</b>			
Nonspendable	0	2,936	24,596
Restricted	488,937	2,771,530	8,487,336
Committed	432,025	353,355	2,631,630
Assigned	0	92,267	1,517,267
Unassigned	0	0	398,799
Total Fund Balances	<u>920,962</u>	<u>3,220,088</u>	<u>13,059,628</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 947,225</u>	<u>\$ 3,375,831</u>	<u>\$ 13,666,358</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, 2017

Total Fund Balances - Governmental Funds \$ 13,059,628

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	\$ 390,107	
Infrastructure, net of \$863,647 accumulated depreciation	9,549,458	
Buildings, net of \$656,200 accumulated depreciation	1,651,956	
Equipment, net of \$5,250,466 accumulated depreciation	<u>1,485,226</u>	
		13,076,747

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. 419,837

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	381,858	
Deferred inflows related to net pension liability	<u>(250,040)</u>	
		131,818

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		(5,105)
Bonds Payable	(815,000)	
Unamortized Bond Premiums	(53,980)	
Municipal Leases Payable	(437,581)	
Net Pension Liability	(1,542,410)	
Other Post-Employment Benefits	(65,413)	
Compensated Absences	<u>(169,219)</u>	
Total Long-Term Liabilities		<u>(3,083,603)</u>

Net Position of Governmental Activities \$ 23,599,322

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, 2017

	General Fund	Road and Bridge	Justice Fund	Solid Waste
<b>Revenues</b>				
Property Taxes and Special Fees	\$ 1,620,017	\$ 2,150	\$ 1,597,316	\$ 676,852
Intergovernmental	102,728	1,207,874	382,756	0
Grants and Donations	83,734	314,491	196,557	0
Charges for Services	314,912	24,376	146,334	57,551
Investment Earnings	59,609	0	0	0
Other	231,200	83,822	229,713	8,677
<b>Total Revenues</b>	<u>2,412,200</u>	<u>1,632,713</u>	<u>2,552,676</u>	<u>743,080</u>
<b>Expenditures</b>				
Current:				
General Government	1,476,382	0	0	0
Public Safety	229,659	0	1,857,261	0
Highways and Roads	0	1,356,612	0	0
Sanitation	0	0	0	664,554
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	0	143,040	87,279	0
Interest	0	11,608	8,962	0
Capital Outlay	81,668	124,837	95,413	0
<b>Total Expenditures</b>	<u>1,787,709</u>	<u>1,636,097</u>	<u>2,048,915</u>	<u>664,554</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>624,491</u>	<u>(3,384)</u>	<u>503,761</u>	<u>78,526</u>
<b>Other Financing Sources (Uses)</b>				
Debt Proceeds	0	0	46,323	0
Sale of Assets	0	0	0	2,172
Transfers In	0	0	0	0
Transfers Out	(23,768)	0	(142,342)	0
<b>Total Other Financing Sources (Uses)</b>	<u>(23,768)</u>	<u>0</u>	<u>(96,019)</u>	<u>2,172</u>
<b>Net Change in Fund Balances</b>	<u>600,723</u>	<u>(3,384)</u>	<u>407,742</u>	<u>80,698</u>
Fund Balances - Beginning, Previously	2,801,991	2,077,312	1,710,290	1,211,461
Prior Period Adjustment	31,745	0	0	0
Fund Balances - Beginning, Restated	<u>2,833,736</u>	<u>2,077,312</u>	<u>1,710,290</u>	<u>1,211,461</u>
<b>Fund Balances - Ending</b>	<u>\$ 3,434,459</u>	<u>\$ 2,073,928</u>	<u>\$ 2,118,032</u>	<u>\$ 1,292,159</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, 2017  
(continued)

	Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes and Special Fees	\$ 211,169	\$ 1,145,227	\$ 5,252,731
Intergovernmental	0	113,611	1,806,969
Grants and Donations	0	320,359	915,141
Charges for Services	0	280,986	824,159
Investment Earnings	0	0	59,609
Other	0	92,518	645,930
<b>Total Revenues</b>	<b>211,169</b>	<b>1,952,701</b>	<b>9,504,539</b>
<b>Expenditures</b>			
Current:			
General Government	448	911,567	2,388,397
Public Safety	0	341,790	2,428,710
Highways and Roads	0	0	1,356,612
Sanitation	0	0	664,554
Weed Control	0	114,097	114,097
Welfare	0	214,021	214,021
Education	0	21,945	21,945
Culture and Recreation	0	28,559	28,559
Debt Service:			
Principal	400,000	0	630,319
Interest	31,486	0	52,056
Capital Outlay	0	394,392	696,310
<b>Total Expenditures</b>	<b>431,934</b>	<b>2,026,371</b>	<b>8,595,580</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(220,765)</b>	<b>(73,670)</b>	<b>908,959</b>
<b>Other Financing Sources (Uses)</b>			
Debt Proceeds	0	0	46,323
Sale of Assets	0	42,397	44,569
Transfers In	0	239,962	239,962
Transfers Out	0	(73,852)	(239,962)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>208,507</b>	<b>90,892</b>
<b>Net Change in Fund Balances</b>	<b>(220,765)</b>	<b>134,837</b>	<b>999,851</b>
Fund Balances - Beginning, Previously	1,141,727	3,085,251	12,028,032
Prior Period Adjustment	0	0	31,745
Fund Balances - Beginning, Restated	1,141,727	3,085,251	12,059,777
<b>Fund Balances - Ending</b>	<b>\$ 920,962</b>	<b>\$ 3,220,088</b>	<b>\$ 13,059,628</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, 2017

Total Net Change in Fund Balance - Governmental Funds \$ 999,851

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	\$	552,054	
Disposal of Assets		(6,045)	
Depreciation Expense		<u>(663,828)</u>	(117,819)

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. (81,575)

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		(46,323)	
Principal Payments Made		630,319	
Amortization of Bond Premium		26,990	
Change in Accrued Interest		<u>863</u>	611,849

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Changes in Net Pension Liability and the related deferrals		66,525	
Other Post-Employment Benefit Liability Changes		(8,992)	
Compensated Absences Liability Changes		<u>(28,892)</u>	<u>28,641</u>

Change in Net Position of Governmental Activities \$ 1,440,947

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

**Boise County, Idaho**  
Statement of Fiduciary Net Position  
September 30, 2017

	Agency Funds			Total
	State Remittance	Special Taxing District	Miscellaneous Trusts	
<b>Assets</b>				
Cash and Cash Equivalents	\$ 178	\$ 34,123	\$ 849,824	\$ 884,125
Property Taxes Receivable	0	332,683	0	332,683
Total Assets	178	366,806	849,824	1,216,808
<b>Deferred Outflows</b>	0	0	0	0
Total Assets and Deferred Outflows	\$ 178	\$ 366,806	\$ 849,824	\$ 1,216,808
<b>Liabilities</b>				
Due to Other Funds or Taxing Units	\$ 178	\$ 366,806	\$ 849,824	\$ 1,216,808
<b>Deferred Inflows</b>	0	0	0	0
Total Liabilities and Deferred Inflows	\$ 178	\$ 366,806	\$ 849,824	\$ 1,216,808

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

**Boise County, Idaho** (the County) operates under the direction of a Board of Commissioners who are responsible for the various operations of the County. The accompanying basic financial statements present the County (the primary government) and any component units, entities for which the government is considered to be financially accountable.

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

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

Basis of Presentation, 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 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



**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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
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 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.

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

requirements and shall be reviewed periodically. The range set for all County funds is to be maintained at a level between 10% and 30% of actual operating revenues. The amounts determined from this calculation are considered committed fund balance.

- *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, capital replacements, matching contributions for road/bridge projects scheduled in future years, disaster/emergency funds, technology initiatives, extraordinary legal costs, and extraordinary professional service costs. The remaining assigned fund balances are amounts the Clerk has estimated will be needed for capital improvements in the Solid Waste fund, capital replacements in the East Boise County Ambulance fund, and Snowmobile GV8-B fund.

Assets and Liabilities

Cash and Cash Equivalents and Investments

The County's cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

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

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

The State of Idaho Local Government Investment Pool (LGIP) operates in accordance with appropriate state laws and regulations. The reported value of the County's cash in the LGIP is the same as the fair value of the LGIP shares.

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 \$220,729 as of September 30, 2017. 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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The property tax calendar is as follows:

Date property is valued	January 1
Date tax levies are established	Third Monday of September
Date taxes are billed	November 20
Date taxes are due	Half on December 20 and half on the following June 20
Date taxes become delinquent	First day in January of the succeeding year

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated acquisition value.

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

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Infrastructure	\$ 5,000	Straight-Line	20 - 50 Years
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 available to full-time and permanent part-time employees who have completed the equivalent of 6 months full-time employment.

Use of Estimates

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions

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

2. DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. The County's policy is to fully collateralize deposits exceeding insurance limits with government and/or agency securities held by the pledging financial institution. However, as of September 30, 2017, \$42,492 of the County's bank balances of \$4,830,731 was uninsured and uncollateralized.

Custodial Credit Risk - Investments

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

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

The State Treasurer must operate and invest the funds of both pools for the benefit of the participants. They make investments in accordance with Idaho Code, Sections 67-1210 and 67-1210A. The Pools are not registered with the Securities and Exchange Commission or any other regulatory body. The State Treasurer does not provide any legally binding guarantees to support the value of the shares to participants.

At September 30, 2017, the County's investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
External Investment Pool	\$8,288,417	\$ 0	\$ 0	\$ 0	\$8,288,417
Certificates of Deposit	948,268	0	0	0	948,268
U.S. Government Obligations	493,511	0	493,511	0	0
	<u>\$9,730,196</u>	<u>\$ 0</u>	<u>\$493,511</u>	<u>\$ 0</u>	<u>\$9,236,685</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Boise County's investment policy, where possible, portfolio maturities shall be staggered in

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

2. DEPOSITS AND INVESTMENTS (continued)

a way that avoids undue concentration of assets in a specific maturity sector, allows for no more than 50% in a specific issuer and in a specific class of securities. In addition GASB 40 requires disclosure of concentrations over 5% in a single issuer. As of September 30, 2017, the County held no investments in a single issuer over 5%.

Interest Rate Risk

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

As of September 30, 2017 the County's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in years)	
		Less Than 1	1-5
External Investment Pool	\$ 8,288,417	\$ 8,288,417	\$ 0
Certificates of Deposit	948,268	0	948,268
U.S. Government Obligations	493,511	0	493,511
	<u>\$ 9,730,196</u>	<u>\$ 8,288,417</u>	<u>\$ 1,441,779</u>

Fair Value of Investments

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

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

As of September 30, 2017, the County had the following recurring fair value:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
External Investment Pool	\$8,288,417	\$ 0	\$8,288,417	\$ 0
Certificates of Deposit	948,268	0	948,268	0
U.S. Government Obligations	493,511	0	493,511	0
Total Investments Measured at Fair Value	<u>\$9,730,196</u>	<u>\$ 0</u>	<u>\$9,730,196</u>	<u>\$ 0</u>

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

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

3. RISK MANAGEMENT

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

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2017 was as follows:

	Balance 10/1/2016	Restatement	Additions	Disposals	Balance 9/30/2017
<u>Governmental Activities:</u>					
Capital Assets Not Being Depreciated:					
Land	\$ 326,441	\$ 0	\$ 63,666	\$ 0	\$ 390,107
Construction in Progress	0	0	0	0	0
	<u>326,441</u>	<u>0</u>	<u>63,666</u>	<u>0</u>	<u>390,107</u>
Capital Assets Being Depreciated:					
Infrastructure	10,413,105	0	0	0	10,413,105
Buildings and Improvements	2,068,852	121,502	117,802	0	2,308,156
Equipment	6,507,794	(115,000)	370,586	(27,688)	6,735,692
Total Historical Cost	<u>18,989,751</u>	<u>6,502</u>	<u>488,388</u>	<u>(27,688)</u>	<u>19,456,953</u>
Less: Accumulated Depreciation					
Infrastructure	602,806	0	260,841	0	863,647
Buildings and Improvements	553,093	51,805	51,302	0	656,200
Equipment	5,008,917	(88,493)	351,685	(21,643)	5,250,466
Total Accumulated Depreciation	<u>6,164,816</u>	<u>(36,688)</u>	<u>663,828</u>	<u>(21,643)</u>	<u>6,770,313</u>
Net Depreciable Assets	<u>12,824,935</u>	<u>43,190</u>	<u>(175,440)</u>	<u>(6,045)</u>	<u>12,686,640</u>
Governmental Activities					
Capital Assets - Net	<u>\$13,151,376</u>	<u>\$ 43,190</u>	<u>\$ (111,774)</u>	<u>\$ (6,045)</u>	<u>\$13,076,747</u>

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

Governmental Activities:	
General Government	\$ 23,526
Public Safety	177,867
Highways and Roads	423,875
Sanitation	29,851
Weed Control	5,961
Culture and Recreation	2,748
	<u>\$ 663,828</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

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5. DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units (State of Idaho) consist of the liquor apportionment of \$11,970, cigarette tax of \$3,838, highway user revenue of \$321,942, federal grant funds of \$20,087, and state revenue sharing of \$124,116 for a total of \$481,953.

6. TRANSFERS

Transfers in and out of funds at September 30, 2017 consist of the following:

\$ 23,768	From the General fund to the District Court fund for capital assets paid out of the General fund.
73,852	From the Court Facilities fund to the District Court fund for capital assets paid out of the Court Facilities fund.
142,342	From the Justice fund to the East Boise County Ambulance fund for the transfer of an ambulance.
<u>\$ 239,962</u>	Total

7. 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.

Pension Benefits

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

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



**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

7. PENSION PLAN (continued)

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, 2017, 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 contributions were \$327,825 for the year ended September 30, 2017.

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

At September 30, 2017, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017, the County's proportion was .0981284%.

For the year ended September 30, 2017, the County recognized pension expense of \$261,301. At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 213,672	\$ 138,958
Changes in assumptions or other inputs	28,523	0
Net difference between projected and actual earnings on pension plan investments	0	92,412
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	64,484	18,670
Employer contributions subsequent to the measurement date	75,179	0
Total	\$ 381,858	\$ 250,040

\$75,179 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, 2018.

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, 2016, the beginning of the measurement period ended June 30, 2017, is 4.9 years and 5.5 years for measurement period ended June 30, 2016.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

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7. PENSION PLAN (continued)

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

Year Ended September 30,		
2018	\$	(71,747)
2019	\$	157,014
2020	\$	55,773
2021	\$	(84,401)

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 June 30, 2017 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 for the period July 1, 2007 through June 30, 2013, 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, 2017 is based on the results of an actuarial valuation date of July 1, 2017.

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

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

7. PENSION PLAN (continued)

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, 2017.

**Capital Market Assumptions**

<b>Asset Class</b>	<b>Expected Return*</b>	<b>Expected Risk</b>	<b>Strategic Normal</b>	<b>Strategic Ranges</b>
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
	<b>Expected</b>	<b>Expected</b>	<b>Expected</b>	<b>Expected</b>
<b>Total Fund</b>	<b>Return</b>	<b>Inflation</b>	<b>Real Return</b>	<b>Risk</b>
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

\*Expected arithmetic return net of fees and expenses

**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%
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>	<b>7.10%</b>

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 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.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

7. PENSION PLAN (continued)

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 (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 3,584,878	\$ 1,542,410	\$ (154,935)

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).

8. COMPENSATED ABSENCES

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

	10/1/2016	Increase	Decrease	9/30/2017	Current
Governmental Activities	\$ 140,327	\$ 207,260	\$ (178,368)	\$ 169,219	\$ 169,219

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.

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	\$ 1,052,459
Less: accumulated amortization (included as depreciation on the accompanying financial statements)	(410,728)
	\$ 641,731

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

9. LONG-TERM OBLIGATIONS (continued)

Changes in long-term obligations for the year ended September 30, 2017 are as follows:

Description	Rate	Maturity	10/1/2016	Increase	Decrease	9/30/2017	Current
Lease-Cat Compactor	3.20%	2019	\$ 33,451	\$ 0	\$ (10,824)	\$ 22,627	\$ 11,147
Lease-2 Sheriff Vehicles	11.51%	2017	13,405	0	(13,405)	0	0
Lease-Sheriff Vehicle	5.47%	2017	2,101	0	(2,101)	0	0
Lease-Sheriff Vehicle	4.41%	2017	3,927	0	(3,927)	0	0
Lease-Sheriff Vehicle	5.32%	2018	15,727	0	(7,657)	8,070	8,070
Lease-2 Sheriff Vehicles	4.10%	2019	58,981	0	(22,667)	36,314	23,890
Lease-2 Sheriff Vehicles	4.10%	2019	66,397	0	(25,517)	40,880	26,894
Lease-Grader	2.50%	2020	116,057	0	(37,734)	78,323	38,678
Lease-Grader	2.50%	2020	116,057	0	(37,734)	78,323	38,678
Lease-Grader	2.50%	2020	116,057	0	(37,734)	78,323	38,678
Lease-Backhoe Loader	3.20%	2020	79,416	0	(19,014)	60,402	19,562
Lease-Sheriff Vehicle	5.25%	2020	0	46,324	(12,005)	34,319	10,673
2012 C Bond Series	1.25 - 5.00%	2019	1,215,000	0	(400,000)	815,000	405,000
			<u>\$ 1,836,576</u>	<u>\$ 46,324</u>	<u>\$ (630,319)</u>	<u>\$ 1,252,581</u>	<u>\$ 621,270</u>
Unamortized Premium			<u>\$ 80,970</u>	<u>\$ 0</u>	<u>\$ (26,990)</u>	<u>\$ 53,980</u>	<u>\$ 0</u>

Debt service requirements on long-term debt at September 30, 2017, are as follows:

Year Ending September 30,	Municipal Leases		Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 216,270	\$ 13,856	\$ 405,000	\$ 26,575
2019	188,375	6,244	410,000	20,500
2020	32,936	1,235	0	0
	<u>\$ 437,581</u>	<u>\$ 21,335</u>	<u>\$ 815,000</u>	<u>\$ 47,075</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 10 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.
- A copier for a period of 60 months, payments of \$1,212 due monthly.

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, 2017, were \$25,767.

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

10. LEASE COMMITMENTS (continued)

Future minimum payments for the committed leases are as follows:

Year Ending September 30,	Amount
2018	\$ 25,179
2019	25,179
2020	23,112
2021	15,544
2022	2,212
2023-2025	3,000
	<u>\$ 94,226</u>

11. OTHER POST-EMPLOYMENT BENEFITS

The County's Post-Retirement Healthcare Plan is an agent multiple-employer defined benefit healthcare plan administered by GemPlan. GemPlan does issue a stand-alone financial report, and the 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 2017, were \$709 for a single person or \$1,382 with a spouse.

Post-employment benefits are determined on an actuarial basis. Actuarial valuations of these benefits were done as of October 1, 2015. 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 \$90,339 or 4.5% of covered payroll. The annual required contribution (ARC) for fiscal year 2017 is \$14,322. 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	\$ 14,322
Interest on net OPEB obligation	1,975
ARC adjustment with interest	(3,015)
Estimated employer contribution	<u>(4,290)</u>
Increase in net OPEB obligation	8,992
Net OPEB obligation - beginning of year	56,421
Net OPEB obligation - end of year	<u>\$ 65,413</u>

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

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 September 30,	Annual OPEB Cost	Estimated Contribution as a % of Annual OPEB Cost	Net OPEB Obligation
2015	\$ 9,981	21.7%	\$ 45,750
2016	\$ 13,478	20.8%	\$ 56,421
2017	\$ 13,282	32.3%	\$ 65,413

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, 2015, actuarial valuation the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 3.5% 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 7.25%, decreasing gradually over nine years until reaching an ultimate rate of 5%; and the UAAL is being amortized as a level dollar of projected payrolls over a thirty year period on a closed basis.

12. LANDFILL CLOSURE

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

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

The County closed the Warm Springs Ridge Landfill, effective February 13, 2009. The Central District Health Department (CDHD) and the Idaho Department of Environmental Quality (IDEQ) reviewed the final

**Boise County, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2017

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12. LANDFILL CLOSURE (continued)

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, 2017, 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. 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.

14. PRIOR PERIOD ADJUSTMENT

Prior to fiscal year 2017, the County did not transfer Planning and Zoning revenue from the trust account. This resulted in an increase to beginning net position and fund balance in the amount of \$31,745. The prior year change in net position and fund balance would not have been affected as this error occurred prior to fiscal year 2012. In the current year, it was also discovered there were several errors in the tracking of capital assets. This resulted in an increase to beginning net position of \$43,190 but had no effect on fund balance. The errors in capital assets had accumulated over several years.



***REQUIRED SUPPLEMENTARY INFORMATION***

**Boise County, Idaho**  
 Schedule of Funding Progress  
 For the Year Ended September 30, 2017

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Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
10/1/2009	\$ 0	\$ 50,708	\$ 50,708	0%	\$ 2,446,614	2.1%
10/1/2012	\$ 0	\$ 64,793	\$ 64,793	0%	\$ 1,869,585	3.5%
10/1/2015	\$ 0	\$ 90,339	\$ 90,339	0%	\$ 1,987,200	4.5%

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

	2017	2016	2015
Employer's portion of the net pension liability	0.0981284%	0.0958466%	0.0922923%
Employer's proportionate share of the net pension liability	\$ 1,542,410	\$ 1,942,958	\$ 1,215,339
Employer's covered-employee payroll	\$ 2,878,698	\$ 2,895,756	\$ 2,600,988
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	53.58%	67.10%	46.73%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	87.26%	91.38%

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

Data reported is measured as of June 30, 2017.

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

	2017	2016	2015
Statutorily required contribution	\$ 327,825	\$ 329,813	\$ 295,988
Contributions in relation to the statutorily required contribution	(327,825)	(329,813)	(295,988)
Contribution (deficiency) excess	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	\$ 2,878,698	\$ 2,895,756	\$ 2,600,988
Contributions as a percentage of covered-employee payroll	11.39%	11.39%	11.38%

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

Data is reported as of September 30, 2017.

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 General Fund  
 For the Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,597,893	\$ 1,597,893	\$ 1,620,017	\$ 22,124
Intergovernmental	87,741	87,741	102,728	14,987
Grants and Donations	0	5,054	83,734	78,680
Charges for Services	142,300	142,300	314,912	172,612
Investment Earnings	0	0	59,609	59,609
Other	1,500	46,191	231,200	185,009
<b>Total Revenues</b>	<u>1,829,434</u>	<u>1,879,179</u>	<u>2,412,200</u>	<u>533,021</u>
<b>Expenditures</b>				
Current:				
Salaries	860,880	892,413	875,514	16,899
Benefits	399,984	407,099	347,181	59,918
Operating	895,528	974,356	483,346	491,010
Contingency	135,373	24,048	0	24,048
Capital Outlay	74,857	171,460	81,668	89,792
<b>Total Expenditures</b>	<u>2,366,622</u>	<u>2,469,376</u>	<u>1,787,709</u>	<u>681,667</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(537,188)</u>	<u>(590,197)</u>	<u>624,491</u>	<u>1,214,688</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	537,193	612,193	0	(612,193)
Transfers Out	0	0	(23,768)	(23,768)
<b>Total Other Financing Sources (Uses)</b>	<u>537,193</u>	<u>612,193</u>	<u>(23,768)</u>	<u>(635,961)</u>
<b>Net Change in Fund Balances</b>	<u>5</u>	<u>21,996</u>	<u>600,723</u>	<u>578,727</u>
Fund Balances - Beginning, Previously	0	0	2,801,991	2,801,991
Prior Period Adjustment	0	0	31,745	31,745
Fund Balances - Beginning, Restated	0	0	2,833,736	2,833,736
<b>Fund Balances - Ending</b>	<u>\$ 5</u>	<u>\$ 21,996</u>	<u>\$ 3,434,459</u>	<u>\$ 3,412,463</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Road and Bridge  
 For the Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 0	\$ 0	\$ 2,150	\$ 2,150
Intergovernmental	1,000,000	1,000,000	1,207,874	207,874
Grants and Contributions	721,278	721,279	314,491	(406,788)
Charges for Services	10,000	10,000	24,376	14,376
Other	15,000	98,457	83,822	(14,635)
<b>Total Revenues</b>	<b>1,746,278</b>	<b>1,829,736</b>	<b>1,632,713</b>	<b>(197,023)</b>
<b>Expenditures</b>				
Current:				
Salaries	589,066	589,066	565,436	23,630
Benefits	313,993	313,993	240,160	73,833
Operating	582,485	624,272	551,016	73,256
Debt Service:				
Principal	143,126	143,126	143,040	86
Interest	11,608	11,608	11,608	0
Capital Outlay	236,000	299,667	124,837	174,830
<b>Total Expenditures</b>	<b>1,876,278</b>	<b>1,981,732</b>	<b>1,636,097</b>	<b>345,635</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(130,000)</b>	<b>(151,996)</b>	<b>(3,384)</b>	<b>148,612</b>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	30,000	30,000	0	(30,000)
Transfers In	100,000	100,000	0	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>130,000</b>	<b>130,000</b>	<b>0</b>	<b>(130,000)</b>
<b>Net Change in Fund Balances</b>	<b>0</b>	<b>(21,996)</b>	<b>(3,384)</b>	<b>18,612</b>
Fund Balances - Beginning	0	0	2,077,312	2,077,312
<b>Fund Balances - Ending</b>	<b>\$ 0</b>	<b>\$ (21,996)</b>	<b>\$ 2,073,928</b>	<b>\$ 2,095,924</b>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Justice Fund  
 For the Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,584,929	\$ 1,584,929	\$ 1,597,316	\$ 12,387
Intergovernmental	414,970	414,970	382,756	(32,214)
Grants and Contributions	132,670	170,270	196,557	26,287
Charges for Services	155,018	172,379	146,334	(26,045)
Other	4,000	109,996	229,713	119,717
Total Revenues	<u>2,291,587</u>	<u>2,452,544</u>	<u>2,552,676</u>	<u>100,132</u>
<b>Expenditures</b>				
Current:				
Salaries	1,116,971	1,165,260	1,053,075	112,185
Benefits	506,130	520,410	392,514	127,896
Operating	446,899	492,771	411,672	81,099
Debt Service:				
Principal	87,279	87,279	87,279	0
Interest	8,962	8,962	8,962	0
Contingency	118,459	118,459	0	118,459
Capital Outlay	6,879	124,205	95,413	28,792
Total Expenditures	<u>2,291,579</u>	<u>2,517,346</u>	<u>2,048,915</u>	<u>468,431</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>8</u>	<u>(64,802)</u>	<u>503,761</u>	<u>568,563</u>
<b>Other Financing Sources (Uses)</b>				
Debt Proceeds	0	64,802	46,323	(18,479)
Transfers Out	0	0	(142,342)	(142,342)
Total Other Financing Sources (Uses)	<u>0</u>	<u>64,802</u>	<u>(96,019)</u>	<u>(160,821)</u>
Net Change in Fund Balances	8	0	407,742	407,742
Fund Balances - Beginning	0	0	1,710,290	1,710,290
Fund Balances - Ending	<u>\$ 8</u>	<u>\$ 0</u>	<u>\$ 2,118,032</u>	<u>\$ 2,118,032</u>

**Boise County, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Solid Waste  
 For the Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Special Fees	\$ 644,000	\$ 644,000	\$ 676,852	\$ 32,852
Charges for Services	39,000	39,000	57,551	18,551
Other	10,000	10,000	8,677	(1,323)
<b>Total Revenues</b>	<u>693,000</u>	<u>693,000</u>	<u>743,080</u>	<u>50,080</u>
<b>Expenditures</b>				
Current:				
Salaries	154,127	154,127	170,064	(15,937)
Benefits	67,992	67,992	46,921	21,071
Operating	483,435	483,435	447,569	35,866
Contingency				
Capital Outlay	30,000	30,000	0	30,000
<b>Total Expenditures</b>	<u>735,554</u>	<u>735,554</u>	<u>664,554</u>	<u>71,000</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(42,554)</u>	<u>(42,554)</u>	<u>78,526</u>	<u>121,080</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	0	0	2,172	2,172
Transfers In	42,554	42,554	0	(42,554)
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>42,554</u>	<u>42,554</u>	<u>2,172</u>	<u>(40,382)</u>
<b>Net Change in Fund Balances</b>	0	0	80,698	80,698
<b>Fund Balances - Beginning</b>	0	0	1,211,461	1,211,461
<b>Fund Balances - Ending</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,292,159</u>	<u>\$ 1,292,159</u>



**Boise County, Idaho**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2017

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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 74 to 72, healthcare trend rates were changed to better anticipate short-term and long-term medical increases, and the mortality table was updated from RP 2000 Combined Healthy Table projected to 2012 with Scale BB to the RP-2014 Total Dataset Mortality Tables with MP-2015 Generational Improvement Scale.

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 \$14,441. This average amount was then adjusted to reflect the County's underlying plan provisions. The plan adjustment factor was 1.12.

2. BUDGETS AND BUDGETARY ACCOUNTING

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

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

***SUPPLEMENTAL INFORMATION***

**Boise County, Idaho**  
 Supplemental Schedule of Revenues by Source  
 Budget (GAAP Basis) and Actual - General Fund  
 For the Year Ended September 30, 2017

	Budget	Actual	Variance
<b>Revenue</b>			
Property Taxes	\$ 1,597,893	\$ 1,620,017	\$ 22,124
Intergovernmental	87,741	102,728	14,987
Grants and Donations	5,054	83,734	78,680
Charges for Services	142,300	314,912	172,612
Investment Earnings	0	59,609	59,609
Other Revenue	46,191	231,200	185,009
 <b>Other Financing Sources (Uses)</b>			
Transfers In	612,193	0	(612,193)
 Total Revenue	\$ 2,491,372	\$ 2,412,200	\$ (79,172)

**Boise County, Idaho**  
Supplemental Schedule of Expenditures by Object of Expenditure  
- Budget (GAAP Basis) and Actual - General Fund  
For the Year Ended September 30, 2017

	Budget	Actual	Variance
Clerk-Auditor:			
Salaries	\$ 208,579	\$ 200,601	\$ 7,978
Benefits	102,816	88,898	13,918
Operating	8,500	6,911	1,589
Capital Outlay	1,800	1,769	31
	<u>321,695</u>	<u>298,179</u>	<u>23,516</u>
Assessor:			
Salaries	169,476	166,885	2,591
Benefits	86,967	76,821	10,146
Operating	11,700	10,495	1,205
Capital Outlay	1,000	900	100
	<u>269,143</u>	<u>255,101</u>	<u>14,042</u>
Treasurer/Tax Collector:			
Salaries	98,445	97,334	1,111
Benefits	38,979	36,130	2,849
Operating	38,050	21,346	16,704
Capital Outlay	3,000	506	2,494
	<u>178,474</u>	<u>155,316</u>	<u>23,158</u>
Commissioners:			
Salaries	92,735	92,735	0
Benefits	45,775	32,233	13,542
Operating	10,400	1,200	9,200
Capital Outlay	500	0	500
	<u>149,410</u>	<u>126,168</u>	<u>23,242</u>
Coroner:			
Salaries	24,800	23,077	1,723
Benefits	8,460	3,023	5,437
Operating	27,475	23,587	3,888
Capital Outlay	500	487	13
	<u>61,235</u>	<u>50,174</u>	<u>11,061</u>
County Elections:			
Salaries	25,250	30,295	(5,045)
Benefits	13,586	10,870	2,716
Operating	36,887	25,669	11,218
	<u>75,723</u>	<u>66,834</u>	<u>8,889</u>
Emergency Management:			
Salaries	45,534	47,459	(1,925)
Benefits	11,858	11,897	(39)
Operating	19,187	22,373	(3,186)
Capital Outlay	41,284	18,104	23,180
	<u>117,863</u>	<u>99,833</u>	<u>18,030</u>
General Reserve:			
Contingency	24,048	0	24,048
	<u>24,048</u>	<u>0</u>	<u>24,048</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, 2017  
(continued)

	Budget	Actual	Variance
Data Processing:			
Operating	185,463	122,678	62,785
Capital Outlay	65,819	43,391	22,428
	<u>251,282</u>	<u>166,069</u>	<u>85,213</u>
CDH and Community Projects:			
Operating	24,000	20,250	3,750
	<u>24,000</u>	<u>20,250</u>	<u>3,750</u>
General Operations:			
Salaries	86,123	87,010	(887)
Benefits	46,622	44,346	2,276
Operating	125,447	104,979	20,468
Capital Outlay	4,000	230	3,770
	<u>262,192</u>	<u>236,565</u>	<u>25,627</u>
Disaster Declaration:			
Operating	75,000	1,538	73,462
	<u>75,000</u>	<u>1,538</u>	<u>73,462</u>
Planning and Zoning:			
Salaries	119,682	115,672	4,010
Benefits	47,029	39,814	7,215
Operating	44,043	43,210	833
Capital Outlay	1,500	400	1,100
	<u>212,254</u>	<u>199,096</u>	<u>13,158</u>
Title III Red Zone/WUI:			
Salaries	21,789	12,046	9,743
Benefits	5,007	2,954	2,053
Operating	78,204	6,812	71,392
	<u>105,000</u>	<u>21,812</u>	<u>83,188</u>
Extraordinary Legal/Homicide:			
Salaries	0	2,400	(2,400)
Benefits	0	195	(195)
Operating	290,000	72,298	217,702
	<u>290,000</u>	<u>74,893</u>	<u>215,107</u>
Capital Project	52,057	15,881	36,176
Total Expenditures	<u>\$ 2,469,376</u>	<u>\$ 1,787,709</u>	<u>\$ 681,667</u>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2017

	East Boise County Ambulance	District Court	Court Facilities	Health Preventative	Indigent
<b>Assets</b>					
Cash and Cash Equivalents	\$ 432,622	\$ 600,310	\$ 130,304	\$ 21,381	\$ 321,169
Receivables, Net:					
Taxes	7,734	20,390	0	3,085	7,420
Due from Other Governments	1,858	3,838	0	0	0
Accounts	30,097	0	0	0	0
Prepaid Items	0	0	0	0	0
<b>Total Assets</b>	<b>472,311</b>	<b>624,538</b>	<b>130,304</b>	<b>24,466</b>	<b>328,589</b>
<b>Deferred Outflows</b>					
	0	0	0	0	0
<b>Total Assets and Deferred Outflows</b>	<b>\$ 472,311</b>	<b>\$ 624,538</b>	<b>\$ 130,304</b>	<b>\$ 24,466</b>	<b>\$ 328,589</b>
<b>Liabilities</b>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,120
Salaries and Benefits Payable	3,451	9,985	0	0	0
Personnel Settlement Liability	10,000	0	0	0	0
Unearned Revenue	0	0	0	0	25,000
<b>Total Liabilities</b>	<b>13,451</b>	<b>9,985</b>	<b>0</b>	<b>0</b>	<b>29,120</b>
<b>Deferred Inflows</b>					
Unavailable Property Taxes	7,273	19,557	0	2,953	7,072
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	0
Restricted	401,587	373,495	50,304	21,513	292,397
Committed	0	221,501	80,000	0	0
Assigned	50,000	0	0	0	0
<b>Total Fund Balances</b>	<b>451,587</b>	<b>594,996</b>	<b>130,304</b>	<b>21,513</b>	<b>292,397</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 472,311</b>	<b>\$ 624,538</b>	<b>\$ 130,304</b>	<b>\$ 24,466</b>	<b>\$ 328,589</b>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2017  
(continued)

	Junior College Tuition	Revaluation	Tort	Weeds	Emergency Communica- tions 911
<b>Assets</b>					
Cash and Cash Equivalents	\$ 172,902	\$ 366,836	\$ 426,482	\$ 230,750	\$ 345,069
Receivables, Net:					
Taxes	0	23,832	29,807	0	0
Due from Other Governments	5,985	0	0	0	0
Accounts	0	0	0	0	11,313
Prepaid Items	0	0	0	0	2,936
Total Assets	<u>178,887</u>	<u>390,668</u>	<u>456,289</u>	<u>230,750</u>	<u>359,318</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>\$ 178,887</u>	<u>\$ 390,668</u>	<u>\$ 456,289</u>	<u>\$ 230,750</u>	<u>\$ 359,318</u>
<b>Liabilities</b>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Salaries and Benefits Payable	0	7,607	0	6,679	0
Personnel Settlement Liability	0	0	0	0	0
Unearned Revenue	0	0	0	0	0
Total Liabilities	<u>0</u>	<u>7,607</u>	<u>0</u>	<u>6,679</u>	<u>0</u>
<b>Deferred Inflows</b>					
Unavailable Property Taxes	<u>0</u>	<u>22,801</u>	<u>28,595</u>	<u>13</u>	<u>0</u>
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	2,936
Restricted	178,408	360,260	427,694	224,058	315,171
Committed	479	0	0	0	41,211
Assigned	0	0	0	0	0
Total Fund Balances	<u>178,887</u>	<u>360,260</u>	<u>427,694</u>	<u>224,058</u>	<u>359,318</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 178,887</u>	<u>\$ 390,668</u>	<u>\$ 456,289</u>	<u>\$ 230,750</u>	<u>\$ 359,318</u>

**Boise County, Idaho**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2017  
(continued)

	Snowmobile IC8-A	Snowmobile GV8-B	Sheriff's Vessel	Total
<b>Assets</b>				
Cash and Cash Equivalents	\$ 21,701	\$ 55,188	\$ 102,822	\$ 3,227,536
Receivables, Net:				
Taxes	0	0	0	92,268
Due from Other Governments	0	0	0	11,681
Accounts	0	0	0	41,410
Prepaid Items	0	0	0	2,936
Total Assets	<u>21,701</u>	<u>55,188</u>	<u>102,822</u>	<u>3,375,831</u>
<b>Deferred Outflows</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u>\$ 21,701</u>	<u>\$ 55,188</u>	<u>\$ 102,822</u>	<u>\$ 3,375,831</u>
<b>Liabilities</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 4,120
Salaries and Benefits Payable	0	0	637	28,359
Personnel Settlement Liability	0	0	0	10,000
Unearned Revenue	0	0	0	25,000
Total Liabilities	<u>0</u>	<u>0</u>	<u>637</u>	<u>67,479</u>
<b>Deferred Inflows</b>				
Unavailable Property Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>88,264</u>
<b>Fund Balances</b>				
Nonspendable	0	0	0	2,936
Restricted	16,514	9,479	100,650	2,771,530
Committed	5,187	3,442	1,535	353,355
Assigned	0	42,267	0	92,267
Total Fund Balances	<u>21,701</u>	<u>55,188</u>	<u>102,185</u>	<u>3,220,088</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 21,701</u>	<u>\$ 55,188</u>	<u>\$ 102,822</u>	<u>\$ 3,375,831</u>



**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2017

	East Boise County Ambulance	District Court	Court Facilities	Health Preventative	Indigent
<b>Revenues</b>					
Property Taxes	\$ 120,940	\$ 226,460	\$ 0	\$ 37,611	\$ 135,259
Intergovernmental	7,773	21,461	0	0	21,573
Grants and Donations	0	32,770	0	0	0
Charges for Services	16,542	72,823	0	0	0
Other	868	9,901	0	0	35,844
<b>Total Revenues</b>	<b>146,123</b>	<b>363,415</b>	<b>0</b>	<b>37,611</b>	<b>192,676</b>
<b>Expenditures</b>					
Current:					
Salaries	90,587	176,869	0	0	6,518
Benefits	36,735	78,921	0	0	3,888
Operating	58,232	68,450	0	36,611	167,004
Capital Outlay	261,345	126,053	0	0	0
<b>Total Expenditures</b>	<b>446,899</b>	<b>450,293</b>	<b>0</b>	<b>36,611</b>	<b>177,410</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(300,776)</b>	<b>(86,878)</b>	<b>0</b>	<b>1,000</b>	<b>15,266</b>
<b>Other Financing Sources (Uses)</b>					
Sale of Assets	0	0	0	0	0
Transfer In	142,342	97,620	0	0	0
Transfers Out	0	0	(73,852)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>142,342</b>	<b>97,620</b>	<b>(73,852)</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(158,434)</b>	<b>10,742</b>	<b>(73,852)</b>	<b>1,000</b>	<b>15,266</b>
Fund Balances - Beginning	610,021	584,254	204,156	20,513	277,131
<b>Fund Balances - Ending</b>	<b>\$ 451,587</b>	<b>\$ 594,996</b>	<b>\$ 130,304</b>	<b>\$ 21,513</b>	<b>\$ 292,397</b>

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2017  
(continued)

	Junior College Tuition	Revaluation	Tort	Weeds	Emergency Communica- tions 911
<b>Revenues</b>					
Property Taxes	\$ 0	\$ 297,590	\$ 327,367	\$ 0	\$ 0
Intergovernmental	29,474	9,297	0	0	24,033
Grants and Donations	0	0	0	46,329	234,872
Charges for Services	0	0	0	56,359	90,703
Other	9,550	7	1,978	9,334	4
<b>Total Revenues</b>	<b>39,024</b>	<b>306,894</b>	<b>329,345</b>	<b>112,022</b>	<b>349,612</b>
<b>Expenditures</b>					
Current:					
Salaries	0	183,486	0	49,034	0
Benefits	0	81,077	0	21,480	0
Operating	21,945	7,790	314,974	43,583	112,115
Capital Outlay	0	0	0	6,994	0
<b>Total Expenditures</b>	<b>21,945</b>	<b>272,353</b>	<b>314,974</b>	<b>121,091</b>	<b>112,115</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>17,079</b>	<b>34,541</b>	<b>14,371</b>	<b>(9,069)</b>	<b>237,497</b>
<b>Other Financing Sources (Uses)</b>					
Sale of Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>17,079</b>	<b>34,541</b>	<b>14,371</b>	<b>(9,069)</b>	<b>237,497</b>
Fund Balances - Beginning	161,808	325,719	413,323	233,127	121,821
<b>Fund Balances - Ending</b>	<b>\$ 178,887</b>	<b>\$ 360,260</b>	<b>\$ 427,694</b>	<b>\$ 224,058</b>	<b>\$ 359,318</b>

**Boise County, Idaho**  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Nonmajor Governmental Funds  
For the Year Ended September 30, 2017  
(continued)

	Snowmobile IC8-A	Snowmobile GV8-B	Sheriff's Vessel	Total
<b>Revenues</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 1,145,227
Intergovernmental	0	0	0	113,611
Grants and Donations	0	0	6,388	320,359
Charges for Services	0	0	44,559	280,986
Other	17,536	7,496	0	92,518
<b>Total Revenues</b>	<b>17,536</b>	<b>7,496</b>	<b>50,947</b>	<b>1,952,701</b>
<b>Expenditures</b>				
Current:				
Salaries	8,750	3,924	26,470	545,638
Benefits	708	318	4,110	227,237
Operating	10,216	4,643	13,541	859,104
Capital Outlay	0	0	0	394,392
<b>Total Expenditures</b>	<b>19,674</b>	<b>8,885</b>	<b>44,121</b>	<b>2,026,371</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,138)</b>	<b>(1,389)</b>	<b>6,826</b>	<b>(73,670)</b>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	0	42,397	0	42,397
Transfers In	0	0	0	239,962
Transfers Out	0	0	0	(73,852)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>42,397</b>	<b>0</b>	<b>208,507</b>
<b>Net Change in Fund Balances</b>	<b>(2,138)</b>	<b>41,008</b>	<b>6,826</b>	<b>134,837</b>
Fund Balances - Beginning	23,839	14,180	95,359	3,085,251
<b>Fund Balances - Ending</b>	<b>\$ 21,701</b>	<b>\$ 55,188</b>	<b>\$ 102,185</b>	<b>\$ 3,220,088</b>

***FEDERAL REPORT***

**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, 2017, 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 20, 2018.

**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. We did identify a deficiency in internal control that we consider to be a material weakness.

2017-001: CAPITAL ASSET REPORTING

Repeat Finding from Fiscal Years 2014, 2015, and 2016

During the audit, several errors were discovered in the tracking of capital assets. This appears to be due to a lack of policies and procedures in place over the tracking of capital assets and oversight by management. This has caused prior period adjustments in three of the last four fiscal years. Proper internal controls should be in place to prevent, detect, and/or correct errors in the tracking of capital assets. We recommend the County implement policies and procedures to properly track capital assets, provide training to employees, and provide oversight to ensure policies and procedures are being followed.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

The County's response to the finding identified in our audit is described in the accompanying management's response to findings. 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 20, 2018



# BOISE COUNTY

## Clerk's Office

P. O. Box 1300  
Idaho City, Idaho 83631  
(208) 392-4431  
FAX (208) 392-4473

### MANAGEMENT'S RESPONSE TO FINDINGS

March 20, 2018

Boise County, Idaho, respectfully submits the following response to findings for the year ended September 30, 2017.

#### FINDING — MATERIAL WEAKNESS

##### 2017-001: CAPITAL ASSET REPORTING

Repeat Finding from Fiscal Years 2014, 2015 & 2016

**CONDITION:** During the audit, several errors were discovered in the tracking of capital assets.

**CAUSE:** This appears to be due to a lack of policies and procedures in place over the tracking of capital assets and oversight by management.

**EFFECT:** This has caused prior period adjustments in three of the last four fiscal years.

**CRITERIA:** Proper internal controls should be in place to prevent, detect, and/or correct errors in the tracking of capital assets.

**RECOMMENDATION:** We recommend the County implement policies and procedures to properly track capital assets, provide training to employees, and provide oversight to ensure policies and procedures are being followed.

#### ACTION TO BE TAKEN BY BOISE COUNTY:

The Board of Boise County Commissioners (Board) approved and adopted a Capital Asset Policy in September of 2017, via Resolution 2017-52. The Capital Asset Policy provides clear direction to the department heads on expenditure thresholds, classification thresholds, reporting of additions to and deletions of capital assets, physical inventory requirements, equipment exchanges between departments, trade in protocol and the determination to lease or purchase an asset. Prior to this policy, Boise County had no defined policy or procedure in place for county departments to follow.

A full physical inventory, performed by a third party, of all Boise County assets, had not been performed since the year 2000. In April of 2017, the Board entered into an agreement with Valuations Northwest (VNW) to perform a full physical inventory and appraisal of county assets having a value of \$500 or more. The project, originally scheduled to begin in August 2017, was

not begun until October 2017 and a completed report was submitted in mid-March. The work performed by VNW provided Boise County with an accurate inventory of county assets as of September 30, 2017, and an updated and accurate appraisal of county assets for insurance purposes. As part of the agreement with VNW, asset tracking software was purchased. The County anticipates using this software, used by VNW to produce their reports, going forward and phasing out the use of the Computer Arts, Inc. "Inventory" software application due to deficiencies in the CAI software.

The Boise County Clerk's Office plans to hold a workshop on capital asset tracking and management with all department heads and applicable employees in the April/May time frame of 2018. The Boise County Clerk will request that the Board make it mandatory for all department heads to attend the workshop.

A physical inventory within each department will be required on a quarterly basis, beginning June 30, 2018, and using the recently acquired software to produce system reports to be utilized by the departments.

The Boise County Clerk's Office will perform an audit of the departments' physical inventory work on an annual basis, as of September 30<sup>th</sup>. The results of this internal audit will be presented to the Board upon completion.

Sincerely,



Mary T. Prisco  
**Boise County Clerk**