



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



ADA COUNTY, IDAHO  
Fiscal Year Ended | September 30, 2012

# **ADA COUNTY, IDAHO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**CHRISTOPHER D. RICH, AUDITOR**

**Phil McGrane, Chief Deputy**

**Kathleen Graves, Controller**

Prepared by Accounting Department

**Ada County  
Comprehensive Annual Financial Report  
For the Year Ended September 30, 2012**

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**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal .....	1
GFOA Certificate of Achievement .....	7
List of Elected County Officials and Department Directors .....	8
Organizational Chart .....	9
Classification of Funds .....	10

**FINANCIAL SECTION**

Independent Auditor's Report.....	11
Management's Discussion and Analysis .....	13

**BASIC FINANCIAL STATEMENTS**

Government-wide Financial Statements	
Statement of Net Assets .....	26
Statement of Activities .....	27
Governmental Fund Financial Statements	
Narrative.....	28
Balance Sheet.....	29
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	30
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	32
Proprietary Fund Financial Statements	
Narrative.....	33
Statement of Net Assets .....	34
Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	35
Statement of Cash Flows.....	36
Fiduciary Fund Financial Statements	
Narrative.....	38
Statement of Fiduciary Net Assets.....	39
Index for Notes to the Financial Statements .....	40
Notes to the Financial Statements.....	41

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Cash Basis) – General Fund.....	61
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Cash Basis) – Major Special Revenue Funds Charities and Welfare.....	65
Note to Required Supplementary Information – Basis of Budgetary Reporting, Stewardship, Compliance, and Accountability .....	66

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

Non-major Governmental Funds	
Narrative.....	68
Combining Balance Sheet.....	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	72

**Ada County**

**Table of Contents**

Budget and Actual Comparisons for Governmental Funds Other Than the General and Major Special Revenue Funds:  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Cash Basis)

Capital Projects Fund .....	74
Special Revenue Funds:	
Public Health.....	75
Weed Control.....	76
Pest Extermination.....	77
Parks and Recreation .....	78
Ad Valorem .....	79
Court Monitoring .....	80
District Court .....	81
Drug Court/Mental Health Court .....	82
County Court Facilities.....	83
Waterways .....	84
Emergency Communications.....	85
Emergency Management.....	86
Veterans Memorial.....	87
Mosquito Abatement.....	88
Consolidated Elections .....	89
Internal Service Funds	
Narrative.....	90
Combining Statement of Net Assets .....	91
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	92
Combining Statement of Cash Flows.....	93
Agency Funds	
Narrative.....	95
Combining Statement of Assets and Liabilities .....	96
Combining Statement of Changes in Assets and Liabilities .....	97

**STATISTICAL SECTION**

Schedule 1 – Net Assets by Component.....	100
Schedule 2 – Changes in Net Assets .....	102
Schedule 3 – Fund Balances, Governmental Funds .....	104
Schedule 4 – Changes in Fund Balances, Governmental Funds .....	105
Schedule 5 – Assessed Value and Actual Value of Taxable Property .....	106
Schedule 6 – Direct and Overlapping Property Tax Rates .....	107
Schedule 7 – Principal Property Taxpayers.....	108
Schedule 8 – Property Tax Levies and Collections .....	109
Schedule 9 – Ratios of Outstanding Debt by Type .....	110
Schedule 10 – Ratios of Net General Bonded Debt Outstanding.....	111
Schedule 11 – Direct and Overlapping Governmental Activities Debt.....	112
Schedule 12 – Legal Debt Margin Information .....	113
Schedule 13 – Pledged-Revenue Coverage .....	114
Schedule 14 – Demographic and Economic Statistics .....	115
Schedule 15 – Principal Employers.....	116
Schedule 16 – Full-Time Equivalent County Government Employees by Function/Program .....	117
Schedule 17 – Operating Indicators by Function/Program .....	118
Schedule 18 – Capital Asset Statistics by Function/Program .....	119

**SINGLE AUDIT**

Reports of Independent Public Accountants:	
Compliance and Internal Controls.....	120
Compliance and Internal Controls Related to Federal Programs.....	122
Schedule of Expenditures of Federal Awards.....	124
Notes to Schedule of Expenditures of Federal Awards .....	128
Schedule of Findings and Questioned Costs.....	129

# **INTRODUCTORY SECTION**



**Christopher D. Rich**  
Ada County Clerk of the District Court  
Ex-officio Auditor and Recorder

Ada County Courthouse, 200 W. Front Street #1196, Boise ID 83702-7300  
Phone (208) 287-6879

**Phil McGrane, JD**  
Chief Deputy

December 28, 2012

To the Citizens of Ada County, Idaho:

State law requires that all general-purpose local governments with an annual budget that exceeds two hundred fifty thousand dollars annually submit a complete set of financial statements to the State of Idaho's legislative council. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of Ada County, Idaho ("County"), for the fiscal year ended September 30, 2012.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2012, are free of material misstatement. The audit was conducted in accordance with generally accepted governmental auditing standards. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the CAFR; i.e., assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements

require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and requirements involving the administration of federal awards. These reports are contained in the single audit section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

Ada County, established as a political subdivision of the State of Idaho on December 22, 1864, is located in the southwestern part of the state. It is the most populous county in Idaho, as well as the center for commerce and many industries. The County covers an area of 1,055 square miles, and the most recently released estimated population (for 2011) is 400,842 or 380 persons per square mile. Boise City is the county seat of Ada County and home to the State Capitol. Other incorporated cities within its boundaries are Eagle, Garden City, Kuna, Meridian and Star. Ada County is empowered to levy a property tax on both real and personal properties located within its boundaries.

A three member elected commission with overlapping terms governs the County. Responsibilities of the County Commissioners include passing ordinances, adopting the budget, and appointing the heads of the various departments. Other elected officials within the County are Assessor, Clerk of the District Court, Coroner, Prosecutor, Sheriff and Treasurer.

The County provides services under general governmental functions as follows: police protection, prosecution and defense services, emergency disaster preparedness, general administrative services, court services, election services, property assessment and tax collections, code enforcement, parks and recreation, and health and welfare. In addition, emergency medical services, sanitation, fair activities, and billing services are provided under an enterprise fund concept, with user charges providing revenue to pay operating expenses. The streets and sidewalks in the County are owned and maintained by the Ada County Highway District – a separately governed taxing district.

The annual budget serves as the foundation for Ada County's financial planning and control. The County budgets its revenues and expenditures, as is required by Idaho Code Section 31, Chapter 16. Following these guidelines, the County adopts annual appropriated budgets for General, Special Revenue, Capital Project and Enterprise Funds. All appropriated budgets for Governmental and Proprietary Funds are adopted on a non-GAAP cash basis.

Prior to the third Monday in May, each elected official or department head submits to the Auditor's Office a proposed operating budget for the fiscal year commencing October 1. On or before the first Monday in August, the proposed budget is submitted to the County Commissioners for review and tentative approval. Public budget hearings are conducted by the Tuesday after Labor Day, and, upon conclusion, the County Commissioners legally adopt the budget. Actual expenditures for the ensuing fiscal year shall not exceed the appropriations legally adopted by the Commissioners.

The budget system is integrated with the County's accounting system to ensure management control on spending throughout the year. The level of budgetary control (level at which expenditures may not legally exceed the appropriations) is established by the personal services and other charges and services (including capital outlay) within the department and fund. The budgetary process is described in more detail in *Note to Required Supplementary Information*, beginning on page 66.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and the charities and welfare fund, this comparison is presented on pages 61-65 as part of the *Required Supplementary Information* for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the "*Combining Financial Statements*" subsection of this report, which starts on page 74.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

*Local economy.* The County has a diverse economy and, in the past, has sustained solid economic growth. Ada County is the home to the world headquarters of major corporations such as J.R. Simplot, IDACORP, MWI Veterinary Supply, WinCo and Micron Technology, as well as other varied types of industry. Advanced technology, production, education, healthcare, government, military, professional services, construction, wood products, food processing and distribution, agriculture, tourism, small manufacturing and retail establishments have historically provided employment for the area as well as a stable financial base for the local economy. Eight Ada County companies were recognized this year by Inc. magazine as among the 5,000 fastest growing in the country. Scentsy is the top ranked Ada County Company at 516.

Located within the County are two regional hospitals with multiple facilities and extensive associated medical services. Ada County is also home to the largest university in Idaho which contributes jobs, intellectual capital and revenues to the local economy. Additionally, Ada County is the center of governmental facilities in

Idaho – federal, state and local municipalities – which comprise significant portions of the County's market value, but are exempt from ad valorem taxation under Idaho Code. Regardless of the current economic climate, healthcare, education and government have all experienced a rise in demand for services, which has led to an increase in new job creation in Ada County; however these industries have had to make tremendous changes internally to maintain growth.

Several new developments have been approved and are either in the construction phase or will be soon. Several projects are underway such as JUMP (Jack's Urban Market Place in honor of JR Simplot), Whole Foods, Walgreens, Eagle Island Marketplace and Zion's Bank, who is building a 15-story Idaho headquarters in downtown Boise. The Village at Meridian is still in the construction phase and is scheduled to be completed in spring 2014. This economic center on the corner of the busiest intersection in Idaho will be the home of several national businesses including Marshalls, Petco, Gap outlet and Chick-fil-A. These projects will not only increase construction jobs but property values as well. Once construction is complete, the economy will further strengthened by the increase in jobs these developments will provide.

Employment in Ada County remains sluggish as a result of the national recession. However, the County's unemployment rate has decreased to 6.2 percent as of September 30, 2012; which is lower than both the statewide and national unemployment rates of 6.4 percent and 7.6 percent, respectively.

Ada County real estate market has begun to improve from the crisis experienced by much of the nation in recent years. During the recession, Ada County's residential median sale price declined nearly 35%. Foreclosures and short-sale transactions dominated the residential market. The peak rates have been observed in high growth areas where speculative development was taking place. Overall, the market appreciation experienced during the early part of the last decade was negated by the decline in values in the past few years.

While the declines during the recession have dominated the headlines of the real estate market, there are some leading indicators showing evidence of stabilization in the Ada County Market. These include: the count of foreclosed properties, number of days on market, median sale price trends, and new construction activity. During the fiscal year 2012 there were 1,199 homes placed in foreclosure, a decrease of 59.5% from the previous year. The average number of days on the market for residential properties has fallen to 54 days according to IMLS, a decrease of 26% from September 2011. The median sale price trend has finally reversed itself as prices have begun to climb closer to pre-recession values. Additionally, the number of newly constructed home sales increased from 84 in September 2011 to 129 in September 2012.

Long-term financial planning: The County takes a conservative approach to budgeting; revenues must cover expenses. With the exception of the Emergency Medical Services Fund, property taxes were not increased again this year. Despite a brighter economic outlook for Ada County, capital purchases were limited again in fiscal year 2012 but 21 new positions (7 public safety, 1 health & welfare, 4 judicial services, 8 general government and 1 sanitation) were added to address the growing demands for governmental service.

Financial policies: The majority of the County's revenue (property tax) is received after the first quarter of the fiscal year. In order for the County to remain on a cash basis, three months' worth of expenses are reserved and unavailable for budgeting. However, some funds collect enough revenue in the first quarter that a reservation is not necessary. This policy is evaluated every budget year against every budgeted fund.

Capital projects must be funded in advance before the County will negotiate a contract; as a result, certain funds must increase their fund balance.

The County closely follows its Minimum Fund Balance Policy by keeping a 15% reserve of operating revenue on hand; also known as budget stabilization. The amount of the General Fund budget stabilization reserve at the end of fiscal 2012 was \$14.2 million. Ada County will be using \$14 million of its reserve to support the fiscal year 2013 budget.

Major initiatives: *Capital Projects* – It is anticipated that the capacity of the Jail to house the more violent inmates away from the general dormitory population will be exceeded within the next year or so. In 2011, the design for an additional 88 beds to be added to the Jail for the purpose of housing violent inmates was initiated at a cost of \$160K. In 2012, design completion and construction occurred at a cost of \$1.4 million. Completion is expected in spring 2013 at an estimated cost of \$4.6 million.

*Sheriff* – The Sheriff plans to install biometric technology on the main jail. This technology will verify inmates and staff entering and exiting the facility by verifying their identity through measurable hand geometry. The contract is in review and is expected to be executed by 3M Cognet. Upon contract execution the project will move forward and is expected to be completed in approximately three months.

*New Dispatch Center* – The Ada County commissioners have set aside \$188K for the lease on a building to house a new dispatch center. This will be a new location so all new infrastructure will be installed. The current dispatch center at the Barrister complex will become a fully functional backup dispatch center. The building improvements will be paid from the re-allocation of 911 funds and/or municipal lease option. This expansion was initiated to provide better quality of service to the citizens of Ada County.

*Emergency Communications* – The Emergency Communications Planning Committee (ECPC), which represents Ada County’s public safety community, (four law enforcement agencies, seven fire districts and one EMS agency) chose to purchase and install new microwave equipment to complete a microwave ring that supports our radio and other public safety communications throughout the county. This project will include a failsafe communications loop for our primary radio frequency backbone transport system. The implementation of this project began in fiscal year 2011 and has incurred costs to date of \$365k. Completion is scheduled for October 2012 after the last new radio site has been installed. Estimated cost of completion is \$24k.

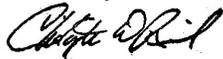
### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ada County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2011. This is the twenty-fourth consecutive year that Ada County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to uphold the stringent guidelines the Certificate of Achievement Program requires; therefore we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report has been a team effort by the County Auditor’s accounting department and could not have been accomplished without their continued dedication and professionalism. In addition, appreciation is extended to the Board of County Commissioners for their encouragement, assistance and approval.

Sincerely,



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Christopher D. Rich  
Ada County Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ada County  
Idaho

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Mouill*

President

*Jeffrey R. Emer*

Executive Director

ADA COUNTY, IDAHO  
ELECTED COUNTY OFFICIALS AND DEPARTMENT DIRECTORS  
SEPTEMBER 30, 2012

ELECTED COUNTY OFFICIALS

\*\*\*\*\*

COMMISSIONER - FIRST DISTRICT-----Sharon M. Ullman  
COMMISSIONER - SECOND DISTRICT-----Richard L. Yzaguirre, Chairman  
COMMISSIONER - THIRD DISTRICT -----David L. Case  
ASSESSOR-----Robert H. McQuade  
CLERK/AUDITOR/RECORDER -----Christopher D. Rich  
CORONER -----Erwin L. Sonnenberg  
PROSECUTING ATTORNEY -----Greg H. Bower  
SHERIFF -----Gary L. Raney  
TREASURER-----Vicky McIntyre

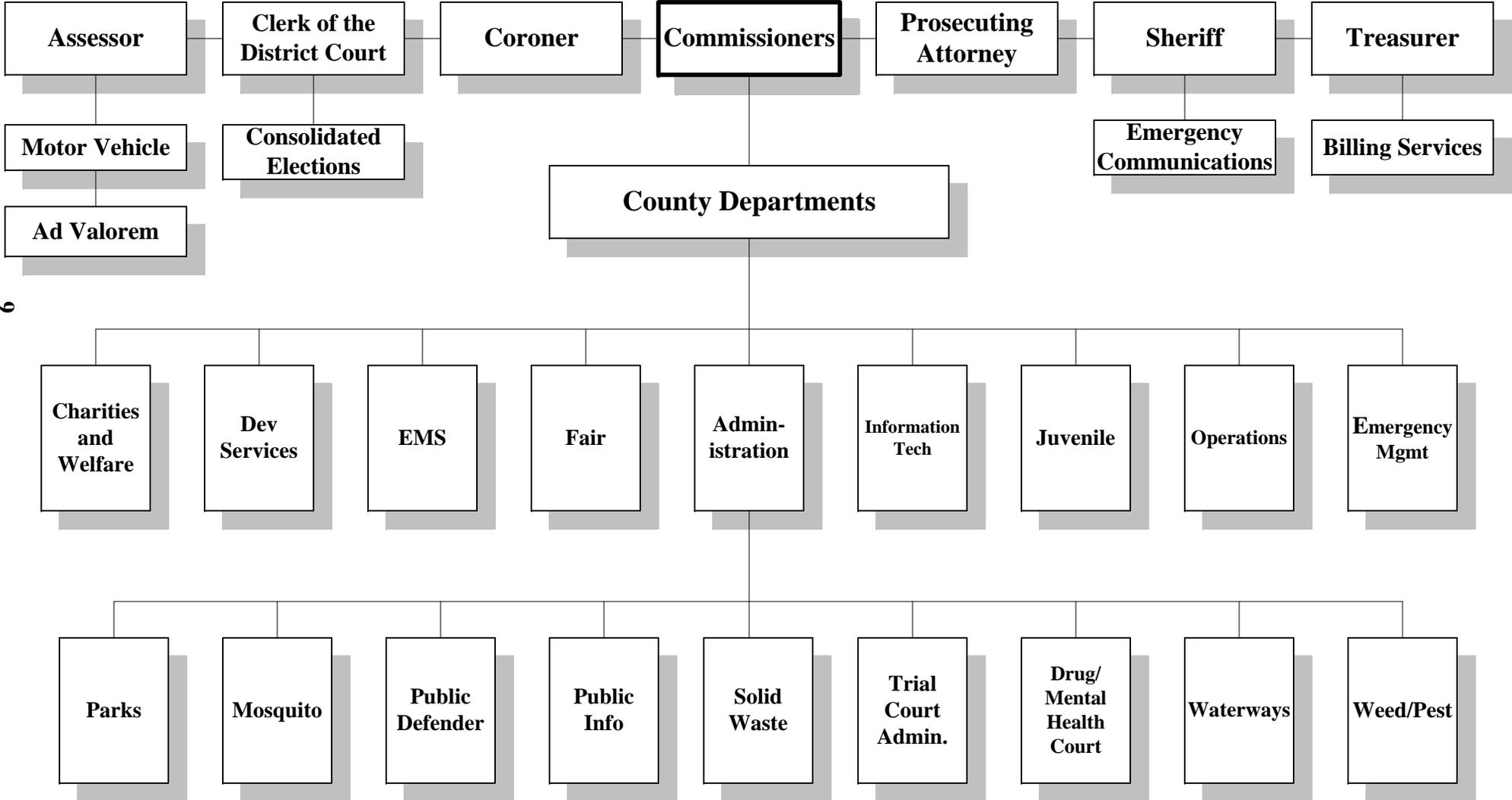
DEPARTMENT DIRECTORS

\*\*\*\*\*

Charities and Welfare -----John Traylor  
Information Technology -----Leslie Penney  
Development Services - Building and Zoning -----Megan M. Leatherman  
District Court-----Larry D. Reiner  
Emergency Medical Services (EMS) -----Troy M. Hagen  
Emergency Management-----Doug R. Hardman  
Juvenile -----Janet M. Wallace  
Operations-----David P. Logan  
Public Defender -----Alan E. Trimming  
Administration -----Rich Wright  
Parks and Recreation/Waterways -----Aaron Soggs  
Solid Waste Management -----Tedmon D. Hutchinson  
Weed/Pest/Mosquito-----Brian K. Wilbur  
Western Idaho Fair-----Robert A. Batista

# ADA COUNTY, IDAHO ORGANIZATIONAL CHART

Ada County Electorate



ADA COUNTY, IDAHO  
CLASSIFICATION OF FUNDS

Category	Type	Name
GOVERNMENTAL	General	Consisting of departments: Clerk of the District Court, Sheriff, Treasurer, Assessor, Prosecutor, Juvenile, Motor Vehicle, Operations, Coroner, Information Technology, Development Services, Administration, Public Defender and General
	Special Revenue	Charities and Welfare Public Health Weed Control Pest Extermination Parks and Recreation Ad Valorem Court Monitoring District Court Drug/Mental Health Court County Court Facilities Waterways Emergency Communication Emergency Management Veterans Memorial Mosquito Abatement Consolidated Elections
	Capital Projects	Major projects: Courthouse/Corridor, Jail Construction – Pod D and Meridian Campus
PROPRIETARY	Enterprise	Emergency Medical Services Solid Waste Management Western Idaho Fair Billing Services
	Internal Service	Self Funded Health Insurance Liability Insurance
FIDUCIARY	Agency	State of Idaho Special Taxing Districts Unapportioned Account Court Suspense Restitution Accounts Sheriff's Account Other Agencies

# **FINANCIAL SECTION**



CPAs & BUSINESS ADVISORS

## Independent Auditor's Report

To the Board of Commissioners  
Ada County, Idaho  
Boise, Idaho

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ada County, Idaho, (the County) as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012, on our consideration of the County'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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 25 and 61 through 67 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules, budget and actual comparisons for governmental funds other than the general and major special revenue funds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho  
December 28, 2012

## **Management's Discussion and Analysis**

As management of Ada County, we offer readers of Ada County's financial statements this narrative overview and analysis of the financial activities of Ada County for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

### **Financial Highlights**

- The assets of Ada County exceeded its liabilities at the close of the most recent fiscal year by \$281,282,240 (*net assets*). Of this amount, \$127,923,871 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$4,124,651, an increase of only \$449,626 over last year before \$2,260,336 from the "contribution in" related to the parking garage transfer between CCDC (Capital City Development Corporation) and Ada County is considered. Revenue and expense increased relatively the same, \$3.8M and \$3.4M respectively. Charge for services increased \$3.4M due to an increase in recording revenue and building and plan check fees from development services; however the largest increase, \$2.5M, was due to Billing Services. State shared revenues (sales tax and liquor) increased \$1.2M, while operating grants decreased \$1.5M after the lottery tax windfall Juvenile received last year. General government expenses increased \$2.9M while Solid Waste Management expenses were \$2.4M less than last year due to an adjustment in the closure cost estimates.
- As of the close of the current fiscal year, Ada County's governmental funds reported combined ending fund balances of \$130,921,558, which is a decrease of \$1,959,512 in comparison with the prior year. Of that total \$33,073,659 is unassigned in the general fund; however according to Ada County's financial policies \$18.7M is required to cover the first three months of operating expenses before property taxes are received in January. Additional, \$15.9M should be reserved to meet our minimum fund balance policy (15% of operating revenues) also known as budget stabilization, however only \$14.3M is in fact available leaving no fund balance *available for spending* at the government's discretion.
- Ada County's capital lease debt decreased by \$2,665,000 (6 percent) during the current fiscal year due to scheduled principal payments.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Ada County's basic financial statements. Ada County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of Ada County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Ada County's assets and liabilities. The difference between assets and liabilities are reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Ada County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected delinquent taxes and earned but unused vacation leave).

Both government-wide financial statements mentioned above distinguish functions within Ada County. These functions can be organized into *governmental activities* and *business-type activities*. The governmental activities are principally supported by taxes and intergovernmental revenues and include general government, public safety, sanitation, health and welfare, and recreational and cultural. The business-type activities of Ada County include emergency medical services, solid waste management, county fair and billing services and are intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements of Ada County, which include all legally and financially accountable units (known as the *primary government*), can be found on pages 26-27 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Ada County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Ada County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term

financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Ada County maintains eighteen individual governmental funds. The general fund, charities and welfare and capital projects funds, which are considered to be major funds, are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Data from the other fifteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Ada County adopts an annual appropriated budget for all funds except internal service funds and fiduciary funds. Budgetary comparison schedules have been provided for the funds to demonstrate compliance with this budget.

The basic governmental fund descriptions and financial statements can be found on pages 28-32 of this report.

***Proprietary funds.*** Ada County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Ada County uses enterprise funds for its emergency medical services, solid waste management, Western Idaho Fair, and billing services functions. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Ada County's various functions. Ada County uses internal service funds for its self-health insurance and liability insurance. Because both of these internal service funds predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. They provide separate information for emergency medical services, solid waste management, and the Western Idaho Fair, all of which are presented as major funds. Billing services, which is presented as a non-major fund, is included for year-to-year consistency.

Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund descriptions and financial statements can be found on pages 33-37 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are not available to support Ada County's own programs. The accounting used for fiduciary

funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 39 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements, preceded by an index, can be found on pages 40-60 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*, which can be found on pages 61-67. The combining and individual fund statements and schedules for non-major governmental funds, internal service funds, and fiduciary funds, are presented immediately following the required supplementary information on pages 68-99 of this report.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Ada County, assets exceeded liabilities by \$281,282,240 at the close of the most recent fiscal year. The largest portion of Ada County's net assets (49.5 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Ada County's Net Assets

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 248,931,285	\$ 247,260,274	\$ 34,752,249	\$ 29,394,749	\$ 283,683,534	\$ 276,655,023
Capital assets	132,922,513	134,120,109	47,883,817	48,798,551	180,806,330	182,918,660
Total assets	381,853,798	381,380,383	82,636,066	78,193,300	464,489,864	459,573,683
Long-term liabilities outstanding	58,789,321	60,731,426	19,495,333	21,937,235	78,284,654	82,668,661
Other liabilities	97,681,743	93,170,264	7,241,227	6,577,169	104,922,970	99,747,433
Total liabilities	156,471,064	153,901,690	26,736,560	28,514,404	183,207,624	182,416,094
Net assets:						
Invested in capital assets, net of related debt	91,217,513	89,750,109	47,883,817	48,798,551	139,101,330	138,548,660
Restricted	14,257,039	11,602,787	-	-	14,257,039	11,602,787
Unrestricted	119,908,182	126,125,797	8,015,689	880,345	127,923,871	127,006,142
Total net assets	\$ 225,382,734	\$ 227,478,693	\$ 55,899,506	\$ 49,678,896	\$ 281,282,240	\$ 277,157,589

Additionally, 5% of Ada County's net assets are resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$127,923,871) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Ada County is able to report positive balances in all three categories of net assets, for both the government as a whole and its governmental and business-type activities. The same situation held true for the prior fiscal year.

The County's business-type activities reported an overall increase of \$7,135,344 in unrestricted net assets, as well as increases in each fund. The solid waste management fund increased \$5,822,811 due to a reduction in closure/post-closure cost estimates based on a change in costing assumptions. The Western Idaho Fair increased by \$236,306 due to the depreciation of capital assets and even though expenses for the emergency medical services fund increased, overall revenues came in high attributing to their increase of \$886,393. Unrestricted net assets in billing services increased by \$183,207 due to an increase fees to customers while contractual services remained unchanged. There was also a slight increase in internal balances related to business-type activities of \$6,627 for the year.

During the current year, the government's overall net assets increased by \$4,124,651. The County's business-type activities experienced an increase of \$6,220,610 due mainly to the changes mentioned above while governmental activities decreased by \$2,095,959. Changes to both, are displayed on the following chart:

## Ada County's Changes in Net Assets

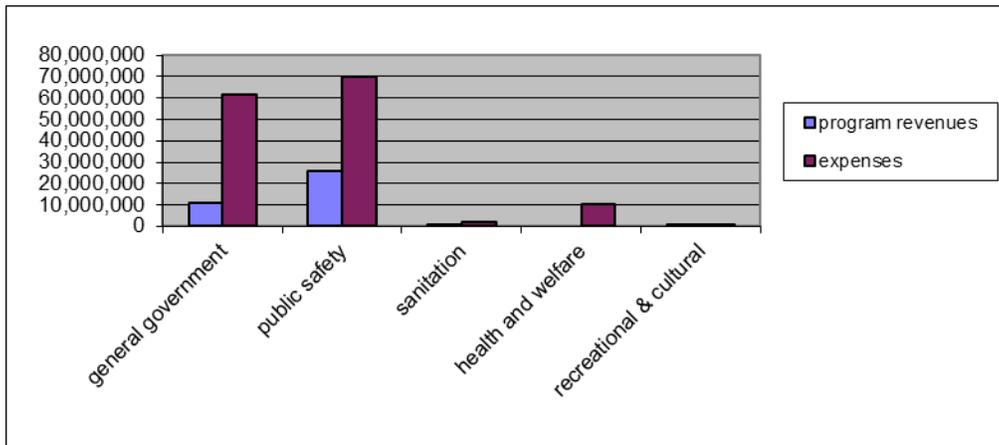
	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 32,309,288	\$ 31,370,925	\$ 26,547,863	\$ 24,035,137	\$ 58,857,151	\$ 55,406,062
Operating grants and contributions	4,817,043	6,344,399	39,172	37,507	4,856,215	6,381,906
Capital grants and contributions	172,020	319,840	-	50,078	172,020	369,918
General revenues:						
Property taxes	83,732,818	83,715,268	4,309,024	4,142,323	88,041,842	87,857,591
Other taxes	14,228,023	13,071,774	163,094	149,631	14,391,117	13,221,405
Grants and contributions not restricted to specific programs	5,201,959	4,035,220	-	-	5,201,959	4,035,220
Interest & investment earnings	2,073,274	1,940,852	287,237	225,485	2,360,511	2,166,337
Miscellaneous	2,092,009	3,177,143	4,000	(522,405)	2,096,009	2,654,738
<b>Total revenues</b>	<b>144,626,434</b>	<b>143,975,421</b>	<b>31,350,390</b>	<b>28,117,756</b>	<b>175,976,824</b>	<b>172,093,177</b>
Expenses:						
General government	61,484,228	58,526,634	-	-	61,484,228	58,526,634
Public safety	69,645,805	68,724,187	-	-	69,645,805	68,724,187
Sanitation	2,177,501	2,262,190	-	-	2,177,501	2,262,190
Health and welfare	10,458,674	10,084,812	-	-	10,458,674	10,084,812
Recreational and cultural	933,979	1,096,802	-	-	933,979	1,096,802
Education	-	-	-	-	-	-
Interest on long-term debt	2,022,206	2,140,307	-	-	2,022,206	2,140,307
Emergency Medical Svcs.	-	-	11,467,618	11,363,354	11,467,618	11,363,354
Solid Waste Mgmt.	-	-	5,542,775	8,013,967	5,542,775	8,013,967
Western Idaho Fair	-	-	3,842,484	3,810,884	3,842,484	3,810,884
Billing Svcs.	-	-	4,276,903	2,395,015	4,276,903	2,395,015
<b>Total expenses</b>	<b>146,722,393</b>	<b>142,834,932</b>	<b>25,129,780</b>	<b>25,583,220</b>	<b>171,852,173</b>	<b>168,418,152</b>
Increase (decrease) in net assets before special items and transfers	(2,095,959)	1,140,489	6,220,610	2,534,536	4,124,651	3,675,025
Special items	-	2,260,336	-	-	-	2,260,336
Transfers	-	-	-	-	-	-
Increase (decrease) in net assets	(2,095,959)	3,400,825	6,220,610	2,534,536	4,124,651	5,935,361
Net assets - beginning	227,478,693	224,077,868	49,678,896	47,144,360	277,157,589	271,222,228
<b>Net assets - ending</b>	<b>\$ 225,382,734</b>	<b>\$ 227,478,693</b>	<b>\$ 55,899,506</b>	<b>\$ 49,678,896</b>	<b>\$ 281,282,240</b>	<b>\$ 277,157,589</b>

**Governmental activities.** Total net assets for government activities decreased \$2,095,959. This is \$5,496,784 less than last year, however \$2.3 million is related to the 'contribution in' for the parking garage transfer leaving \$3.2 million related to operating activities. Key elements are:

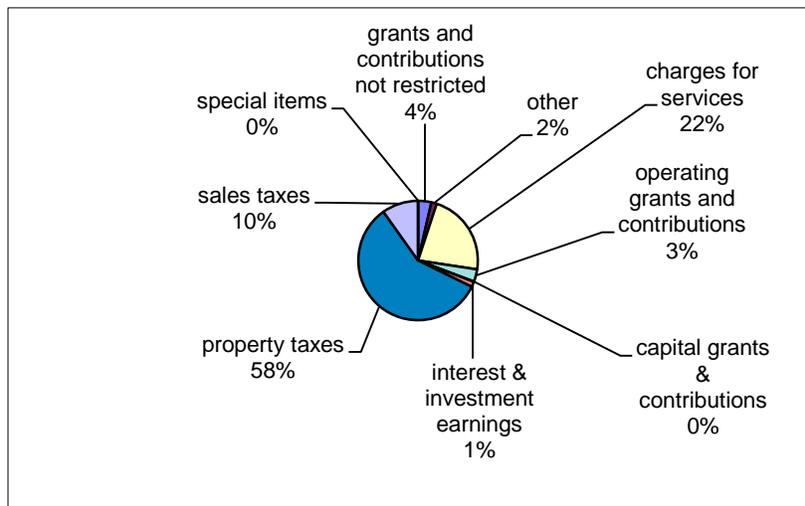
- Property taxes were flat. Ada County, for the last two years, has chosen not to increase taxes even though the law also allows for a 3% increase of the highest budget during the last three years and a growth factor related to new construction; this equated to a savings to the taxpayer of \$3.2M.
- Charges for services for general government activities increased by \$938,363 due to a full years increase in recording fees for the first recorded page along with an increase in the number of recorded documents. Also building and plan check fees in development services increased as the construction begins to pick up.
- Miscellaneous revenues decreased by \$1,085,134 due to last years' final settlement with Boise City for magistrate court services; however this decrease is offset by the new annual contract with Boise City which is accounted for in grants and contributions not restricted to specific programs.

- General revenues from other taxes were higher by \$1,156,249; sales and liquor tax, along with revenue sharing from the State of Idaho were all more than expected.
- Operating grants and contributions were down \$1,527,356 after last years' windfall to Juvenile Court Services from lottery tax proceeds.
- General government is the only category showing a substantial increase in expense, \$2,957,594; with public safety a distant second with an increase of \$921,618. These large differences are due to the allocation of reduced internal service fund liability claims expense based on premium rates. The public safety category absorbed the largest reduction therefore, when blended with governmental activities for the government-wide presentation their increase is less than they themselves actually incurred.

### Expenses and Program Revenues – Governmental Activities



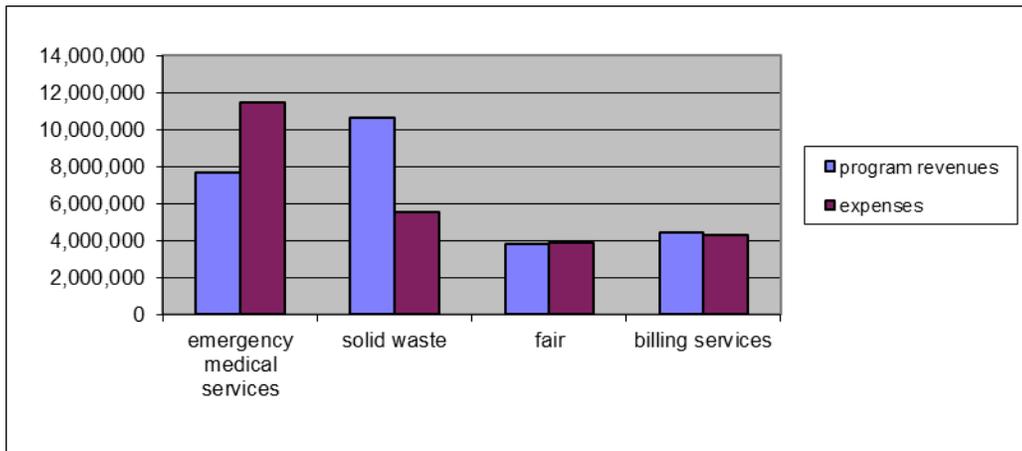
### Revenues by Source – Governmental Activities



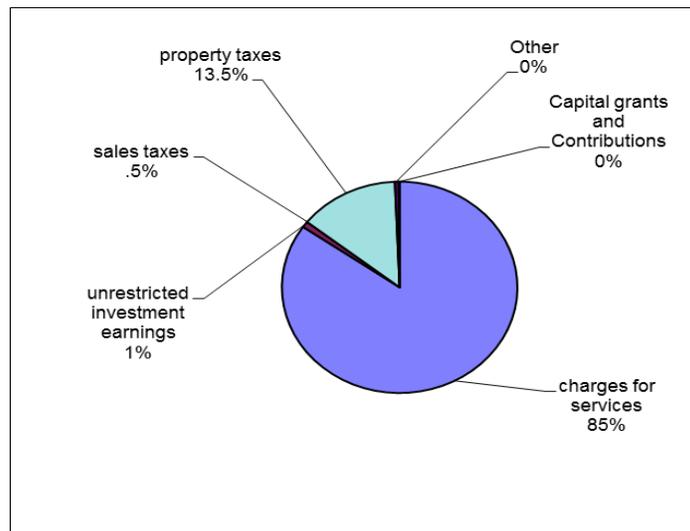
**Business-type activities.** Business-type activities increased the County's net assets by \$6,220,610, accounting for 151 percent of the total growth. Three of the County's Enterprise Funds achieved positive net income for the year while one had a modest loss.

- Expenses decreased by \$2,427,649 for solid waste management, 88% of which was due to reduced closure/post-closure costs. Cost assumptions for the closure/post-closure had been based on information published in the Means Heavy Construction estimating manual; however those costs were always high compared to what was actually in the bids for work at the landfill, therefore a 5 year average based on actual prices was calculated and used for this year's estimate. Due to this change, the remaining liability associated with both the Hidden Hollow and North Ravine cells was reduced by \$2,477,400 to a total of \$19M.
- Even though emergency medical services operating revenue was less than their expenses an increase in property taxes of the 3% allowed by law, along with slight increases in sales tax and interest gave them an overall increase of \$790,805.
- Billing services rate increase that took place in the last quarter of fiscal year 2011 helped offset expenses and generated a modest increase of \$183,207.

**Expenses and Program Revenues – Business-type Activities**



**Revenue by Source – Business-type Activities**



## Financial Analysis of the Government's Funds

As noted earlier, Ada County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Ada County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Ada County's governmental funds reported combined ending fund balances of \$130,921,558, a decrease of \$1,959,512 in comparison with the prior year. Ada County has restrictions and assignments for its fund balance. These include: \$2,993,967 restricted by granting agencies to pay for specific programs and \$11,276,393 restricted by enabling legislation. Assignments total \$83,577,539; of which \$504,862 in the general fund is assigned for future improvements to a new imaging solution for recorded documents; also \$13,977,687 in the general fund, \$3,266,338 in the capital projects fund and \$4,136,689 in all other government funds was assigned for subsequent years expenditures during the fiscal year 2013 budget process. The remaining \$61,691,963 is assigned to the capital projects fund for completion of Jail Pod D and the courthouse lease and by definition to the special revenue funds and includes their minimum fund balance or budget stabilization and cash basis requirements. Total unassigned is \$33,073,659; of which \$18,777,610 is required to cover the first three months of operating expenses before property taxes are received in January (cash basis) with the remaining \$14,296,049 reserved for the minimum fund balance; \$1,674,608 shy of the full requirement for the general fund.

The general fund is the chief operating fund of Ada County. At the end of the current fiscal year, the total fund balance of the general fund was \$50,550,175 of which \$2,993,967 was restricted as mentioned above, \$14,482,549 was assigned and \$33,073,659 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance (committed and assigned) and total fund balance to total fund expenditures. In the current fiscal year, unrestricted fund balance represents 45 percent of total general fund expenditures while total fund balance represents 48 percent.

During the current year, the fund balance of the County's general fund decreased by \$6,339,684 after transfers for reasons similar to those described on pages 18-19 under *Governmental activities*.

- Property taxes decreased \$6,917,913; since overall taxes for the County weren't increased, \$2,607,188 of property tax was shifted to Charities as additional funding; also the court clerk operation was moved to the District Court fund, and \$3,811,587 was moved to support this change.
- Charge for services increased \$988,040, 55% of which came from an inmate housing fees from the Idaho Department of Corrections.

The charities and welfare fund has an ending fund balance of \$4,091,192, an increase of \$3,463,461 over last year. All resources of this fund are to be used for

providing services to indigent persons according to Idaho statute. Due to the economy, requests for services in this fund have increased; as mentioned above, taxes from the General fund were moved to offset this increase and build fund balance. Last fiscal year, this fund carried a negative unassigned balance as there wasn't enough available fund balance to cover the required commitment of three months operating cash on hand or minimum fund balance. With the transfer of taxes this year, there is enough fund balance to cover both requirements and have a small amount left over.

The capital projects fund's ending fund balance is \$58,598,515, of which \$3,266,338 is assigned based on this amount being budgeted for spending in the following fiscal year; the remainder is assigned to future capital lease payments and completion of Pod D at the Ada County jail. Ninety-two percent of the fund balance at the end of the fiscal year represents monies accumulated for future capital lease payments for the Ada County Courthouse Complex, with eight percent for the completion of Pod D at the Ada County jail. The capital projects fund experienced a decrease in fund balance of \$5,464,204 before transfers due to the planned use of fund balance to support the semi-annual lease payments until early payoff in fiscal year 2016 and expansion of the jail.

**Proprietary funds.** Ada County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The difference between the two perspectives is the effect of internal service fund activities related to proprietary funds. *Unrestricted* net assets of emergency medical services at the end of the year amounted to \$8,550,398; those for the solid waste management fund amounted to \$(3,072,283); those for the Western Idaho Fair amounted to \$1,879,876; and those for billing services amounted to \$421,853. The change in net assets for the four funds consisted of an increase of \$790,805, an increase of \$5,281,052, a decrease of \$41,081, and an increase of \$183,207 respectively. Factors concerning the finances of these four funds have already been addressed in the discussion of Ada County's business-type activities on pages 16 (chart), 17, 18 (chart) and 20.

## General Fund Budgetary Highlights

The final budget in the general fund was amended to reflect an increase of \$4,837,676 and can be briefly summarized as follows:

- \$ 2,660,101 in increases allocated to the juvenile department
- \$ 1,251,420 in increases allocated to the sheriff's department
- \$ 788,269 in increases allocated to the prosecutor's department
- \$ 63,722 in increases allocated to the development service's department
- \$ 36,211 in increases allocated to the public defender's department
- \$ 25,000 in increases allocated to the clerk of the court's department
- \$ 12,953 in increases allocated to the operation department

Of the changes summarized above, increases of \$4,260,676 were from various Federal and State funding sources. The remaining \$577,000 represents revenues received during the year that were unanticipated or that exceeded original budgetary estimates.

The difference between the final general fund amended revenue budget and actual revenue collected was a positive variance of \$5.3 million (presented on page 61). The largest variances were in state shared revenues and charges for services where actual revenue exceeded projections by \$2.2M in each category. Grants account for the only decline, where actual revenue fell short of projections by \$1.3M. This is to be expected as the County has been awarded several multi-year grants for which the full award amount is budgeted the first year and the remaining amount budgeted the following year.

The difference between the final amended general fund expenditures budget and actual expenditures was a positive variance of \$9.8 million (pages 61-64). "Personnel services" accounted for \$4.5 million (46%), a \$1.8M increase over the prior year; \$1.6M of which is from the use of a blended rate budgeted for health insurance rather than actual per person premium. With the uncertainty of the economy and in an effort to be fiscally responsible there was also a positive variance in "other services and charges" of \$4.8 million (50%).

Equipment repairs/maintenance, professional services, grant administration fees, furniture and juvenile equipment in the Juvenile department were some of the areas that brought Juvenile under budget by \$2.3 million. The general fund budget related to grants had \$4.1 million unspent at year-end that will be brought forward into the next year. Sixty-one percent (\$2.5M) of which was Cigarette/Tobacco Tax, Lottery and Juvenile Block grants where the revenue is received in advance.

## **Capital Asset and Debt Administration**

**Capital assets.** Ada County's investment in capital assets for its governmental and business type activities as of September 30, 2012, amounts to \$180,806,330 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, intangible software, construction in progress and infrastructure (sewer lines, waste water monitoring system, storm water improvements and roadways). Overall there was a one percent decrease in the County's investment in capital assets; with a 1 percent reduction in governmental activities and a 2 percent reduction in business-type activities.

Major events during the current fiscal year included the following (some costs were incurred in the prior year and were in Construction in Progress (CIP) accounts until capitalized in fiscal year 2012):

- Construction of Pod D for the Jail Expansion incurred costs of \$1.3M which was added to CIP from last year for a total of \$1.5M in CIP. Completion of the project is expected in the spring of 2013; additional costs to be incurred up to \$4M.
- Design and construction of a new Storage Facility at the Weed/Pest and Mosquito facility in Meridian was completed for total cost of \$1.1M.
- Purchase and installation of a 700 MHz Astro 25 Repeater at the FAA site began in FY11, which will increase current coverage in the County by enhancing the necessary radio coverage for Meridian and Kuna. Costs incurred this fiscal of \$676K were added to CIP for a total incurred to date of \$1M.
- Purchase and installation of additional 700 MHz Astro 25 Repeaters at Table Rock, Barrister, Seaman's Gulch in addition to the Courthouse and the Eagle Star area increasing and enhancing current coverage in these areas began; costs incurred to date of \$2.4M. Completion scheduled for late 2013.

**Ada County's Capital Assets**  
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 7,510,645	\$ 7,270,635	\$ 4,951,841	\$ 4,951,841	\$ 12,462,486	\$ 12,222,476
Land improvements	1,999,391	1,938,218	31,101,681	31,413,232	33,101,072	33,351,450
Building	104,779,727	108,267,039	8,128,637	8,644,127	112,908,364	116,911,166
Infrastructure	1,232,531	1,179,978	1,325,065	1,443,977	2,557,596	2,623,955
Vehicles	1,410,797	1,381,420	688,852	595,061	2,099,649	1,976,481
M&E	10,299,350	11,358,851	1,687,741	1,750,313	11,987,091	13,109,164
Intangibles/Software	92,720	154,123	-	-	92,720	154,123
Construction in progress	5,597,352	2,569,845	-	-	5,597,352	2,569,845
<b>Total</b>	<b>\$ 132,922,513</b>	<b>\$ 134,120,109</b>	<b>\$ 47,883,817</b>	<b>\$ 48,798,551</b>	<b>\$ 180,806,330</b>	<b>\$ 182,918,660</b>

Additional information on Ada County's capital assets can be found in note I-D-4, page 46 and II-C, pages 51-52, as well as in the Letter of Transmittal, page 5 of this report.

**Long-term debt.** At the end of the current fiscal year, Ada County had no bonded debt outstanding. Ada County's only remaining debt of \$41,705,000 as of September 30, 2012, is related to the acquisition of the new county courthouse and administration building, related parking facilities, integrated retail space and other public improvements. Lease payments are considered to be obligations of the general government, paid with general governmental revenue sources.

**Ada County's Outstanding Debt**

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Capital Leases	\$ 41,705,000	\$ 44,370,000	\$ -	\$ -	\$ 41,705,000	\$ 44,370,000
<b>Total</b>	<b>\$ 41,705,000</b>	<b>\$ 44,370,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 41,705,000</b>	<b>\$ 44,370,000</b>

During the current fiscal year, the County's total debt decreased by \$2,665,000 or 6 %. This is due to scheduled principal payments.

Ada County maintains an 'Aa2' rating from Moody's and a 'AA' rating from Standard & Poor's for general obligation debt. The lease revenue bonds of Boise City Urban Renewal Agency (which are secured by the county's annual lease appropriation) have underlying ratings of 'Aa3' and 'AA-' by Moody's and Standard & Poor's, respectively, without regard to the Municipal Bond Insurance Policy that was purchased for this issue. Current State statutes allow for general obligation bonds to be issued without a legal limitation based on tax charges against all property and an acceptance of two-thirds of the qualified electors of Ada County. The County's last bonded debt issue, for a county jail addition, began in 1992 and ended in 2002. Additional information on the County's long-term debt can be found in note I-D-5 on pages 46-47, and note II-G-H on pages 54-55 of this report.

## Economic Factors and Next Year's Budgets and Rates

These factors were considered in preparing the County's budget for the 2013 fiscal year:

- The unemployment rate for Ada County is currently 6.2 percent, down 1.4 percent from a year ago. The current rate is lower than the state's average unemployment rate of 6.4 percent and lower than the national average rate of 7.6 percent.
- Sale of new homes is beginning to turn around; 53.5 percent more newly constructed homes were sold compared to a year ago.
- Foreclosures decreased 62.6% from their high of 3,206 in 2010.
- The population in the County increased 1.8 percent from 2010 to 2011 (the most recent information available) – from 393,531 to 400,842.

Restricted, Assigned and Unassigned fund balance in the general fund (\$50.5M) consists of: \$3 million (6%) has been restricted by granting agencies for Juvenile Court Services. There is \$14 million (27.5%) assigned that has been appropriated for spending in the 2013 budget and \$505K (1%) for a new imaging solution for recorded documents. The remaining \$33M (65.5%) is unassigned; however based on Ada County's financial policies \$18.7M is required to cover the first three months of operating expenses before property taxes are received in January. Additionally, the remaining \$14.3M covers the reservation to meet our minimum fund balance policy, also known as budget stabilization. The minimum fund balance policy allows for up to 15% of operating revenue to be reserved, the minimum fund balance at the end for 2012 is 13.4%.

### Pursuant to Resolutions adopted during the fiscal year:

- Weed Control and Pest Extermination fees had not been increased since fiscal year 2008; with increased expenses over the years fees were increased in November 2011 by 3.9% on the low end for one man for Weed Control and up to 5% for one man for Pest Extermination.
- Billing Services increased fees for residential and commercial services by 5% in May 2012 after an average increase of 15% in August of 2011. The last time rates had been increased prior to this was 2007. Rates for regular service with curbside recycling increased from \$15.75 to \$16.53, carry-out service increased from \$32 to \$33.60 and home business service from \$16 to \$16.80.

## Requests for Information

**This financial report is designed to provide a general overview of Ada County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Ada County Auditor, 200 West Front Street, Boise, Idaho, 83702.**

# **BASIC FINANCIAL STATEMENTS**

**Ada County**  
**Statement of Net Assets**  
**September 30, 2012**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,154,297	\$ 4,463,473	\$ 30,617,770
Investments	129,058,914	22,255,862	151,314,776
Receivables, net	92,448,499	7,907,576	100,356,075
Internal balances	(77,516)	77,516	-
Lease receivable	941,873	-	941,873
Accrued interest receivable	405,218	47,822	453,040
Capital assets, net of depreciation:			
Land, not depreciated	7,510,645	4,951,841	12,462,486
Land improvements	1,999,391	31,101,681	33,101,072
Building	104,779,727	8,128,637	112,908,364
Infrastructure	1,232,531	1,325,065	2,557,596
Vehicles	1,410,797	688,852	2,099,649
Machinery & equipment	10,299,350	1,687,741	11,987,091
Intangible Software	92,720	-	92,720
Construction in progress	5,597,352	-	5,597,352
Capital assets, net	<u>132,922,513</u>	<u>47,883,817</u>	<u>180,806,330</u>
Total assets	<u>381,853,798</u>	<u>82,636,066</u>	<u>464,489,864</u>
<b>LIABILITIES</b>			
Accounts payable	12,869,048	2,423,328	15,292,376
Accrued interest	343,790	-	343,790
Unearned revenue	84,468,905	4,817,899	89,286,804
Long-term liabilities:			
Due within one year	7,550,166	19,837	7,570,003
Due in more than one year	51,239,155	19,475,496	70,714,651
Total liabilities	<u>156,471,064</u>	<u>26,736,560</u>	<u>183,207,624</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	91,217,513	47,883,817	139,101,330
Restricted for:			
Grant Programs	2,993,967	-	2,993,967
Consolidated Elections	402,702	-	402,702
Court Functions	2,466,207	-	2,466,207
Public Safety	6,541,428	-	6,541,428
Weed/Pest/Mosquito Abatement	1,722,436	-	1,722,436
Welfare and Public Health	130,299	-	130,299
Unrestricted	119,908,182	8,015,689	127,923,871
Total net assets	<u>\$ 225,382,734</u>	<u>\$ 55,899,506</u>	<u>\$ 281,282,240</u>

The notes to the financial statements are an integral part of this statement.

**Ada County**  
**Statement of Activities**  
**For the Year Ended September 30, 2012**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Grants and Contributions	Capital Grants & Contributions	Primary Government		
					Operating	Governmental Activities	Business-Type Activities
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 61,484,228	\$ 10,420,478	\$ 340,199	\$ 22,114	\$ (50,701,437)	\$ -	\$ (50,701,437)
Sanitation	2,177,501	433,674	8,000	-	(1,735,827)	-	(1,735,827)
Public safety	69,645,805	21,155,331	4,468,844	148,735	(43,872,895)	-	(43,872,895)
Health and welfare	10,458,674	-	-	-	(10,458,674)	-	(10,458,674)
Recreational and cultural	933,979	299,805	-	1,171	(633,003)	-	(633,003)
Interest on long-term debt	2,022,206	-	-	-	(2,022,206)	-	(2,022,206)
Total governmental activities	<u>146,722,393</u>	<u>32,309,288</u>	<u>4,817,043</u>	<u>172,020</u>	<u>(109,424,042)</u>	<u>-</u>	<u>(109,424,042)</u>
Business-type activities:							
Emergency Medical Services	11,467,618	7,662,036	39,172	-	-	(3,766,410)	(3,766,410)
Solid Waste Management	5,542,775	10,652,812	-	-	-	5,110,037	5,110,037
Western Idaho Fair	3,842,484	3,779,678	-	-	-	(62,806)	(62,806)
Billing Services	4,276,903	4,453,337	-	-	-	176,434	176,434
Total business-type activities	<u>25,129,780</u>	<u>26,547,863</u>	<u>39,172</u>	<u>-</u>	<u>-</u>	<u>1,457,255</u>	<u>1,457,255</u>
Total primary government	<u>\$ 171,852,173</u>	<u>\$ 58,857,151</u>	<u>\$ 4,856,215</u>	<u>\$ 172,020</u>	<u>(109,424,042)</u>	<u>1,457,255</u>	<u>(107,966,787)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					83,732,818	4,309,024	88,041,842
Sales taxes					14,228,023	163,094	14,391,117
Grants and contributions not restricted to specific programs					5,201,959	-	5,201,959
Interest and investment earnings					2,073,274	287,237	2,360,511
Miscellaneous					2,092,009	4,000	2,096,009
Total general revenues, special item and transfers					<u>107,328,083</u>	<u>4,763,355</u>	<u>112,091,438</u>
Change in net assets					(2,095,959)	6,220,610	4,124,651
Net assets - beginning					<u>227,478,693</u>	<u>49,678,896</u>	<u>277,157,589</u>
Net assets - ending					<u>\$ 225,382,734</u>	<u>\$ 55,899,506</u>	<u>\$ 281,282,240</u>

The notes to the financial statements are an integral part of this statement.

## MAJOR GOVERNMENTAL FUNDS

Ada County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The **Charities and Welfare Fund** accounts for the operations associated with administering public assistance, medical care, and other relief to eligible indigent persons. Funding is provided by property tax dollars and reimbursement payments. This fund was established by authority of Idaho Code Section 31-863.

The **Capital Projects Fund** is used to account for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds.

**ADA COUNTY**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2012**

	General Fund	Charities and Welfare	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 9,233,095	\$ 1,166,270	\$ 9,786,141	\$ 3,204,669	\$ 23,390,175
Investments	44,574,033	5,800,693	49,425,800	15,933,541	115,734,067
Accounts receivable	140,844	-	-	126,268	267,112
Property tax receivable	61,171,221	11,059,672	-	14,671,377	86,902,270
Accrued interest receivable	204,706	-	116,896	14,860	336,462
Due from other funds	273,307	-	-	13,201	286,508
Due from other agencies and units of government	5,048,683	-	-	230,434	5,279,117
Lease Receivable	941,873	-	-	-	941,873
<b>Total assets</b>	<b>\$121,587,762</b>	<b>\$18,026,635</b>	<b>\$59,328,837</b>	<b>\$ 34,194,350</b>	<b>\$233,137,584</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 8,451,265	\$ 892,192	\$ 730,322	\$ 1,777,200	\$ 11,850,979
Due to other funds	35,211	-	-	50,002	85,213
Deferred revenues	62,551,111	11,059,672	-	14,685,472	88,296,255
Accrued liabilities	-	1,983,579	-	-	1,983,579
Total liabilities	<u>71,037,587</u>	<u>13,935,443</u>	<u>730,322</u>	<u>16,512,674</u>	<u>102,216,026</u>
Fund balances:					
Restricted for:					
Grants	2,993,967	-	-	-	2,993,967
Enabling legislation	-	-	-	11,276,393	11,276,393
Assigned for:					
General government	7,332,524	-	-	1,693,525	9,026,049
Public safety	5,790,513	-	-	347,790	6,138,303
Judicial services	1,359,512	-	-	3,132,773	4,492,285
Health and welfare	-	4,091,192	-	-	4,091,192
Recreation and culture	-	-	-	1,231,195	1,231,195
Capital projects	-	-	58,598,515	-	58,598,515
Unassigned	33,073,659	-	-	-	33,073,659
Total fund balances	<u>50,550,175</u>	<u>4,091,192</u>	<u>58,598,515</u>	<u>17,681,676</u>	<u>130,921,558</u>
<b>Total liabilities and fund balances</b>	<b>\$121,587,762</b>	<b>\$18,026,635</b>	<b>\$59,328,837</b>	<b>\$ 34,194,350</b>	

The notes to the financial statements are an integral part of this statement.

**Ada County**

**Reconciliation of the Governmental Funds Balance Sheet  
To the Statement of Net Assets  
September 30, 2012**

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**Total Fund Balances - Governmental Funds** \$ 130,921,558

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. These assets consist of the following:

Land	\$ 7,510,645	
Land Improvements	3,683,381	
Building	158,586,833	
Infrastructure	2,122,261	
Vehicles	5,235,777	
Intangible Software	204,134	
Machinery and Equipment	28,897,581	
Construction in Progress	5,597,352	
Accumulated Depreciation	<u>(78,915,451)</u>	
Total Capital Assets		132,922,513

Some of the County's revenue will be collected after year-end but is not available soon enough to pay for the current period's expenditures and therefore is deferred in the funds. The following has been deferred:

Delinquent Property Tax	\$ 2,885,477	
Interest Receivable on Lease	38,494	
Lease Receivable	<u>941,873</u>	
Total Deferred Revenue		3,865,844

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 Assets. These liabilities consist of the following:

Capital Leases Payable	\$ (41,705,000)	
Accrued Interest on the Capital Leases	(343,790)	
Compensated Absences	<u>(4,443,258)</u>	
		(46,492,048)

Internal service funds are used by management to charge the costs of health and liability insurance to individual funds and are reported separately from governmental funds in the fund statements. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. 4,164,867

**Total Net Assets - Governmental Activities** \$ 225,382,734

The notes to the financial statements are an integral part of this statement.

**Ada County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2012**

	General Fund	Charities and Welfare	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 59,325,391	\$11,608,648	\$ -	\$ 13,526,791	\$ 84,460,830
Licenses and permits	1,255,036	-	-	196,400	1,451,436
Fines and forfeitures	62,694	-	-	1,302,934	1,365,628
Charges for services	21,222,192	573,344	940,307	7,329,725	30,065,568
Intergovernmental	21,537,087	3,610	-	2,878,348	24,419,045
Interest income	878,480	62,889	714,817	199,826	1,856,012
Net increase (decrease) in the fair value of investments	9,204	12,331	32,221	7,334	61,090
Miscellaneous	2,180,966	45,547	-	1,036,403	3,262,916
Total revenues	<u>106,471,050</u>	<u>12,306,369</u>	<u>1,687,345</u>	<u>26,477,761</u>	<u>146,942,525</u>
<b>EXPENDITURES</b>					
Current:					
General government	41,640,532	-	-	14,044,025	55,684,557
Public safety	60,812,490	-	-	3,886,269	64,698,759
Sanitation	-	-	-	1,972,854	1,972,854
Health and welfare	-	8,767,688	-	1,691,011	10,458,699
Recreational and cultural	-	-	-	578,605	578,605
Capital outlay	2,201,451	-	2,443,527	4,205,125	8,850,103
Debt service:					
Principal retirement	-	-	2,665,000	-	2,665,000
Interest and other debt charges	-	-	2,043,022	-	2,043,022
Total expenditures	<u>104,654,473</u>	<u>8,767,688</u>	<u>7,151,549</u>	<u>26,377,889</u>	<u>146,951,599</u>
Excess (deficiency) of revenues over expenditures	<u>1,816,577</u>	<u>3,538,681</u>	<u>(5,464,204)</u>	<u>99,872</u>	<u>(9,074)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	294,177	-	7,734,969	-	8,029,146
Transfers (out)	<u>(8,450,438)</u>	<u>(75,220)</u>	<u>(92,232)</u>	<u>(1,361,694)</u>	<u>(9,979,584)</u>
Total other financing sources and uses	<u>(8,156,261)</u>	<u>(75,220)</u>	<u>7,642,737</u>	<u>(1,361,694)</u>	<u>(1,950,438)</u>
Net change in fund balances	(6,339,684)	3,463,461	2,178,533	(1,261,822)	(1,959,512)
Fund balance, beginning of year	<u>56,889,859</u>	<u>627,731</u>	<u>56,419,982</u>	<u>18,943,498</u>	<u>132,881,070</u>
Fund balance, end of year	<u>\$ 50,550,175</u>	<u>\$ 4,091,192</u>	<u>\$ 58,598,515</u>	<u>\$ 17,681,676</u>	<u>\$ 130,921,558</u>

The notes to the financial statements are an integral part of this statement.

**Ada County**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2012**

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**Total Net Change in Fund Balances - Governmental Funds** \$ (1,959,512)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation expense was more than Capital Outlay expense in the current year by the following amount:

Capital Outlay	\$ 8,850,103	
Depreciation Expense	<u>(8,320,411)</u>	
Excess of Depreciation Expense over Capital Outlay		529,692

Miscellaneous transactions involving capital assets such as sales and other disposals (gain/loss), as well as donations, are reported in the Statement of Activities but only proceeds from sales are reported in the governmental funds.

Sales, disposals and donations		(1,727,288)
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Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected. Because of the "availability" criterion under the modified accrual basis of accounting the following has been deferred:

Delinquent Property Tax		(728,012)
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A lease receivable payment is reported as revenue in the governmental funds when received. The amount representing the principal payment on the lease is reported in the Statement of Net Assets as a reduction of the lease receivable.

Interest receivable on the lease is not reported in the governmental funds	\$ (443,384)	
	<u>(18,122)</u>	(461,506)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:

Capital Lease Payments		2,665,000
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Also, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.

Accrued interest calculated for capital leases payable	\$ 20,816	
Compensated absences	<u>(260,314)</u>	
Total Additional Expenditures		(239,498)

Internal service funds are used by management to charge the costs of health and liability insurance to individual funds and are reported separately from governmental funds in the fund statements. In the government-wide statements, internal service funds are included with governmental activities.

		(174,835)
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**Change in Net Assets - Governmental Activities**

\$ (2,095,959)

The notes to the financial statements are an integral part of this statement.

Proprietary Funds account for the County operations that provide goods or services to the general public and finance their operations mainly through user charges. The following provides a brief description of the proprietary funds.

### **MAJOR PROPRIETARY FUNDS**

**Emergency Medical Services** - to account for the emergency medical services system of Ada County, including the operation and coordination of a 24 hour per day emergency response paramedic ambulance service. Revenue is provided by user fees and tax revenue.

**Solid Waste Management** - to account for the solid waste disposal facilities used by various participating cities and unincorporated areas of the County. Revenue is provided by user fees.

**Western Idaho Fair** - to account for the operations and maintenance of the Western Idaho Fairgrounds. Operations are under the direction of a Board of Directors appointed and supervised by the Ada County Commissioners. Fair operations are self-supporting.

### **NON-MAJOR PROPRIETARY FUND**

**Billing Services** - to account for billing services as may be provided. Currently, the County prepares billings to the public and receives funds from the public for refuse collection by the County's contractor. The funds are used to pay the contractor, other costs, and the County for expenses related to the billing services.

**Ada County**  
**Statement of Net Assets**  
**Proprietary Funds**  
**September 30, 2012**

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds	
	Major Funds			Other Funds		
	Emergency Medical Services	Solid Waste Management	Western Idaho Fair	Billing Services  Total		
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ 1,332,999	\$ 2,600,145	\$ 357,945	\$ 172,384	\$ 4,463,473	\$ 2,764,122
Investments	6,646,787	12,964,977	1,784,305	859,793	22,255,862	13,324,847
Receivables, net	1,989,105	528,929	41,797	369,722	2,929,553	-
Due from other funds	-	74,998	-	-	74,998	-
Due from other agencies	51,702	378,842	-	2,254	432,798	-
Property tax receivable	4,545,225	-	-	-	4,545,225	-
Accrued interest receivable	14,322	28,740	3,646	1,114	47,822	30,262
Total current assets	<u>14,580,140</u>	<u>16,576,631</u>	<u>2,187,693</u>	<u>1,405,267</u>	<u>34,749,731</u>	<u>16,119,231</u>
Noncurrent assets:						
Capital assets:						
Land	921,826	3,536,791	493,224	-	4,951,841	-
Land improvements	-	31,686,307	3,051,250	-	34,737,557	-
Buildings	7,103,520	1,277,017	6,869,716	-	15,250,253	-
Infrastructure	-	4,268,721	974,347	-	5,243,068	-
Vehicles	3,277,629	162,163	58,647	-	3,498,439	-
Machinery & equipment	698,123	1,311,154	488,713	-	2,497,990	-
Less accumulated depreciation	(3,691,469)	(5,974,583)	(8,629,279)	-	(18,295,331)	-
Capital assets, net	<u>8,309,629</u>	<u>36,267,570</u>	<u>3,306,618</u>	<u>-</u>	<u>47,883,817</u>	<u>-</u>
Total assets	<u>22,889,769</u>	<u>52,844,201</u>	<u>5,494,311</u>	<u>1,405,267</u>	<u>82,633,548</u>	<u>16,119,231</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	1,105,174	621,125	101,263	595,766	2,423,328	1,018,069
Accrued liabilities	17,235	1,329	1,273	-	19,837	-
Due to other funds	83,220	19,190	55,919	74,998	233,327	42,966
Claims and judgments	-	-	-	-	-	2,323,742
Deferred revenues	4,402,264	-	102,985	312,650	4,817,899	-
Total current liabilities	<u>5,607,893</u>	<u>641,644</u>	<u>261,440</u>	<u>983,414</u>	<u>7,494,391</u>	<u>3,384,777</u>
Noncurrent liabilities:						
Accrued liabilities	421,849	25,222	46,377	-	493,448	-
Landfill postclosure costs	-	18,982,048	-	-	18,982,048	-
Claims and judgments	-	-	-	-	-	8,333,742
Total noncurrent liabilities	<u>421,849</u>	<u>19,007,270</u>	<u>46,377</u>	<u>-</u>	<u>19,475,496</u>	<u>8,333,742</u>
Total liabilities	<u>6,029,742</u>	<u>19,648,914</u>	<u>307,817</u>	<u>983,414</u>	<u>26,969,887</u>	<u>11,718,519</u>
<b>NET ASSETS</b>						
Invested in capital assets	8,309,629	36,267,570	3,306,618	-	47,883,817	-
Unrestricted	8,550,398	(3,072,283)	1,879,876	421,853	7,779,844	4,400,712
Total net assets	<u>\$ 16,860,027</u>	<u>\$33,195,287</u>	<u>\$ 5,186,494</u>	<u>\$ 421,853</u>	<u>55,663,661</u>	<u>\$ 4,400,712</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds 235,845  
Net assets of business-type activities \$ 55,899,506

The notes to the financial statements are an integral part of this statement.

**Ada County**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended September 30, 2012**

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Major Funds			Other Funds		
	Emergency Medical Services	Solid Waste Management	Western Idaho Fair	Billing Services	Total	
<b>OPERATING REVENUE</b>						
Charges for services	\$ 7,641,921	\$ 10,386,380	\$ -	\$ 4,453,337	\$ 22,481,638	\$ 17,977,747
Concessions	-	-	1,321,075	-	1,321,075	-
Admissions	-	-	1,013,882	-	1,013,882	-
Rentals	-	-	1,093,012	-	1,093,012	-
Other	20,115	266,432	351,709	-	638,256	-
Total operating revenues	<u>7,662,036</u>	<u>10,652,812</u>	<u>3,779,678</u>	<u>4,453,337</u>	<u>26,547,863</u>	<u>17,977,747</u>
<b>OPERATING EXPENSES</b>						
Personal services	8,644,173	632,821	662,170	-	9,939,164	-
Other services & charges	2,257,962	6,792,749	2,735,115	4,276,903	16,062,729	-
Administration	-	-	-	-	-	2,553,464
Landfill postclosure expense	-	(2,477,400)	-	-	(2,477,400)	-
Claims	-	-	-	-	-	17,717,223
Depreciation	572,134	595,718	444,062	-	1,611,914	-
Total operating expenses	<u>11,474,269</u>	<u>5,543,888</u>	<u>3,841,347</u>	<u>4,276,903</u>	<u>25,136,407</u>	<u>20,270,687</u>
Operating income (loss)	<u>(3,812,233)</u>	<u>5,108,924</u>	<u>(61,669)</u>	<u>176,434</u>	<u>1,411,456</u>	<u>(2,292,940)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental	39,172	-	-	-	39,172	-
Donations, gain (loss) on disposition of assets	4,000	-	-	-	4,000	-
Interest and investment revenue	80,689	159,704	19,345	5,380	265,118	162,604
Net increase (decrease) in the fair value of investments	7,059	12,424	1,243	1,393	22,119	11,690
Property & other taxes	4,472,118	-	-	-	4,472,118	-
Total nonoperating revenue (expenses)	<u>4,603,038</u>	<u>172,128</u>	<u>20,588</u>	<u>6,773</u>	<u>4,802,527</u>	<u>174,294</u>
Net income (loss) before contributions and transfers	790,805	5,281,052	(41,081)	183,207	6,213,983	(2,118,646)
Transfers in	-	-	-	-	-	1,950,438
Change in net assets	<u>790,805</u>	<u>5,281,052</u>	<u>(41,081)</u>	<u>183,207</u>	<u>6,213,983</u>	<u>(168,208)</u>
Total net assets - beginning	16,069,222	27,914,235	5,227,575	238,646	4,568,920	4,568,920
Total net assets - ending	<u>\$ 16,860,027</u>	<u>\$ 33,195,287</u>	<u>\$ 5,186,494</u>	<u>\$ 421,853</u>	<u>\$ 4,400,712</u>	<u>\$ 4,400,712</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

6,627  
Change in net assets of business-type activities \$ 6,220,610

The notes to the financial statements are an integral part of this statement.

**Ada County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2012**

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Major Funds			Other Funds		
	Emergency Medical Services	Solid Waste Management	Western Idaho Fair	Billing Services	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 8,030,187	\$ 10,243,157	\$ 3,665,634	\$ 4,337,637	\$ 26,276,615	\$ 17,977,747
Cash paid to suppliers for goods and contracted services	(1,934,249)	(7,139,093)	(2,713,346)	(3,851,097)	(15,637,785)	(19,397,980)
Cash paid to employees for services	(8,419,906)	(615,986)	(648,724)	-	(9,684,616)	-
Other operating revenue	20,115	266,432	-	-	286,547	-
Net cash provided by (used for) operating activities	<u>(2,303,853)</u>	<u>2,754,510</u>	<u>303,564</u>	<u>486,540</u>	<u>1,240,761</u>	<u>(1,420,233)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Property taxes and other taxes	4,497,460	-	-	-	4,497,460	-
Subsidy from federal grants	39,172	-	-	-	39,172	-
Transfer in	-	-	-	-	-	1,950,438
Net cash provided by (used for) noncapital financing activities	<u>4,536,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,536,632</u>	<u>1,950,438</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of capital assets	<u>(472,546)</u>	<u>(53,960)</u>	<u>(166,675)</u>	<u>-</u>	<u>(693,181)</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>(472,546)</u>	<u>(53,960)</u>	<u>(166,675)</u>	<u>-</u>	<u>(693,181)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Net (increase) decrease in investments	(2,598,788)	(4,598,536)	(469,768)	(503,960)	(8,171,052)	(3,436,949)
Interest income	78,483	153,953	19,257	5,522	257,215	159,239
Net cash provided by (used for) investing activities	<u>(2,520,305)</u>	<u>(4,444,583)</u>	<u>(450,511)</u>	<u>(498,438)</u>	<u>(7,913,837)</u>	<u>(3,277,710)</u>
Net increase (decrease) in cash	(760,072)	(1,744,033)	(313,622)	(11,898)	(2,829,625)	(2,747,505)
Cash, beginning of year	<u>2,093,071</u>	<u>4,344,178</u>	<u>671,567</u>	<u>184,282</u>	<u>7,293,098</u>	<u>5,511,627</u>
Cash, end of year	<u>\$ 1,332,999</u>	<u>\$ 2,600,145</u>	<u>\$ 357,945</u>	<u>\$ 172,384</u>	<u>\$ 4,463,473</u>	<u>\$ 2,764,122</u>

(Continued)

**Reconciliation of operating income (loss) to  
net cash provided by (used for) operating activities**

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Major Funds			Other Funds		
	Emergency Medical Services	Solid Waste Management	Western Idaho Fair	Billing Services	Total	
Operating income (loss)	\$ (3,812,233)	\$ 5,108,924	\$ (61,669)	\$ 176,434	\$ 1,411,456	\$ (2,292,940)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	572,134	595,718	444,062	-	1,611,914	-
Landfill postclosure expense	-	(2,477,400)	-	-	(2,477,400)	-
Change in assets and liabilities:						
(Increase) decrease in accounts receivable, net	392,706	(230,385)	(9,547)	(112,169)	40,605	-
(Increase) decrease in due from other agencies and units of government	(4,440)	80,705	-	(807)	75,458	-
(Increase) decrease in due from other funds	-	6,457	-	1,281	7,738	-
(Increase) decrease in prepaid expense	-	-	-	-	-	-
Increase (decrease) in accounts payable	515,620	(335,420)	23,462	440,249	643,911	559,492
Increase (decrease) in accrued liabilities	28,879	6,569	51	-	35,499	-
Increase (decrease) in due to other funds	3,481	(658)	11,702	(14,443)	82	(18,662)
Increase (decrease) in claims and judgments	-	-	-	-	-	331,877
Increase (decrease) in deferred revenue	-	-	(104,497)	(4,005)	(108,502)	-
Total adjustments	<u>1,508,380</u>	<u>(2,354,414)</u>	<u>365,233</u>	<u>310,106</u>	<u>(170,695)</u>	<u>872,707</u>
Net cash provided by (used for) operating activities	<u>\$ (2,303,853)</u>	<u>\$ 2,754,510</u>	<u>\$ 303,564</u>	<u>\$ 486,540</u>	<u>\$ 1,240,761</u>	<u>\$ (1,420,233)</u>

Noncash investing activities for business-type enterprise funds were:

- The net increase in the fair value of investments for Emergency Medical Services was \$ 7,059 for the year.
- The net increase in the fair value of investments for Solid Waste Management was \$ 12,424 for the year.
- The net increase in the fair value of investments for the Western Idaho Fair was \$ 1,243 for the year.
- The net increase in the fair value of investments for Billing Services was \$ 1,393 for the year.

Noncash investing activities for governmental internal service funds were:

- The net increase in the fair value of investments for Self-Funded Health Insurance was \$ 2,733 for the year.
- The net increase in the fair value of investments for Liability Insurance was \$ 8,957 for the year.

The notes to the financial statements are an integral part of this statement.

## **FIDUCIARY FUNDS**

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the County's own programs. In Ada County, there are no trust funds – but there are several agency funds. The County's agency funds are further described and presented beginning on page 95.

**ADA COUNTY**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Assets**  
**September 30, 2012**

	Agency Funds
<b>Assets</b>	
Cash	\$ 9,731,753
Accounts receivable	582,290
Total assets	\$ 10,314,043
 <b>Liabilities</b>	
Accounts payable	\$ 181,688
Fines and appearance bonds to be remitted	2,836,517
Fiduciary fund liabilities:	
Judgments held in trust	822,620
Tax receipts held in trust	1,696,924
Due to prisoners	103,649
Due to victims	21,177
Due to other agencies and units of government	4,651,468
Total liabilities	\$ 10,314,043

The notes to the financial statements are an integral part of this statement.

**NOTES TO FINANCIAL  
STATEMENTS**

**ADA COUNTY**

**Notes to the Financial Statements  
For the Year Ended September 30, 2012**

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**INDEX**

I. Summary of Significant Accounting Policies

- A. Reporting Entity..... 41
- B. Government-Wide and Fund Financial Statements..... 41
  - Government-Wide Statements..... 41
    - Statement of Net Assets.....42
    - Statement of Activities.....42
  - Fund Statements..... 42
- C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation..... 43
- D. Assets, Liabilities, and Net Assets or Equity..... 44
  - 1. Deposits and Investments..... 44
  - 2. Receivables and Payables..... 45
  - 3. Inventories..... 46
  - 4. Capital Assets..... 46
  - 5. Long-Term Liabilities.....46
  - 6. Fund Equity..... 47

II. Detailed Notes on all Funds

- A. Deposits and Investments..... 48
- B. Receivables.....50
- C. Capital Assets.....51
- D. Payables.....52
- E. Internal Balances and Interfund Transfers..... 53
- F. Lease Receivable.....54
- G. Capital Lease Payable..... 54
- H. Long-Term Debt..... 55
  - I. Solid Waste Landfill Closure and Post-Closure Costs..... 56
- J. Retirement Plan..... 56
- K. Insurance.....57
- L. Fund Equity..... 58
- M. Contingencies and Commitments.....59
- N. Other Post-Employment Benefits.....60

## **ADA COUNTY**

### **Notes to the Financial Statements For the Year Ended September 30, 2012**

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#### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of Ada County, Idaho (the "County") have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the standard-setting body for governmental accounting and financial reporting principles.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. This statement established new reporting requirements for state and local governments throughout the United States. It requires new information and restructures much of the information that governments have presented in the past. The County implemented this standard during the fiscal year ended September 30, 2003.

Subsequent to Statement No. 34, GASB has issued several additional statements that affect reporting requirements. Ada County has implemented all GASB statements that are in effect for the County's 2011-2012 fiscal year.

#### **Reporting Entity**

Ada County was established December 22, 1864. It operates under a commissioner form of government and provides services including general government, public safety, judicial, sanitation, health and welfare, and recreational and cultural. The County follows GASB Statement No.14 -*The Financial Reporting Entity* - and Statement No. 39, *Determining Whether Certain Organizations are Component Units* in determining the reporting entity. For financial reporting purposes, the County's reporting entity consists solely of the primary government. Accordingly, the financial statements include all funds, departments, and agencies of the primary government whose budgets are controlled or whose boards are appointed by the County's Board of Commissioners, or if exclusion of an organization would cause the County's financial statements to be misleading or incomplete. Control or dependence on the County was determined on the basis of appointment authority, budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the County, significance to the County, and legal standing. Ada County contributes to the multi-employer Public Employee Retirement System of Idaho (PERSI). PERSI is administered by the State of Idaho. A ten-year history is provided in PERSI's annual report.

#### **B. Government-Wide and Fund Financial Statements**

##### ***Government-Wide Statements***

The Statement of Net Assets and Statement of Activities report information on all non-fiduciary activities of the primary government, distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees and charges to external parties for goods or services. Internal service funds are included with governmental activities in the government-wide statements and are included with the proprietary funds in the fund statements. Inter-fund activity has been eliminated from the statements, except for the residual amounts due between governmental and business-type activities. Reimbursements, which are repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them, are eliminated in the financial statements to reduce the grossing-up effect of internal transactions.

## **ADA COUNTY**

### **Notes to the Financial Statements For the Year Ended September 30, 2012**

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#### *Statement of Net Assets*

The Statement of Net Assets presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are displayed in the following three categories:

*Invested in Capital Assets, Net of Related Debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding related debt.

*Restricted Net Assets* result when the purpose for or manner in which net assets can be used is limited by an external party, a constitutional provision, or enabling legislation. Enabling legislation both authorizes the raising of new resources and imposes legally enforceable limits on how they may be used. The amount of restricted net assets as of September 30 is \$14,257,039. Decisions regarding the preferred first usage of unrestricted or restricted net assets are made on a program-by-program basis when both types of resources are available.

*Unrestricted Net Assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets may have constraints or designations placed upon them by management, but they can be unilaterally removed.

#### *Statement of Activities*

The Statement of Activities demonstrates the degree to which the direct expenses of governmental functions and business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific governmental function or business-type activity. Revenues are broken out by program and general designations. Program revenues display the extent to which programs are self-funded. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given function or activity. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenue sources that are not attributable to specific programs are reported instead as general revenues.

#### **Fund Statements**

The financial activities of the County are recorded in individual funds to report the financial position and results of the operations of the County. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Separate fund financial statements are presented for the governmental, proprietary, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. The emphasis in the fund statements is on *major* funds. Major governmental and business-type funds are reported as separate columns in the fund statements. The remaining governmental and business-type funds are considered to be non-major funds and are consolidated in an "other" funds column (on the combined fund statements). If there is more than one, the non-major funds are displayed individually in combining schedules.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for services that include general government and public safety. The *General Fund* includes all financial resources of the County except those required to be accounted for in another fund.

The *Charities and Welfare Fund* accounts for the operations of providing services to indigent persons as required by authority of Idaho Code Section 31-863.

## **ADA COUNTY**

### **Notes to the Financial Statements For the Year Ended September 30, 2012**

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The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The County reports the following major proprietary funds:

The *Emergency Medical Services Fund* accounts for resources used to operate a 24-hour per day emergency response paramedic ambulance service. Funding is from taxes and user charges.

The *Solid Waste Management Fund* accounts for resources used to operate the solid waste disposal facilities used by residents, businesses, various participating cities and unincorporated areas of the County. Funding is from user fees.

The *Western Idaho Fair Fund* accounts for resources used for the operations and maintenance of the Western Idaho Fairgrounds, funded solely from user fees.

There is one additional (enterprise) fund reported as an “other fund” in the Proprietary Funds statements:

The *Billing Services Fund* accounts for resources received for billing services as may be provided – currently for billing refuse collection by the County’s contractor.

Additionally, the County reports the following fund types:

#### ***Governmental Fund Type***

*Special Revenue Funds* account for financial resources obtained from specific revenue sources that are legally restricted to expenditures for specified purposes.

#### ***Proprietary Fund Type***

*Internal Service Funds* account for operations that render services to the County on a cost-reimbursement basis: health insurance for employees, and property, liability, worker’s comp and other types of insurance.

#### ***Fiduciary Fund Type***

The *Agency Funds* account for resources that are held by the County, acting in a custodial capacity, for distribution to other governmental units or designated beneficiaries. The majority of resources accounted for in this fund will be distributed to the State of Idaho and the various taxing districts in Ada County.

#### ***Reconciling Government-Wide Statements to the Fund Statements***

The governmental fund statements include a reconciliation between the fund statements and the government-wide statements. Differences that make reconciliation necessary include the two differing measurement focuses and bases of accounting between the statements and the inclusion of internal service funds with governmental activities on the governmental-wide statements.

#### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as

## **ADA COUNTY**

### **Notes to the Financial Statements For the Year Ended September 30, 2012**

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revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements and agency funds (Fiduciary Fund financial statement) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Significant revenue sources susceptible to accrual include sales and liquor taxes, interest associated with the current fiscal period, and grants. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to capital lease payments, compensated absences and most claims and judgments are recorded only when payment is due.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Indirect charges have been eliminated, as well as reimbursements, which are repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them. They are eliminated in the financial statements to reduce the grossing-up effect of internal transactions. Exceptions to this general rule of elimination are interfund services provided and used, such as charges between the County's self-insurance programs and business-type activities, and charges between the Solid Waste function and other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include charges to customers for goods and services, operating grants and contributions, and any capital grants and contributions. All taxes as well as internally dedicated resources are reported as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### **D. Assets, Liabilities, and Net Assets or Equity**

##### **1. Deposits and Investments**

The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. The pool's investments are stated at fair value at September 30, 2012, as determined by quoted market prices, except for the non-negotiable certificates of deposit - which are non-participating contracts, and are therefore carried at amortized cost. The individual funds' portions of the pool's fair value are presented as "Investments". Interest earned on the pooled funds is apportioned and paid or credited to the funds monthly based on the average daily balance of each participating fund. Interest earnings

## **ADA COUNTY**

### **Notes to the Financial Statements For the Year Ended September 30, 2012**

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and increases or decreases in the fair value of investments in certain Special Revenue funds are transferred to the General Fund based on management policy. Idaho Code Section 67, Chapter 12, provides authorization for the investment of funds as well as to what constitutes an allowable investment. County policy is consistent with the State Code.

The Code limits investments to the following general types:

1. Certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of state and local governmental entities.
2. Time deposit accounts, tax anticipation and interest-bearing notes.
3. Bonds, treasury bills, debentures, or other similar obligations of the United States Government and United States Government Agencies.
4. Repurchase agreements secured by the above.

Cash and investments are pooled and invested in certificates of deposit, United States Treasury Securities, United States Government Agency Securities and repurchase agreements secured by United States Government Securities or United States Government Agencies. The County's policy has been to hold investments until maturity, in an attempt to reduce market fluctuation risk.

For purposes of the statement of cash flows, the County considers all highly liquid investments purchased with maturity of three months or less to be cash. Cash and investment balances for the Enterprise and Internal Service funds represent their allocated share of pooled cash and investments of the County and can be drawn down on demand. The investment purchases and sales information is not available for individual funds and management believes that due to the nature of the pooled investments, this information is not significant for purposes of understanding the statement of cash flows. Accordingly, the net change method is used to report cash flows from investments in these statements.

#### **2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are current and referred to as "due to/from other funds" as are all other outstanding balances between funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

In the proprietary funds, receivables are shown net of an allowance for uncollectibles. In the Emergency Medical Services Fund, the allowance is based on historical data from the Fund.

Property tax revenues are recognized when received in the period for which the taxes are levied. Property taxes are accrued as assets receivable and deferred revenue on the Balance Sheet when the County has an enforceable legal claim to the taxes, which occurs on January 1 of the period prior to actual receipt of the tax payments. The County's assessment date is January 1, and property taxes, levied by the second Monday of September on a market value basis, are billed to the taxpayers in November. Half of the real, personal, and mobile home property taxes are due on December 20 and the remainder is due the following June 20. Other property taxes are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year.

## ADA COUNTY

### Notes to the Financial Statements For the Year Ended September 30, 2012

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#### 3. Inventories

County-wide purchases of materials and supplies are consumed shortly after purchase and are recognized as an expenditure in special revenue funds and as an expense in proprietary funds when purchased (purchases method). There are no significant accumulations of inventories for GAAP reporting purposes.

#### 4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (sewer lines, access roads to the landfill, wastewater monitoring systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Ada County has a combined highway district that has separate taxing authority; consequently, infrastructure reporting related to streets and highways is recorded within Ada County Highway District Financial Statements. Ada County infrastructure acquired prior to fiscal years ended after June 30, 1980, are immaterial and not reported. The County defines capital assets as assets with an initial, individual cost of more than \$20,000 and an estimated useful life in excess of two years. All material capital assets are valued at historical cost. Donated capital assets are valued at their estimated fair value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. When an asset is disposed of, cost and related accumulated depreciation is removed, and any gain or loss arising from its disposal is credited or charged to operations. The County has implemented Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

Although not capitalized, all purchases of property, plant and equipment with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years are tracked for management control and inventory purposes. In addition, certain specific types of equipment purchases are monitored for control, as are any items management requests be monitored, regardless of cost.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Qualifying interest incurred during the construction phase of capital assets of business-type activities would be included as part of the capitalized value of the assets constructed.

For all depreciable major asset classes, depreciation is recorded by use of the straight-line method with no salvage value. The book value of each asset is reduced by equal amounts over its estimated useful life as follows:

<u>Asset Class</u>	<u>Estimated Useful Life</u> <u>_____ (Years) _____</u>
Buildings	8-50
Improvements	8-20
Infrastructure	10-50
Equipment	2-15
Vehicles	3-10

#### 5. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

*Indigent Claims* - In the fund financial statements for fiscal year 2012, the County recorded an accrued liability of \$1,983,579 in the major fund "Charities and Welfare" for estimated qualifying indigent services provided prior to the fiscal year-end but which will not be paid by the County until a future budget period. The County pays for medical assistance (and certain non-medical

## **ADA COUNTY**

### **Notes to the Financial Statements For the Year Ended September 30, 2012**

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assistance) to indigent persons who qualify, up to an \$11,000 limit, per Idaho Code, Section 31. Some services have been provided prior to the fiscal year-end, but provider billings have not been presented to the County for payment until sometime after September 30. The Charities and Welfare Special Revenue Fund sets aside money in their current budget to fund liabilities incurred during the fiscal year that will not be liquidated until a future budget period, thereby accumulating resources in the fund that will eventually be used to liquidate the liability.

*Compensated Absences* – The County provides personal leave to its full time employees. It is paid to employees when taken and will be paid to employees or their beneficiaries upon the employee's termination, retirement, or death. The amount of unpaid personal leave accumulated by County employees and the associated salary-related payment is accrued as an expense in the Proprietary Funds and in the Government-wide Statements. In the Governmental Fund statements, only the amounts that are liquidated with expendable available financial resources due to termination, retirement or death during the year are accounted for as current-year expenditures. The County assumes a first-in, first-out flow.

*Deferred Compensation* – GASB Statement No. 32 rescinded prior standards and established new accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local governmental employers. The County is in compliance with the IRC regulation. All assets and income of the County's 457 plan are held in a trust, custodial account or annuity contract as described in IRC Section 457(g) for the exclusive benefit of the plan participants and their beneficiaries. The County has no liability for losses under the plan, and currently makes matching contributions to this plan, not to exceed three percent of participant's monthly wage. Employees with six months of service may make voluntary contributions to the plan within the limits allowed by IRC Section 457.

*Bonded Indebtedness* – Bond ordinances require a levy and collection of a tax without limitation, on all property subject to taxation by the County, sufficient in amount to pay the principal and interest on such bonds when they become due. The County currently has no bonded indebtedness.

#### **6. Fund Equity**

In the governmental fund financial statements; fund balances are classified as restricted or unrestricted (committed, assigned or unassigned).

*Restricted* – The portion of fund balance where limitations have been imposed by creditors, grantors, contributors or law and regulations of other governments or limitations have been imposed by law through constitutional provisions or enabling legislation.

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

*Assigned* – The portion of fund balance where a limitation results from intended uses either by: 1) highest level of decision-making or 2) body designated for that purpose or 3) official designated for that purpose and would occur in conjunction with the close of the fiscal year. Ada County's financial policies adopted by the Board of County Commissioners allows for inquiries, in conjunction with fiscal year end, of them and the other Elected Officials and Department Heads in order to determine if there are any intended uses of fund balance in future years that can be assigned.

*Unassigned* – The remaining portion of fund balance in excess of the other classifications (surplus) or excess of other classifications over total fund balance (deficit).

## **ADA COUNTY**

### **Notes to the Financial Statements For the Year Ended September 30, 2012**

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#### **II. DETAILED NOTES ON ALL FUNDS**

##### **A. Deposits and Investments**

Idaho Code, Sections 67-1301 and 67-2328 authorizes the State Treasurer to combine the money of public agencies jointly in external investment pools, the Local Government Investment Pool (LGIP) and the Diversified Bond Fund (DBF). In order to earn a higher yield, Idaho governmental entities may voluntarily deposit moneys not needed to meet immediate operating obligations in these pools. The LGIP is a short-term investment pool. Participants have overnight availability to their funds, up to \$10 million. Withdrawals of more than \$10 million require 3 business day's notification. The DBF was created for those state and public entities able to exchange current liquidity for potentially greater returns over the long run (3.5 years or longer). Withdrawals of \$10 million or less generally require 5 business days' notification prior to the last day of the month; those in excess of \$10 million require 25 business day's notification.

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.

*Credit Risk.* Ada County's investment policy requires individual investments to have a credit rating of A or better by Standard and Poor's Corporation or an equivalent nationally recognized statistical rating organization. All investments meet this requirement.

*Concentration Credit Risk.* Ada County's investment policy, where possible, allows for no more than 50% in a specific issuer and 50% in a specific class of securities. The County has less than 50% in each issuer, however it has 66% in a specific class. In addition, GASB 40 requires disclosure of concentrations over 5% in a single issuer. As of September 30, 2012 the following issuers hold more than 5% of Ada County's total portfolio. Federal Home Loan Bank – 6%, Federal National Mortgage Association – 17%, Federal Home Loan Mortgage Corp – 16%, Federal Farm Credit Bank – 16%, Boise City Urban Renewal Agency – 6%, State of Idaho Local Government Investment Pool – 22% and State of Idaho Diversified Bond Fund – 11%.

*Custodial Credit Risk - investments.* This 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 the outside party. The County's investment policy requires working with primary or regional dealers for the purchase of its authorized securities. Investments are made with banks designated by the State Treasurer as a state depository. Through an agreement with Mountain West Bank, the County invests idle cash in uninsured repurchase agreements. The repurchase agreements are fully collateralized with an undivided, fractional interest in obligations of, or obligations that are fully guaranteed by the United States government, its agencies or instrumentalities. Title to the securities are vested in the County or in the name of the bank but held by a third party custodian in the name of the County. The bank repurchases the undivided, fractional interest from the County on the next banking day. At September 30, 2012, the market value of the repurchase agreements was \$2,484,102. The investment in repurchase agreements is uninsured and collateralized with securities.

*Custodial Credit Risk – deposits.* This is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires any deposits exceeding insurance limits to be fully collateralized by government and/or agency securities held by the pledging financial institutions. As of September 30, 2012, the County's deposits, over and above, the FDIC insurance limits; were covered under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The act provides temporary unlimited deposit insurance coverage for all non-interest bearing transaction accounts at all FDIC-insured depository institutions. The County also had \$7,078,916 that were collateralized with securities held by the entity or by its agent in the entity's name and \$20,000,000 collateralized under an irrevocable letter of credit with the Federal Home Loan Bank. The remaining \$170,313 is uninsured and uncollateralized.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from changes in interest rates, the Treasurer may invest funds of the County that are not identified as operating funds,

## ADA COUNTY

### Notes to the Financial Statements For the Year Ended September 30, 2012

in investments with maturities longer than 365 days, but not to exceed five years; unless there is unanimous consent of the Board of County Commissioners. The County's investments are in compliance with this policy. The County assumes that its callable investments will not be called. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by holding all investments to maturity as permitted by cash flows and liquidity needs.

The table below presents the County's exposure to credit risk in accordance with the Segmented Time Distribution method.

Investment Type:	Credit Rating	Maturity					Market Value	Cost
		30 Days And Under	31-180 Days	181-365 Days	1-5 Years	Over 5 Years		
Ada & Canyon School District #2 Gen Ob	S&P A+	\$ -	\$ -	\$ 124,918	\$ 1,224,344	\$ -	\$ 1,349,262	\$ 1,382,550
Ada & Canyon School District #3 Gen Ob	S&P A1	-	-	-	-	923,794	923,794	924,229
American Falls – Bans	MOODY'S MIG1	-	-	-	1,025,338	-	1,025,338	1,032,158
Bonneville & Bingham School District #93	MOODY'S Aa3	-	-	-	479,999	-	479,999	494,657
Boise City Idaho Arpt. Rev, DS	MOODY'S A1	-	-	-	49,173	-	49,173	49,117
Boise City Urban Renewal Agency	MOODY'S Aa2	-	-	104,186	2,949,677	6,449,512	9,503,375	9,659,826
Elmore County – Idaho	MOODY'S WR	-	-	25,577	-	-	25,577	26,567
Federal Farm Credit Bank	MOODY'S Aaa	-	-	-	24,524,247	-	24,524,247	24,497,500
Federal Home Loan Bank	MOODY'S Aaa	-	1,009,798	-	8,021,113	-	9,030,911	9,004,590
Federal Home Loan Mortgage Corp.	MOODY'S Aaa	-	-	-	23,921,738	-	23,921,738	23,749,600
Federal National Mortgage Assoc.	MOODY'S Aaa	-	-	-	25,460,770	-	25,460,770	25,260,360
Idaho Housing	MOODY'S Aa2	-	-	442,374	389,308	-	831,682	845,377
Idaho State Building Authority	S&P AA	-	-	52,090	128,197	-	180,287	181,905
Jerome, Lincoln & Gooding Counties	S&P A1	-	-	103,302	-	-	103,302	107,350
Nez Perce County, Idaho	S&P A	-	-	-	1,708,681	-	1,708,681	1,723,344
Pocatello Water	MOODY'S Aa3	-	-	-	20,618	-	20,618	21,312
Payette Co Id School District 373	MOODY'S Aaa	-	-	-	167,651	-	167,651	171,609
University of Idaho	MOODY'S Aa3	-	-	25,523	32,127	-	57,650	59,516
State of Idaho - LGIP	UNRATED	33,126,157	-	-	-	-	33,126,157	33,033,662
State of Idaho - DBF	UNRATED	16,340,461	-	-	-	-	16,340,461	16,182,581
Mountain West Repurchase Sweep	UNRATED	2,484,103	-	-	-	-	2,484,103	2,484,103
<b>Total Investments</b>		<b>\$ 51,950,721</b>	<b>\$ 1,009,798</b>	<b>\$ 877,970</b>	<b>\$ 90,102,981</b>	<b>\$ 7,373,306</b>	<b>\$ 151,314,776</b>	<b>\$ 150,891,913</b>

\* Some investments have call dates prior to the actual maturity

## ADA COUNTY

### Notes to the Financial Statements For the Year Ended September 30, 2012

#### B. Receivables

Ada County reports the General, Charities and Welfare, and Capital Projects funds as major governmental funds - and Emergency Medical Services, Solid Waste Management, and Western Idaho Fair as major enterprise funds. The "allowance for doubtful accounts" is immaterial except for Emergency Medical Services. All receivables are expected to be collected within one year except for a lease receivable with a 2-year remaining term.

Receivables at September 30, 2012, were as follows:

	Accounts	Taxes	Due from Other Governments	Interest	Lease	Total Receivables
<b>Governmental activities:</b>						
General	\$ 140,844	\$ 61,171,221	\$ 5,048,683	\$ 204,706	\$ 941,873	\$ 67,507,327
Charities & Welfare	-	11,059,672	-	-	-	11,059,672
Capital Projects	-	-	-	116,896	-	116,896
Other Governmental	126,268	14,671,377	230,434	14,860	-	15,042,939
<i>Total receivables</i>	267,112	86,902,270	5,279,117	336,462	941,873	93,726,834
Reconciliation of balances in fund financial statements to government-wide financial statements:						
Internal Service				30,262		30,262
Lease Receivable				38,494		38,494
<i>Total- governmental activities</i>	<u>\$ 267,112</u>	<u>\$ 86,902,270</u>	<u>\$ 5,279,117</u>	<u>\$ 405,218</u>	<u>\$ 941,873</u>	<u>\$ 93,795,590</u>

**Memo:** Amounts not scheduled for  
collection during the next year

\$ 480,367

#### Business-type activities:

Emergency Medical Services	\$ 4,135,164	\$ 4,545,225	\$ 51,702	\$ 14,322	\$ -	\$ 8,746,413
Less Allowance for Doubtful accounts:	(2,146,059)	-	-	-	-	(2,146,059)
<i>Receivables, Net</i>	1,989,105	4,545,225	51,702	14,322	-	6,600,354
Solid Waste Management	528,929	-	378,842	28,740	-	936,511
Western Idaho Fair	41,797	-	-	3,646	-	45,443
Billing Services	369,722	-	2,254	1,114	-	373,090
<i>Total - business-type activities</i>	<u>\$ 2,929,553</u>	<u>\$ 4,545,225</u>	<u>\$ 432,798</u>	<u>\$ 47,822</u>	<u>\$ -</u>	<u>\$ 7,955,398</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

Taxes Levied for Subsequent Period	\$ 84,016,794
Current Year Delinquent Taxes	1,363,258
Prior Years' Delinquent Taxes	1,522,219
Lease Receivable	941,873
Unearned Rental Revenue	14,095
Unearned Grant Revenue	438,016
<b>Total deferred/unearned revenue for governmental funds</b>	<u>\$ 88,296,255</u>

**ADA COUNTY****Notes to the Financial Statements  
For the Year Ended September 30, 2012****B. Capital Assets**

Capital asset activity for the year ended September 30, 2012 was as follows:

<b>Primary Government</b>	2012 Beginning Balance	Increases	Decreases	2012 Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,270,635	\$ 240,010	\$ -	\$ 7,510,645
Construction in progress	2,569,845	6,125,604	3,098,097	5,597,352
Total capital assets, not being depreciated	<u>9,840,480</u>	<u>6,365,614</u>	<u>3,098,097</u>	<u>13,107,997</u>
Capital assets, being depreciated:				
Land improvements	3,355,622	327,759	-	3,683,381
Buildings and improvements	157,518,644	1,132,689	64,500	158,586,833
Vehicles	4,916,646	626,797	307,666	5,235,777
Machinery and equipment	27,445,267	1,500,635	48,321	28,897,581
Intangible software	177,144	26,990	-	204,134
Infrastructure	1,846,261	276,000	-	2,122,261
Total capital assets being depreciated	<u>195,259,584</u>	<u>3,890,870</u>	<u>420,487</u>	<u>198,729,967</u>
Less accumulated depreciation for:				
Land improvements	1,417,404	266,586	-	1,683,990
Buildings and improvements	49,251,605	4,601,296	45,795	53,807,106
Vehicles	3,535,226	580,553	290,799	3,824,980
Machinery and equipment	16,086,416	2,560,136	48,321	18,598,231
Intangible software	23,021	88,393	-	111,414
Infrastructure	666,283	223,447	-	889,730
Total accumulated depreciation	<u>70,979,955</u>	<u>8,320,411</u>	<u>384,915</u>	<u>78,915,451</u>
Total capital assets, being depreciated, net	<u>124,279,629</u>	<u>(4,429,541)</u>	<u>35,572</u>	<u>119,814,516</u>
Governmental activities capital assets, net	<u>\$ 134,120,109</u>	<u>\$ 1,936,073</u>	<u>\$ 3,133,669</u>	<u>\$ 132,922,513</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>	
General government	\$ 3,746,660
Public safety	3,918,646
Sanitation	212,563
Recreation	<u>442,542</u>
Total depreciation expense - governmental activities:	<u>\$ 8,320,411</u>
Emergency Medical Services	\$ 572,134
Solid Waste	595,718
Western Idaho Fair	<u>444,062</u>
Total depreciation expense - business-type activities:	<u>\$ 1,611,914</u>

**ADA COUNTY**

**Notes to the Financial Statements  
For the Year Ended September 30, 2012**

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 4,951,841	\$ -	\$ -	\$ 4,951,841
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>4,951,841</u>	<u>-</u>	<u>-</u>	<u>4,951,841</u>
Capital assets, being depreciated:				
Land improvements	34,570,882	166,675	-	34,737,557
Buildings and improvements	15,250,253	-	-	15,250,253
Vehicles	3,241,347	336,277	79,185	3,498,439
Machinery and equipment	2,303,762	194,228	-	2,497,990
Infrastructure	5,243,068	-	-	5,243,068
Total capital assets being depreciated	<u>60,609,312</u>	<u>697,180</u>	<u>79,185</u>	<u>61,227,307</u>
Less accumulated depreciation for:				
Land improvements	3,157,650	478,226	-	3,635,876
Buildings and improvements	6,606,126	515,490	-	7,121,616
Vehicles	2,646,286	242,486	79,185	2,809,587
Machinery and equipment	553,449	256,800	-	810,249
Infrastructure	3,799,091	118,912	-	3,918,003
Total accumulated depreciation	<u>16,762,602</u>	<u>1,611,914</u>	<u>79,185</u>	<u>18,295,331</u>
Total capital assets, being depreciated, net	<u>43,846,710</u>	<u>(914,734)</u>	<u>-</u>	<u>42,931,976</u>
Business-type activities capital assets, net	<u>\$ 48,798,551</u>	<u>\$ (914,734)</u>	<u>\$ -</u>	<u>\$ 47,883,817</u>

**C. Payables**

Payables at September 30, 2012, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Internal Service	Total Payables
Governmental activities:					
General	\$ 2,305,157	\$ 6,146,108	\$ -	\$ -	\$ 8,451,265
Charities & Welfare	801,250	90,942	-	-	892,192
Capital Projects	730,322	-	-	-	730,322
Other Governmental	748,991	1,028,209	-	-	1,777,200
Reconciliation of balances in fund financial statements to government-wide financial statements	-	-	343,790	1,018,069	1,361,859
Total - governmental activities	<u>\$ 4,585,720</u>	<u>\$ 7,265,259</u>	<u>\$ 343,790</u>	<u>\$ 1,018,069</u>	<u>\$ 13,212,838</u>

**ADA COUNTY**

**Notes to the Financial Statements  
For the Year Ended September 30, 2012**

	Vendors	Salaries and Benefits	Accrued Interest	Internal Service	Total Payables
Business-type activities:					
Emergency Medical Svcs.	\$ 463,100	\$ 642,074	\$ -	\$ -	\$ 1,105,174
Solid Waste Management	578,382	42,743	-	-	621,125
Western Idaho Fair	52,118	49,145	-	-	101,263
Billing Services	595,766	-	-	-	595,766
Total - business-type activities	<u>\$ 1,689,366</u>	<u>\$ 733,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,423,328</u>

**D. Internal Balances and Interfund Transfers**

Due to/from other funds as of September 30, 2012 is as follows:

		<b>Due From</b>				
		General	Non-major	Proprietary	Internal	
		Fund	Funds	Funds	Service	Total
<b>Due To</b>	General Fund	\$ 30,171	\$ 45,292	\$ 154,878	\$ 42,966	\$ 273,307
	Non-major Governmental	5,040	4,710	3,451	-	13,201
	Proprietary	-	-	74,998	-	74,998
	Total	<u>\$ 35,211</u>	<u>\$ 50,002</u>	<u>\$ 233,327</u>	<u>\$ 42,966</u>	<u>\$ 361,506</u>

These balances result from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All balances will be repaid within one year.

Interfund transfers for the year ended September 30, 2012, consisted of the following:

		<b>Transfer Out</b>				
		General Fund	Charities & Welfare	Non Major Governmental	Capital Projects	Total
<b>Transfer In</b>	General Fund	\$ -	\$ 75,220	\$ 126,725	\$ 92,232	\$ 294,177
	Capital Projects Fund	6,500,000	-	1,234,969	-	7,734,969
	Internal Service	1,950,438	-	-	-	1,950,438
	Total	<u>\$ 8,450,438</u>	<u>\$ 75,220</u>	<u>\$ 1,361,694</u>	<u>\$ 92,232</u>	<u>\$ 9,979,584</u>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with statutory or budgetary authorizations.

## ADA COUNTY

### Notes to the Financial Statements For the Year Ended September 30, 2012

#### F. Lease Receivable

The County has entered into a leasing arrangement with the City of Boise for the former County Administration building. The thirteen-year leasing arrangement calls for annual installments of \$500,000 – the first of which was received in fiscal year 2002 – and includes a bargain purchase option. Payment was received in 2012 as agreed. Imputed interest ranges from 1.9% to 4.95%. The following is a schedule of future minimum lease payments:

Year Ending Sept. 30	Interest	Principal	Total Lease Payment
2013	\$ 38,494	\$ 461,506	\$ 500,000
2014	19,633	480,367	500,000
Total	<u>\$ 58,127</u>	<u>\$ 941,873</u>	
Total minimum lease payments			1,000,000
Less: Amount representing interest			<u>58,127</u>
Present value of net minimum lease payments			<u>\$ 941,873</u>

#### G. Capital Lease Payable

In fiscal 2000, the County entered into a capital lease (Court Complex Lease Agreement) for the construction and acquisition of a new courthouse/administration building complex which also includes parking facilities, integrated retail space and other public improvements (**See Note M – Contingencies and Commitments**). The lease term was 30 years with a series of one-year leases subject to annual appropriation of funds by the County. During fiscal 2005, the County renegotiated the lease, resulting in a reduction of 7 years on the lease term, and a favorable imputed interest rate based on the lease payments – from 6.46% over the initial 30-year term to 5.92% over the revised 23-year term – resulting in overall interest savings of \$22,891,186. During fiscal year 2007, the County paid \$3,285,582 toward reducing future interest on the lease, resulting in additional savings over the remaining term of \$5,947,580. During fiscal 2012, the County incurred net lease payments totaling \$4,708,022 for the Facility, and the County's remaining obligation at September 30 is \$41,705,000. Upon satisfaction of the County's outstanding lease obligation, the County may purchase the Facilities for \$1.00. The historical cost and accumulated amortization of the Facilities are \$69,328,654 and \$15,006,048, respectively.

The following chart represents the County's future lease payments based on the September 30 obligation, amortized according to the Bond document lease payment schedule until the incurred obligation is satisfied.

**ADA COUNTY**

**Notes to the Financial Statements  
For the Year Ended September 30, 2012**

Year Ending Sept. 30	Court Complex Lease		
	Principal	Interest	Total
2013	\$ 3,025,000	\$ 2,062,737	\$ 5,087,737
2014	3,330,000	1,904,237	5,234,237
2015	3,580,000	1,732,663	5,312,663
2016	3,925,000	1,547,150	5,472,150
2017	4,285,000	1,351,550	5,636,550
2018-2022	23,560,000	3,334,000	26,894,000
<b>Total</b>	<b>\$ 41,705,000</b>	<b>\$ 11,932,337</b>	<b>\$ 53,637,337</b>

**H. Long-Term Debt**

Changes in long-term liabilities: Long-term liability activity for the year ended September 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Capital leases	\$ 44,370,000	\$ -	\$ 2,665,000	\$ 41,705,000	\$ 3,025,000
Compensated absences	4,182,944	470,489	210,175	4,443,258	217,845
Claims and judgments	12,178,482	4,415,028	3,952,447	12,641,063	4,307,321
<i>Governmental activity</i>					
<i>Long-term liabilities</i>	<u>\$ 60,731,426</u>	<u>\$ 4,885,517</u>	<u>\$ 6,827,622</u>	<u>\$ 58,789,321</u>	<u>\$ 7,550,166</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 477,787	\$ 56,202	\$ 20,704	\$ 513,285	\$ 19,837
Landfill closure	21,459,448	-	2,477,400	18,982,048	-
<i>Business-type activity</i>					
<i>Long-term liabilities</i>	<u>\$ 21,937,235</u>	<u>\$ 56,202</u>	<u>\$ 2,498,104</u>	<u>\$ 19,495,333</u>	<u>\$ 19,837</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$10,657,484 of internal service fund claim liabilities for the County's self-insurance programs are included in the above amounts. For the governmental activities, approximately 91 percent of compensated absences are generally liquidated by the general fund, and the remainder by special revenue funds. In addition to compensated absences, claims in the business-type funds represent the landfill closure/post closure liability, inclusive of any liabilities for groundwater contamination.

## **ADA COUNTY**

### **Notes to the Financial Statements For the Year Ended September 30, 2012**

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#### **I. Solid Waste Landfill Closure and Post-Closure Costs**

The County owns and operates a landfill site located in the northern portion of the County. State and federal laws will require the County to close the landfill once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The County recognizes a portion of the closure and post-closure care costs in each operating period even though actual payouts will not occur until the landfill is closed. The amount recognized each year is based on the landfill capacity used as of the balance sheet date. As of September 30, 2012, the County has recorded a combined liability of \$18,982,048, which represents the estimated closure and post-closure costs based on 93.4% of landfill capacity used to date in the Hidden Hollow Cell and 2.3% capacity used to date in the new North Ravine Cell. The remaining estimated liability for these costs is \$1,924,329 and \$27,166,028, respectively, which will be recognized as the remaining capacity is used (estimated to be 4 years for Hidden Hollow and 88 years for the North Ravine Cell). The estimated costs are subject to change from year to year as the effects of inflation, revision of laws and other variables occur. The County has demonstrated closure, post-closure care, and/or corrective action financial assurance by satisfying the financial ratio alternative method prescribed by Title 40 Part 258.74 of the Code of Federal Regulations.

#### **J. Retirement Plan**

The Public Employee Retirement System of Idaho (PERSI) – The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The Plan provides benefits based on members' years of service, age and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI.

After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% or 2.3% (depending upon employee classification) of the average monthly salary for the highest consecutive 42 months.

PERSI issues publicly available stand alone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's website [www.persi.idaho.gov](http://www.persi.idaho.gov).

The actuarially determined contribution requirements of the County and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended September 30, 2012, the required contribution rate as a percentage of covered payroll for members was 6.23% for general members and 7.69% for sheriff employees. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for sheriff employees.

Ada County's contributions required and paid were \$8,023,420, \$7,721,905 and \$7,694,335 for the three years ended September 30, 2012, 2011, and 2010, respectively.

## **ADA COUNTY**

### **Notes to the Financial Statements For the Year Ended September 30, 2012**

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#### **K. Insurance**

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. Idaho Code Title 6, Chapter 9, authorizes political subdivisions of the State of Idaho to "levy an annual property tax in the amount necessary to provide for a comprehensive liability plan whether by the purchase of insurance or otherwise". In 1986, the County established a Liability Insurance Fund (an Internal Service Fund) to account for and finance its insured and uninsured risks of loss. Ada County's Department of Administration - Risk Management division, as authorized by Resolution, manages the Fund. Under its self-insurance plan, it is the intent of the County to provide amounts to the Insurance Fund through an annual levy not to exceed \$300,000, until the fund balance is sufficient to provide adequate reserves for known and incurred but not reported claims and a reserve for future catastrophic losses, not to exceed \$10,000,000. In fiscal 2012, due to budgetary constraints, management ultimately determined that the transfer into the fund for future catastrophic losses would not be possible; however at year end a transfer from the General Fund was made to offset the loss of the annual levy. At September 30, 2012, the Liability Insurance Fund had net assets of \$1,182,346.

In prior years and for the period of October 1, 2003 to January 1, 2004, the County purchased workers' compensation insurance from the State of Idaho in accordance with State requirements. Effective January 1, 2004, the County became self-insured for workers' compensation as authorized by the Idaho Industrial Commission. The program is administered by a third party and the County purchases excess workers' compensation insurance (with an aggregate limit of \$1,000,000) to provide coverage for individual claims above the county's self-insured retention (SIR). The County retains responsibility for the first \$600,000 of each claim for all employees.

The County purchases property insurance from independent carriers. The County has property insurance coverage up to \$210,274,856 with a \$25,000 deductible. All funds of the County participate in the self-insurance program and make premium payments to the Liability Insurance Fund based on historical cost and loss information, adjusted annually.

There have been no significant reductions in insurance coverage from the previous year, and no settlements in excess of insurance coverage in any of the prior three fiscal years.

Beginning in fiscal year 2000, the County established a Self-Funded Health Fund (an Internal Service Fund) for risks associated with the employee's health insurance plan where assets are set aside for claim settlements. All funds with employees eligible for benefits participate, and make payments to the Health Insurance Fund based on the number of qualifying employees in each fund and on estimates of potential usage. The County funded an initial reserve of \$1.2 million through a transfer from the General Fund, based on advice from actuarial consultants and in accordance with State requirements. Provisions are also made for unexpected and unusual claims. Third parties administer the plan, covering medical, dental and vision claims. Stop-loss coverage for medical claims exceeding \$100,000 per employee (to the policy maximum of \$1,250,000 per year) is purchased from the third party administrator, and at September 30, 2012, the Self-Funded Health Insurance Fund had net assets of \$3,218,366.

A liability for a claim in either insurance fund is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated based on the estimated ultimate cost of settling the claim, considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Claim liabilities include any specific, incremental claim adjustment expense, and any material estimated recoveries are deducted from the liability for unpaid claims.

**ADA COUNTY**

**Notes to the Financial Statements  
For the Year Ended September 30, 2012**

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Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	<u>Liability Insurance</u>		<u>Self Funded Health</u>	
	Fiscal Year		Fiscal Year	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Unpaid claims as of October 1	\$ 8,979,491	\$ 5,522,359	\$ 1,346,116	\$ 1,181,375
<b>Total incurred claims (including IBNRs) and prior period changes in claim estimates</b>	1,746,542	5,038,891	15,970,681	15,173,927
<b>Total payments</b>	<u>1,573,996</u>	<u>1,581,759</u>	<u>15,811,350</u>	<u>15,009,186</u>
Unpaid claims as of September 30	<u>\$ 9,152,037</u>	<u>\$ 8,979,491</u>	<u>\$ 1,505,447</u>	<u>\$ 1,346,116</u>

**L. Fund Equity**

Ada County's financial policies outline the following classifications of fund balance that are reported on the governmental funds' balance sheet (page 29):

*Assigned* – This portion of fund balance reflects the amount of FY2012 fund balance that has been re-budgeted as a funding source for the County's FY2013 budget; also known as 'subsequent years' expenditures'. Future capital improvements that are in the planning stages and any replacement programs are also included. If the County had any special revenue funds that did not meet the definition of a special revenue fund they would be combined with the General Fund and their total fund balance would be considered "assigned" for their fund. Currently, all special revenue funds meet the definition and stand alone.

*Unassigned* – This portion of fund balance reflects the amount of FY2012 fund balance that is needed to fund the first three months of FY2013 because the first-half property taxes are not due until December 20; known as 'cash basis'. Also included in this classification is the amount of 'minimum fund balance' the County desires to keep on hand to mitigate current and future risks and ensures service levels. Minimum fund balance is 15% of operating revenues. Finally, any residual net resources or total fund balance in excess of the other classifications; also known as 'surplus' that is available for any purpose is included here.

The General Fund is the only fund that reflects a positive "unassigned" since any surplus within a special revenue fund is automatically "assigned" to that fund per the definition of a special revenue fund. Any negative "unassigned" amounts would reflect 'deficits' where there is an excess of other classifications over total fund balance. Ada County does not have any negative "unassigned" fund balance.

## ADA COUNTY

### Notes to the Financial Statements For the Year Ended September 30, 2012

#### M. Contingencies and Commitments

The County has assumed responsibility for groundwater contamination that has been identified near its sanitary landfill. Based on recommendations and evaluative advice from Consultants, the Solid Waste Management Fund initiated remediation procedures – the cost of which is included in the liability described in **Note I-Solid Waste Landfill Closure and Post-Closure Costs**.

Also, the County is contingently liable with respect to certain lawsuits and other claims that have arisen in the ordinary course of its operations. County officials believe that potential claims resulting from such litigation would not materially affect the financial condition or results of operations. Reserves for contingent liabilities and conservative revenue accruals are routinely evaluated. The County is a recipient of federal funds and is subject to audits by governmental agencies. County officials are of the opinion that findings, if any, resulting from these audits, will not materially affect the financial condition of the County. The estimated liabilities for lawsuits and claims are accounted for in the internal service funds.

The Urban Renewal Agency of Boise City, Idaho, also known as the Capital City Development Corporation (CCDC), is an urban renewal agency, and is an independent public body corporate and politic of the State of Idaho. The County has leased to CCDC approximately 10.3 acres of land owned by the County. CCDC had obtained Urban Renewal Lease Revenue Bonds, Series 1999 (advance refunded during 2005 as Urban Renewal Lease Revenue Refunding Bonds, Series 2005) for the Ada County Courts Complex Project in order to finance the acquisition, construction and improvement of a new county courthouse and administration building for use by Ada County, and related parking facilities, integrated retail space and other public improvements. The Bonds are obligations of CCDC, payable from and secured solely by lease payments made by the County under a Courts Complex Lease Agreement between CCDC and the County. In the Agreement, the County is obligated to pay the lease payments only to the extent that funds for the lease payments are budgeted and appropriated each year by the County. According to the 2005 renegotiated lease agreement, the County leases the Courthouse/ Administration Building portion of the project over an overall remaining, as of September 30, 2012, 10-year term from the CCDC, with title reverting to the County at the end of the lease term. A special payment by the County in fiscal year 2007 reduced future interest payments on the lease by over five million dollars and resulted in a revised lease agreement. The remaining term of the lease is unchanged. The lease payments, which began in fiscal year 2000 under the prior lease agreement, are considered obligations of Ada County, and are paid from the Capital Projects Fund with general governmental revenue sources. Some of these revenues are legislatively restricted for Courthouse facilities, and some have been obtained from the sale of County-owned buildings. At the end of fiscal year 2011, the County transferred their ownership right to a future income stream from CCDC for the parking garage facilities and their related operations and maintenance. At the end of 30 years (9/30/42) the County has the option to purchase the Avenue A East Garage for \$1. **(See Note G – Capital Leases Payable).**

As of September 30, 2012, the County had the following outstanding contractual commitments:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Paid to Date</u>	<u>Remaining Commitment</u>
Jail Pod D	\$ 5,141,307	\$ 1,379,059	\$ 3,762,248
Juvenile Detention Tenant Improvements	68,232	65,290	2,942
Juvenile Fence and Canopy	10,800	7,695	<u>3,105</u>
Total Remaining Commitments			<u>\$ 3,768,295</u>

## **ADA COUNTY**

### **Notes to the Financial Statements For the Year Ended September 30, 2012**

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#### **N. Other Post-Employment Benefits**

The County provides postemployment health care to its retirees and their enrolled dependents at the time of their retirement up to age 65 (Medicare eligible). To be eligible for the benefits, an employee must be at least 55 years of age, or at least 50 if they qualify under PERSI's "Rule of 80", and have accrued at least 10 years of continuous service as a County employee. Benefits include medical coverage, vision and dental. Currently, 41 participants take advantage of this benefit and pay the total cost of the premium (employer and employee portions). In fiscal year 2012, 7 employees were added and 10 had become Medicare eligible and were removed. During fiscal year 2012 the Board of Ada County Commissioners approved significant changes to the retiree insurance plan benefit which include:

- Provide a flat \$3,600 subsidy for retirees and no subsidy for spouses or dependents of retirees.
- Maintain the fixed \$3,600 retiree amount in all future years, with no increases for inflation.
- Require retirees to pay the entire true cost as calculated by the plan annually.
- Use a third-party to recalculate the required monthly participant contribution every year in order to maintain the subsidy at current levels.

With the above changes made, Ada County initiated an actuarial study by Buck Consultants regarding the County's OPEB Liability. As of September 30, 2012 the County's Actuarial Accrued Liability (AAL) is \$1,875,000 and the Annual Required Contribution (ARC) is \$174,000. These calculations were obtained using the "Projected Unit Credit" method.

It is the County's position that the AAL is not significant to the financial statements and therefore did not accrue a liability this fiscal year. Furthermore, as the County has implemented the needed changes to maintain the AAL at its' current level for future years, it is not anticipated that the County will accrue any liability in future years.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**Ada County  
General Fund  
Schedule of Revenue, Expenditures, and Changes in Fund Balances  
Budget and Actual (Non-GAAP Cash Basis)  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 58,526,510	\$ 58,526,510	\$ 59,325,391	\$ 798,881
Sales tax allocation	12,450,000	12,450,000	13,222,882	772,882
State shared	3,334,314	3,334,314	5,548,483	2,214,169
Payments in lieu of taxes	725,000	725,000	734,021	9,021
Licenses and permits	1,156,725	1,169,935	1,255,036	85,101
Charges for services	18,765,840	19,093,113	21,293,531	2,200,418
Grants	740,464	2,853,823	1,546,197	(1,307,626)
Interest income	546,500	546,500	1,037,536	491,036
Miscellaneous	1,657,596	1,748,116	1,802,789	54,673
<b>Total general fund revenues</b>	<b>\$ 97,902,949</b>	<b>\$ 100,447,311</b>	<b>\$ 105,765,866</b>	<b>\$ 5,318,555</b>
<b>Expenditures:</b>				
<b>General Government</b>				
<b>Clerk of the District Court:</b>				
Personal services	\$ 1,927,069	\$ 1,912,749	\$ 1,749,912	\$ 162,837
Other services and charges	708,355	803,224	748,556	54,668
Capital outlays	79,000	23,451	14,320	9,131
<b>Total clerk of the district court</b>	<b>2,714,424</b>	<b>2,739,424</b>	<b>2,512,788</b>	<b>226,636</b>
<b>Treasurer:</b>				
Personal services	732,551	732,551	676,680	55,871
Other services and charges	207,002	204,066	200,659	3,407
Capital outlays	3,900	6,836	6,835	1
<b>Total treasurer</b>	<b>943,453</b>	<b>943,453</b>	<b>884,174</b>	<b>59,279</b>
<b>Assessor:</b>				
Personal services	654,928	654,928	578,356	76,572
Other services and charges	66,260	66,260	60,834	5,426
Capital outlays	-	-	-	-
<b>Total assessor</b>	<b>721,188</b>	<b>721,188</b>	<b>639,190</b>	<b>81,998</b>
<b>Assessor Motor Vehicle:</b>				
Personal services	1,851,187	1,851,187	1,729,148	122,039
Other services and charges	454,488	467,625	333,823	133,802
Capital outlays	18,700	5,563	-	5,563
<b>Total assessor motor vehicle</b>	<b>2,324,375</b>	<b>2,324,375</b>	<b>2,062,971</b>	<b>261,404</b>
<b>Prosecuting Attorney:</b>				
Personal services	11,177,181	11,334,178	10,709,742	624,436
Other services and charges	705,494	1,386,091	798,570	587,521
Capital outlays	49,602	277	-	277
<b>Total prosecuting attorney</b>	<b>11,932,277</b>	<b>12,720,546</b>	<b>11,508,312</b>	<b>1,212,234</b>

The note to the required supplementary information - basis of budgeting - is an integral part of this schedule.

(Continued)

**Ada County  
General Fund  
Schedule of Revenue, Expenditures, and Changes in Fund Balances  
Budget and Actual (Non-GAAP Cash Basis)  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<u>General Government (Continued)</u>				
Operations:				
Personal services	1,906,020	1,906,020	1,855,040	50,980
Other services and charges	5,453,464	5,462,850	4,278,922	1,183,928
Capital outlays	399,700	403,267	397,043	6,224
Total operations	<u>7,759,184</u>	<u>7,772,137</u>	<u>6,531,005</u>	<u>1,241,132</u>
Development Services:				
Personal services	1,379,675	1,425,290	1,236,284	189,006
Other services and charges	88,246	96,575	86,292	10,283
Capital outlays	-	9,778	9,565	213
Total development services	<u>1,467,921</u>	<u>1,531,643</u>	<u>1,332,141</u>	<u>199,502</u>
Information Technology:				
Personal services	3,464,354	3,383,340	3,184,053	199,287
Other services and charges	1,027,381	1,072,434	1,054,703	17,731
Capital outlays	718,500	754,461	726,716	27,745
Total information technology	<u>5,210,235</u>	<u>5,210,235</u>	<u>4,965,472</u>	<u>244,763</u>
Public Defender:				
Personal services	5,245,162	5,245,162	5,002,662	242,500
Other services and charges	1,704,674	1,740,885	1,703,760	37,125
Capital outlays	-	-	-	-
Total public defender	<u>6,949,836</u>	<u>6,986,047</u>	<u>6,706,422</u>	<u>279,625</u>
Department of Administration:				
Personal Services	2,061,454	2,061,454	1,952,280	109,174
Other services and charges	1,971,617	1,971,617	1,923,084	48,533
Capital outlays	-	-	-	-
Total administration	<u>4,033,071</u>	<u>4,033,071</u>	<u>3,875,364</u>	<u>157,707</u>

The note to the required supplementary information - basis of budgeting - is an integral part of this schedule.

**Ada County  
General Fund  
Schedule of Revenue, Expenditures, and Changes in Fund Balances  
Budget and Actual (Non-GAAP Cash Basis)  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<u>General Government (Continued)</u>				
General:				
Personal services	100,000	100,000	19,405	80,595
Other services and charges	1,525,000	1,247,566	1,173,676	73,890
Capital outlays	6,000,000	6,277,434	6,261,454	15,980
Total general	<u>7,625,000</u>	<u>7,625,000</u>	<u>7,454,535</u>	<u>170,465</u>
Total general government (including capital outlays)	51,680,964	52,607,119	48,472,374	4,134,745
Less: capital outlays	7,269,402	7,481,067	7,415,933	65,134
Total general government (excluding capital outlays)	<u>\$ 44,411,562</u>	<u>\$ 45,126,052</u>	<u>\$ 41,056,441</u>	<u>\$ 4,069,611</u>
<u>Public Safety</u>				
Sheriff:				
Personal services	\$ 45,194,089	\$ 45,425,278	\$ 43,583,935	\$ 1,841,343
Other services and charges	6,720,409	7,797,045	7,386,920	410,125
Capital outlays	706,940	650,535	504,861	145,674
Total sheriff	<u>52,621,438</u>	<u>53,872,858</u>	<u>51,475,716</u>	<u>2,397,142</u>
Coroner:				
Personal services	1,195,570	1,195,570	1,151,394	44,176
Other services and charges	154,002	154,002	150,433	3,569
Capital outlays	-	-	-	-
Total coroner	<u>1,349,572</u>	<u>1,349,572</u>	<u>1,301,827</u>	<u>47,745</u>
Juvenile:				
Personal services	6,987,543	7,393,285	6,645,860	747,425
Other services and charges	927,586	2,928,793	632,606	2,296,187
Capital outlays	206,313	459,465	280,655	178,810
Total juvenile	<u>8,121,442</u>	<u>10,781,543</u>	<u>7,559,121</u>	<u>3,222,422</u>
Total public safety (including capital outlays)	62,092,452	66,003,973	60,336,664	5,667,309
Less: capital outlays	913,253	1,110,000	785,516	324,484
Total public safety (excluding capital outlays)	<u>\$ 61,179,199</u>	<u>\$ 64,893,973</u>	<u>\$ 59,551,148</u>	<u>\$ 5,342,825</u>
Total general fund expenditures (excluding capital outlays)	\$ 105,590,761	\$ 110,020,025	\$ 100,607,589	\$ 9,412,436
Add: capital outlays	8,182,655	8,591,067	8,201,449	389,618
Total general fund expenditures (including capital outlays)	<u>\$ 113,773,416</u>	<u>\$ 118,611,092</u>	<u>\$ 108,809,038</u>	<u>\$ 9,802,054</u>

The note to the required supplementary information - basis of budgeting - is an integral part of this schedule.

(Continued)

**Ada County  
General Fund  
Schedule of Revenue, Expenditures, and Changes in Fund Balances  
Budget and Actual (Non-GAAP Cash Basis)  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
<b>Revenue Over (Under) Expenditures</b>			(3,043,172)	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			294,177	
Transfers Out			(8,450,438)	
<b>Total Other Financing Sources (Uses)</b>			(8,156,261)	
<b>Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>			(8,156,261)	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			705,186	
Changes Affected by Accrued Expenditures			4,154,563	
<b>Fund Balances - Beginning of Year</b>			56,889,859	
<b>Fund Balances - End of Year</b>			\$ 50,550,175	

The note to the required supplementary information - basis of budgeting - is an integral part of this schedule.

**Ada County**  
**Charities and Welfare**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 11,550,861	\$ 11,550,861	\$ 11,608,648	\$ 57,787
Intergovernmental	-	-	3,610	3,610
Charges for services	150,000	150,000	573,344	423,344
Miscellaneous	-	-	1,693,190	1,693,190
Total revenues	<u>11,700,861</u>	<u>11,700,861</u>	<u>13,878,792</u>	<u>2,177,931</u>
<b>Expenditures:</b>				
<b>Current-</b>				
<b>Health and welfare</b>				
Personal services	1,297,542	1,297,542	1,215,274	82,268
Other services and charges	10,397,699	10,400,850	7,960,695	2,440,155
Capital outlays	5,620	2,469	-	2,469
Total expenditures	<u>11,700,861</u>	<u>11,700,861</u>	<u>9,175,969</u>	<u>2,524,892</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>4,702,823</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			<u>(75,220)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>(75,220)</u>	
<b>Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>			4,627,603	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			(1,572,423)	
Changes Affected by Accrued Expenditures			408,281	
<b>Fund Balances - Beginning of Year</b>			<u>627,731</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 4,091,192</u>	

The note to the required supplementary information - basis of budgeting - is an integral part of this schedule.

***Ada County***

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**Required Supplementary Information**

**Note to Required Supplementary Information – Basis of Budgetary Reporting,  
Stewardship, Compliance, and Accountability  
For the Year Ended September 30, 2012**

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***Basis of Budgetary Accounting***

The County's legal budget is prepared using cash basis records. Encumbrances are allowed for budgetary control purposes, but lapse at the close of the year. The Budget and Actual Schedules are prepared on the budgetary basis and include this variation from GAAP. The reconciliation at the bottom of the budget and actual statements shows the difference between the basis of budgeting and GAAP.

***Stewardship, Compliance, and Accountability***

**Budgetary Information**

The County budgets its revenues and expenditures, as is required by Idaho Code Section 31, Chapter 16. Following these guidelines, the County adopts annual appropriated budgets for General, Special Revenue, Debt Service, Capital Project and Enterprise Funds. All appropriated budgets for Governmental and Proprietary Funds are adopted on a non-GAAP cash basis. The following is a summary of the budgetary process for the County:

Prior to the third Monday in May, each elected official or department head submits to the Auditor's Office a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures by department categorized by personal services and other charges and services (including capital outlay) and the means of financing them. The Auditor's office assures the budgets are balanced. Budget hearings, give the County departments an opportunity to present their proposed budgets to the County Commissioners and the public at large.

On or before the first Monday in August, the proposed budget is submitted to the County Commissioners for review and tentative approval. When the tentative budget has been approved it must be published in the newspaper. Public budget hearings are conducted by the County on or before the Tuesday after Labor Day to obtain taxpayer comments, and upon conclusion of the hearing, the County Commissioners legally adopt the budget by a resolution in the official minutes of the board.

The budget in no event shall be greater than the amount of the advertised tentative budget. Per Idaho Code Section 31, the actual expenditures for the ensuing fiscal year shall not exceed the appropriations legally adopted by the Commissioners. The County's policy is that amounts may not be transferred between personal services and other charges and services (including capital outlay) and amounts may not be transferred between departments or funds.

Ada County may increase the total appropriations budget during the current year as grants are subsequently awarded by federal or state agencies, for donations to various departments, for carrying forward prior year incomplete major capital construction project balances and for receipt of unscheduled and/or unanticipated revenue, provided that there is no increase in anticipated property taxes. The appropriations budget may only be increased by the amount of actual revenues

received or carried forward in the case of major capital construction projects. Such budget revisions must be advertised, discussed in a public hearing, and adopted by a resolution from the Board of County Commissioners. The County increased the total 2012 budget by \$13,294,494 which had no impact on property taxes.

The level of budgetary control (level at which expenditures may not legally exceed the appropriations) is established by the personal services and other charges and services (including capital outlay) within the department and fund.

The County employs budgetary integration as a management control device during the year for all Governmental and Proprietary Funds. All appropriations, other than those for capital improvements not yet completed, lapse at the end of the fiscal year and become null and void. However, appropriation accounts may remain open until the first Monday in November for the payment of claims incurred prior to the close of the fiscal year. Lawful claims presented thereafter against any subsequent appropriation will be provided for in the ensuing budget.

Encumbrance accounting, the recording of purchase orders, contracts and other commitments for the expenditure of monies to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all Governmental Funds. All encumbrances are canceled when appropriations lapse.

**COMBINING FINANCIAL  
STATEMENTS**

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Public Health** - to account for the County's portion of services provided on a regional basis by the State of Idaho. Funding is provided by property tax dollars. This fund was established by authority of Idaho Code Section 31-862.

**Weed Control** - to account for operations of noxious weed control throughout the County. Revenues are provided primarily from user fees and property tax dollars. This fund was established by authority of Idaho Code Section 22-2406.

**Pest Extermination** - to account for the operation of the extermination of pests, primarily gophers, in the unincorporated areas of the County. Funding is provided by property tax dollars and minimal user fees. This fund was established by authority of Idaho Code Section 25-2601,2602,2604.

**Parks and Recreation** - to account for the operation and maintenance of Barber Park as well as other recreational projects. Initial capital expenditures have been provided by federal grants. Revenues are provided by user fees and property tax dollars. This fund was established by authority of Idaho Code Section 63-805.4a.

**Ad Valorem** - to account for operations of the reappraisal division of the assessor's office which provides a continuing program of valuation of all properties. All parcels of property under the assessor's jurisdiction are appraised at current market value for assessment purposes. This fund was established by authority of Idaho Code Section 63-314.3.

**Court Monitoring** - to account for a surcharge collected on all fines for persons violating the state law against driving a motor vehicle while under the influence of alcohol, drugs or other intoxicating substance, monies may be utilized for the purchase of ignition interlock and electronic devices. The court may also utilize moneys in this fund for alcohol or drug abuse related probation, treatment or prevention programs for adults or juveniles. This fund was established by authority of Idaho Code Section 18-8010.

**District Court** - to account for operations of the court exclusive of courthouse construction and remodeling costs. Funding is provided by property tax dollars, court filing fees, fines and forfeitures. This fund was established by authority of Idaho Code Section 31- 867.

**Drug Court & Mental Health Court** – established by authority of Idaho Code Section 31-3201E to accumulate funds from fees charged to persons admitted into a drug court or mental health court. Moneys in this fund shall be expended exclusively for expenses incurred in connection with the drug court or mental health court programs, such as treatment, testing, and private counseling. The fee may be ordered as a condition of probation and is in addition to all other fines and fees levied.

## **SPECIAL REVENUE FUNDS (CONTINUED)**

**County Court Facilities** - to account for court planning, remodeling and construction of court facilities. The County Court Facilities fund is separate and distinct from the District Court fund. At the discretion of the Board of County Commissioners, funds deposited in the County Court Facilities fund may be accumulated from year to year. Revenue is provided by an administrative surcharge on each civil case. This fund was established by authority of Idaho Code Section 31-867.3.

**Waterways** - to account for operations of the County boat patrol and other expenditures related to improvements of public waterways within the County. Revenue is provided by user fees. This fund was established by authority of Idaho Code Section 57-1501 and 67-7013.

**Emergency Communications** - to account for initiation, maintenance and enhancement of a consolidated emergency communications system (911) within Ada County. A telephone user fee of seventy five cents (\$.75) was authorized by the electorate of the County to provide for the funding of a consolidated communications system which is vital to enhancing the public health, safety and welfare of the residents. This fund was established by authority of Idaho Code Section 31-48.

**Emergency Management Fund** – to account for operations of the “Emergency Resources Management Plan” pursuant to Idaho Code Section 46, Chapter 1009. All cities within the County participate along with the County to finance the disaster preparedness plan. Revenues are also received from the Federal government.

**Veterans Memorial** - to assist in the maintenance, upkeep and repair of servicemen’s memorials within Ada County. This fund was established by authority of Idaho Code Section 65-102,103.

**Mosquito Abatement** – to account for the abatement of mosquitoes and/or other vermin of public health importance. Revenue is provided by a levy upon taxable property within the boundaries of the district. Authorization to form a mosquito abatement district is established by Idaho Code Section 39-2801,2805.

**Consolidated Elections** – to account for all costs related to conducting political subdivision elections with the exception of the Ada County Highway District. Funding is provided through distribution of sales tax. This fund was established by authority of Idaho Code Section 31-809A.

**Ada County**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**September 30, 2012**

Special Revenue Funds

	Public Health Fund	Weed Control Fund	Pest Extermination Fund	Parks and Recreation Fund	Ad Valorem Fund	Court Monitoring Fund	District Court Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 21,812	\$ 92,018	\$ 67,195	\$ 187,213	\$ 316,490	\$ 5,676	\$ 655,590
Investments	108,487	456,181	335,150	930,597	1,573,381	28,232	3,239,331
Accounts receivable	-	43,312	28	-	-	-	-
Property tax receivable	1,710,312	440,970	523,265	158,286	2,798,166	-	8,095,682
Accrued interest receivable	-	-	855	-	-	-	-
Due from other funds	-	13,201	-	-	-	-	-
Due from other agencies and units of government	-	8,835	6,712	1,171	-	-	163
Total assets	<u>\$1,840,611</u>	<u>\$1,054,517</u>	<u>\$ 933,205</u>	<u>\$1,277,267</u>	<u>\$4,688,037</u>	<u>\$ 33,908</u>	<u>\$11,990,766</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 49,352	\$ 16,375	\$ 48,990	\$ 196,346	\$ 158	\$ 761,572
Due to other funds	-	1,509	1,405	-	-	3,400	738
Deferred revenue	<u>1,710,312</u>	<u>440,970</u>	<u>523,264</u>	<u>172,380</u>	<u>2,798,166</u>	<u>-</u>	<u>8,095,683</u>
Total liabilities	<u>1,710,312</u>	<u>491,831</u>	<u>541,044</u>	<u>221,370</u>	<u>2,994,512</u>	<u>3,558</u>	<u>8,857,993</u>
<b>FUND BALANCES</b>							
Restricted for:							
Enabling Legislation	130,299	562,686	392,161	-	-	-	-
Assigned for:							
General government	-	-	-	-	1,693,525	-	-
Public safety	-	-	-	-	-	30,350	-
Judicial services	-	-	-	-	-	-	3,132,773
Recreation and culture	-	-	-	1,055,897	-	-	-
Total Fund Balances	<u>130,299</u>	<u>562,686</u>	<u>392,161</u>	<u>1,055,897</u>	<u>1,693,525</u>	<u>30,350</u>	<u>3,132,773</u>
Total liabilities and fund balances	<u>\$1,840,611</u>	<u>\$1,054,517</u>	<u>\$ 933,205</u>	<u>\$1,277,267</u>	<u>\$4,688,037</u>	<u>\$ 33,908</u>	<u>\$11,990,766</u>

**Ada County**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**September 30, 2012**

Special Revenue Funds								Total
Drug/Mental Health Court Fund	County Court Facilities Fund	Waterways Fund	Emergency Communications Fund	Emergency Management Fund	Veterans Memorial Fund	Mosquito Abatement Fund	Consolidated Elections Fund	Non-major Governmental Funds
\$ 424,060	\$ 2,531	\$ 33,174	\$ 1,140,010	\$ 57,944	\$ 409	\$ 129,554	\$ 70,993	\$ 3,204,669
2,109,152	12,589	165,465	5,685,972	287,699	2,036	646,168	353,101	15,933,541
-	-	-	82,928	-	-	-	-	126,268
-	-	-	-	-	19,100	925,596	-	14,671,377
-	-	354	12,082	-	-	1,569	-	14,860
-	-	-	-	-	-	-	-	13,201
-	-	-	198,494	5,336	-	9,723	-	230,434
<u>\$2,533,212</u>	<u>\$ 15,120</u>	<u>\$ 198,993</u>	<u>\$ 7,119,486</u>	<u>\$ 350,979</u>	<u>\$ 21,545</u>	<u>\$ 1,712,610</u>	<u>\$ 424,094</u>	<u>\$ 34,194,350</u>
\$ 65,646	\$ -	\$ 6,140	\$ 545,445	\$ 33,494	\$ -	\$ 39,399	\$ 14,283	\$ 1,777,200
-	-	20,000	13,625	45	-	2,171	7,109	50,002
-	-	-	-	-	19,100	925,597	-	14,685,472
<u>65,646</u>	<u>-</u>	<u>26,140</u>	<u>559,070</u>	<u>33,539</u>	<u>19,100</u>	<u>967,167</u>	<u>21,392</u>	<u>16,512,674</u>
2,467,566	15,120	-	6,560,416	-	-	745,443	402,702	11,276,393
-	-	-	-	-	-	-	-	1,693,525
-	-	-	-	317,440	-	-	-	347,790
-	-	-	-	-	-	-	-	3,132,773
-	-	172,853	-	-	2,445	-	-	1,231,195
<u>2,467,566</u>	<u>15,120</u>	<u>172,853</u>	<u>6,560,416</u>	<u>317,440</u>	<u>2,445</u>	<u>745,443</u>	<u>402,702</u>	<u>17,681,676</u>
<u>\$2,533,212</u>	<u>\$ 15,120</u>	<u>\$ 198,993</u>	<u>\$ 7,119,486</u>	<u>\$ 350,979</u>	<u>\$ 21,545</u>	<u>\$ 1,712,610</u>	<u>\$ 424,094</u>	<u>\$ 34,194,350</u>

**Ada County**  
**Combining Statement of Revenues, Expenditures, and Changes In Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended September 30, 2012**

Special Revenue Funds

	Public Health Fund	Weed Control Fund	Pest Extermination Fund	Parks and Recreation Fund	Ad Valorem Fund	Court Monitoring Fund	District Court Fund
<b>REVENUES</b>							
Taxes	\$ 1,663,328	\$ 466,461	\$ 517,352	\$ 173,301	\$ 2,398,871	\$ -	\$ 7,378,739
Licenses and permits	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	1,302,934
Charges for services	-	431,374	2,300	103,405	55,856	-	725,533
Intergovernmental	1,032	5,339	22,916	1,278	1,582	-	96,250
Interest income	1,506	5,037	4,372	10,542	22,648	268	48,692
Net increase (decrease) in the fair value of investments	9	153	(599)	859	513	8	717
Miscellaneous	-	3,582	57	305,795	101	47,294	28,874
Total revenues	<u>1,665,875</u>	<u>911,946</u>	<u>546,398</u>	<u>595,180</u>	<u>2,479,571</u>	<u>47,570</u>	<u>9,581,739</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	2,687,497	-	10,183,925
Sanitation	-	863,993	439,592	-	-	-	-
Public safety	-	-	-	-	-	50,084	-
Health and welfare	1,691,011	-	-	-	-	-	-
Recreational and cultural	-	-	-	398,914	-	-	-
Capital outlay	-	-	22,371	1,250	-	-	126,561
Total expenditures	<u>1,691,011</u>	<u>863,993</u>	<u>461,963</u>	<u>400,164</u>	<u>2,687,497</u>	<u>50,084</u>	<u>10,310,486</u>
Excess (deficiency) of revenues over expenditures	<u>(25,136)</u>	<u>47,953</u>	<u>84,435</u>	<u>195,016</u>	<u>(207,926)</u>	<u>(2,514)</u>	<u>(728,747)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers (out)	(1,515)	(105,190)	(500,685)	(11,401)	(23,161)	(276)	(49,409)
Total other financing sources and uses	<u>(1,515)</u>	<u>(105,190)</u>	<u>(500,685)</u>	<u>(11,401)</u>	<u>(23,161)</u>	<u>(276)</u>	<u>(49,409)</u>
Net change in fund balance	(26,651)	(57,237)	(416,250)	183,615	(231,087)	(2,790)	(778,156)
Fund balance, beginning of year	<u>156,950</u>	<u>619,923</u>	<u>808,411</u>	<u>872,282</u>	<u>1,924,612</u>	<u>33,140</u>	<u>3,910,929</u>
Fund balance, end of year	<u>\$ 130,299</u>	<u>\$ 562,686</u>	<u>\$ 392,161</u>	<u>\$ 1,055,897</u>	<u>\$ 1,693,525</u>	<u>\$ 30,350</u>	<u>\$ 3,132,773</u>

**Ada County**  
**Combining Statement of Revenues, Expenditures, and Changes In Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended September 30, 2012**

Special Revenue Funds								Total
Drug/Mental Health Court Fund	County Court Facilities Fund	Waterways Fund	Emergency Communications Fund	Emergency Management Fund	Veterans Memorial Fund	Mosquito Abatement Fund	Consolidated Election Fund	Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,964	\$ 909,775	\$ -	\$ 13,526,791
-	-	196,400	-	-	-	-	-	196,400
-	-	-	-	-	-	-	-	1,302,934
244,109	-	-	5,767,148	-	-	-	-	7,329,725
1,324,100	-	-	127,882	710,102	16	23,711	564,140	2,878,348
23,885	6	1,866	64,011	4,217	56	8,471	4,249	199,826
2,693	3	202	2,520	258	-	(408)	406	7,334
5,747	-	-	642,023	1,525	-	1,405	-	1,036,403
1,600,534	9	198,468	6,603,584	716,102	19,036	942,954	568,795	26,477,761
707,741	2,130	-	-	-	-	-	462,732	14,044,025
-	-	-	-	-	-	669,269	-	1,972,854
57,779	-	-	2,967,572	810,834	-	-	-	3,886,269
-	-	-	-	-	-	-	-	1,691,011
-	-	159,691	-	-	20,000	-	-	578,605
-	-	-	4,032,572	-	-	22,371	-	4,205,125
765,520	2,130	159,691	7,000,144	810,834	20,000	691,640	462,732	26,377,889
835,014	(2,121)	38,777	(396,560)	(94,732)	(964)	251,314	106,063	99,872
(26,578)	(9)	-	-	(4,475)	(56)	(634,284)	(4,655)	(1,361,694)
(26,578)	(9)	-	-	(4,475)	(56)	(634,284)	(4,655)	(1,361,694)
808,436	(2,130)	38,777	(396,560)	(99,207)	(1,020)	(382,970)	101,408	(1,261,822)
1,659,130	17,250	134,076	6,956,976	416,647	3,465	1,128,413	301,294	18,943,498
<u>\$ 2,467,566</u>	<u>\$ 15,120</u>	<u>\$ 172,853</u>	<u>\$ 6,560,416</u>	<u>\$ 317,440</u>	<u>\$ 2,445</u>	<u>\$ 745,443</u>	<u>\$ 402,702</u>	<u>\$ 17,681,676</u>

BUDGET AND ACTUAL COMPARISONS  
FOR GOVERNMENTAL FUNDS  
OTHER THAN THE  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS

**Ada County**  
**Capital Projects**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	999,600	999,600	940,307	(59,293)
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Interest	350,000	350,000	624,802	274,802
Miscellaneous	500,000	7,700,685	7,734,969	34,284
<b>Total revenues</b>	<u>1,849,600</u>	<u>9,050,285</u>	<u>9,300,078</u>	<u>249,793</u>
<b>Expenditures:</b>				
<b>General Government</b>				
Other services and charges	30,000	7,264,969	1,840,151	5,424,818
<b>Debt Service-</b>				
Principal retirement	2,665,000	2,665,000	2,665,000	-
Interest and other debt charges	2,187,638	2,187,638	2,043,022	144,616
<b>Total expenditures</b>	<u>4,882,638</u>	<u>12,117,607</u>	<u>6,548,173</u>	<u>5,569,434</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>2,751,905</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			7,734,969	
Transfers Out			<u>(92,232)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>7,642,737</u>	
<b>Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>			10,394,642	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			(7,612,733)	
Changes Affected by Accrued Expenditures/Capital Outlay			(603,376)	
<b>Fund Balances - Beginning of Year</b>			<u>56,419,982</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 58,598,515</u>	

(Continued)

**Ada County  
Public Health  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual (Non-GAAP Cash Basis)  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 1,635,011	\$ 1,635,011	\$ 1,663,328	\$ 28,317
Intergovernmental	-	-	1,033	1,033
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,635,011</u>	<u>1,635,011</u>	<u>1,664,361</u>	<u>29,350</u>
<b>Expenditures:</b>				
Current -				
Health and welfare	-	-	-	-
Other services and charges	1,691,011	1,691,011	1,691,011	-
Total expenditures	<u>1,691,011</u>	<u>1,691,011</u>	<u>1,691,011</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>(26,650)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			<u>(1,515)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>(1,515)</u>	
<b>Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>			(28,165)	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			1,514	
Changes Affected by Accrued Expenditures			-	
<b>Fund Balances - Beginning of Year</b>			<u>156,950</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 130,299</u>	

**Ada County**  
**Weed Control**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 457,666	\$ 457,666	\$ 466,461	\$ 8,795
Intergovernmental	-	5,000	340	(4,660)
Charges for services	580,000	580,000	428,378	(151,622)
Miscellaneous	-	-	3,579	3,579
Total revenues	<u>1,037,666</u>	<u>1,042,666</u>	<u>898,758</u>	<u>(143,908)</u>
<b>Expenditures:</b>				
Current -				
Sanitation				
Personal services	582,433	586,243	444,275	141,968
Other services and charges	496,695	507,699	407,847	99,852
Capital outlays	113,400	103,586	100,000	3,586
Total expenditures	<u>1,192,528</u>	<u>1,197,528</u>	<u>952,122</u>	<u>245,406</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>(53,364)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			<u>(105,190)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>(105,190)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>				
Expenditures and Other Financing Uses			(158,554)	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			13,188	
Changes Affected by Accrued Expenditures			88,129	
<b>Fund Balances - Beginning of Year</b>			<u>619,923</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 562,686</u>	

(Continued)

**Ada County**  
**Pest Extermination**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 506,660	\$ 506,660	\$ 517,352	\$ 10,692
Intergovernmental	16,000	16,000	22,290	6,290
Charges for services	1,500	1,500	3,089	1,589
Miscellaneous	-	-	58	58
Interest	-	-	5,134	5,134
<b>Total revenues</b>	<u>524,160</u>	<u>524,160</u>	<u>547,923</u>	<u>23,763</u>
<b>Expenditures:</b>				
Current -				
Sanitation				
Personal services	172,455	172,455	149,229	23,226
Other services and charges	331,206	331,806	290,611	41,195
Capital outlays	523,685	523,085	523,056	29
<b>Total expenditures</b>	<u>1,027,346</u>	<u>1,027,346</u>	<u>962,896</u>	<u>64,450</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>(414,973)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			<u>(500,685)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>(500,685)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>				
Expenditures and Other Financing Uses			(915,658)	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			(1,524)	
Changes Affected by Accrued Expenditures			500,932	
<b>Fund Balances - Beginning of Year</b>			<u>808,411</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 392,161</u>	

**Ada County**  
**Parks and Recreation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 168,737	\$ 168,737	\$ 173,301	\$ 4,564
Intergovernmental	-	181,070	1,043	(180,027)
Charges for services	110,000	110,000	103,405	(6,595)
Miscellaneous	306,500	306,500	302,507	(3,993)
Total revenues	<u>585,237</u>	<u>766,307</u>	<u>580,256</u>	<u>(186,051)</u>
<b>Expenditures:</b>				
Current -				
Recreational and cultural				
Personal services	276,095	276,095	174,056	102,039
Other services and charges	271,165	300,916	237,039	63,877
Capital outlays	41,722	192,104	1,250	190,854
Total expenditures	<u>588,982</u>	<u>769,115</u>	<u>412,345</u>	<u>356,770</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>167,911</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			<u>(11,401)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>(11,401)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>			156,510	
Expenditures and Other Financing Uses				
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			14,923	
Changes Affected by Accrued Expenditures			12,182	
<b>Fund Balances - Beginning of Year</b>			<u>872,282</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 1,055,897</u>	

(Continued)

**Ada County**  
**Ad Valorem**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 2,352,652	\$ 2,352,652	\$ 2,398,871	\$ 46,219
Intergovernmental	-	-	1,582	1,582
Charges for services	48,000	48,000	55,856	7,856
Miscellaneous	-	-	101	101
Total revenues	<u>2,400,652</u>	<u>2,400,652</u>	<u>2,456,410</u>	<u>55,758</u>
<b>Expenditures:</b>				
Current -				
General government				
Personal services	2,551,980	2,551,980	2,405,037	146,943
Other services and charges	251,968	258,321	233,659	24,662
Capital outlays	12,040	5,687	-	5,687
Total expenditures	<u>2,815,988</u>	<u>2,815,988</u>	<u>2,638,696</u>	<u>177,292</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>(182,286)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			<u>(23,161)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>(23,161)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>			(205,447)	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			23,161	
Changes Affected by Accrued Expenditures			(48,801)	
<b>Fund Balances - Beginning of Year</b>			<u>1,924,612</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 1,693,525</u>	

**Ada County**  
**Court Monitoring**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	54,212	54,212	47,046	(7,166)
<b>Total revenues</b>	<u>54,212</u>	<u>54,212</u>	<u>47,046</u>	<u>(7,166)</u>
<b>Expenditures:</b>				
Current -				
Public safety				
Personal services	-	-	-	-
Other services and charges	54,212	54,212	50,084	4,128
Capital outlays	-	-	-	-
<b>Total court monitoring</b>	<u>54,212</u>	<u>54,212</u>	<u>50,084</u>	<u>4,128</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>(3,038)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			<u>(276)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>(276)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>			(3,314)	
Expenditures and Other Financing Uses				
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			524	
Changes Affected by Accrued Expenditures			-	
<b>Fund Balances - Beginning of Year</b>			<u>33,140</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 30,350</u>	

(Continued)

**Ada County  
District Court  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual (Non-GAAP Cash Basis)  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenue:</b>				
Taxes	\$ 7,372,015	\$ 7,372,015	\$ 7,378,739	\$ 6,724
Intergovernmental	96,394	96,394	116,223	19,829
Charges for services	860,677	860,677	724,088	(136,589)
Fines and forfeitures	1,645,436	1,645,436	1,327,229	(318,207)
Miscellaneous	9,783	9,783	33,099	23,316
Total revenues	<u>9,984,305</u>	<u>9,984,305</u>	<u>9,579,378</u>	<u>(404,927)</u>
<b>Expenditures:</b>				
Current -				
General government				
Personal services	9,069,627	9,069,627	8,732,003	337,624
Other services and charges	1,388,892	1,425,612	1,292,073	133,539
Capital outlays	174,205	137,485	126,561	10,924
Total expenditures	<u>10,632,724</u>	<u>10,632,724</u>	<u>10,150,637</u>	<u>482,087</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>(571,259)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			(49,409)	
<b>Total Other Financing Sources (Uses)</b>			<u>(49,409)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>			(620,668)	
Expenditures and Other Financing Uses				
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			2,361	
Changes Affected by Accrued Expenditures			(159,849)	
<b>Fund Balances - Beginning of Year</b>			<u>3,910,929</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 3,132,773</u>	

**Ada County**  
**Drug Court/Mental Health Court**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	602,199	635,349	1,324,100	688,751
Charges for services	77,000	77,000	244,109	167,109
Licenses and permits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	5,747	5,747
Total revenues	679,199	712,349	1,573,956	861,607
 <b>Expenditures:</b>				
Current -				
Public safety				
Personal services	572,071	702,671	574,294	128,377
Other services and charges	119,777	219,504	173,586	45,918
Capital outlays	-	-	-	-
Total expenditures	691,848	922,175	747,880	174,295
Excess (deficiency) of revenues over expenditures and other uses, cash basis			826,076	
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			(26,578)	
<b>Total Other Financing Sources (Uses)</b>			(26,578)	
 <b>Revenues and Other Financing Sources Over (Under)</b>				
Expenditures and Other Financing Uses			799,498	
 <b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			26,578	
Changes Affected by Accrued Expenditures			(17,640)	
 <b>Fund Balances - Beginning of Year</b>			1,659,130	
 <b>Fund Balance - End of Year</b>			\$ 2,467,566	

(Continued)

**Ada County**  
**County Court Facilities**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Current -				
General government	-	-	-	-
Personal services	-	-	-	-
Other services and charges	-	-	-	-
Capital outlays	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>-</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			<u>(9)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>(9)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>				
Expenditures and Other Financing Uses			(9)	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			(2,121)	
Changes Affected by Accrued Expenditures			-	
<b>Fund Balances - Beginning of Year</b>			<u>17,250</u>	
<b>Fund Balance - End of Year</b>			<u><u>\$ 15,120</u></u>	

**Ada County  
Waterways  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual (Non-GAAP Cash Basis)  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	173,500	173,500	196,400	22,900
Interest	5,000	5,000	1,901	(3,099)
Miscellaneous	-	-	-	-
Total revenues	<u>178,500</u>	<u>178,500</u>	<u>198,301</u>	<u>19,801</u>
<b>Expenditures:</b>				
Current -				
Recreational and cultural				
Personal services	-	-	-	-
Other services and charges	178,500	178,500	159,691	18,809
Capital outlays	-	-	-	-
Total expenditures	<u>178,500</u>	<u>178,500</u>	<u>159,691</u>	<u>18,809</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>38,610</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			-	
<b>Total Other Financing Sources (Uses)</b>			<u>-</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>				
Expenditures and Other Financing Uses			38,610	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			167	
Changes Affected by Accrued Expenditures			-	
<b>Fund Balances - Beginning of Year</b>			<u>134,076</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 172,853</u>	

(Continued)

**Ada County**  
**Emergency Communications**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	124,465	127,882	3,417
Charges for services	5,016,540	5,016,540	5,666,104	649,564
Interest	57,600	57,600	64,955	7,355
Miscellaneous	2,000	2,000	642,023	640,023
Total revenues	<u>5,076,140</u>	<u>5,200,605</u>	<u>6,500,964</u>	<u>1,300,359</u>
<b>Expenditures:</b>				
Current -				
Public safety				
Personal services	615,886	615,886	553,952	61,934
Other services and charges	2,679,173	2,913,674	2,404,926	508,748
Capital outlays	5,344,312	5,234,276	4,032,572	1,201,704
Total expenditures	<u>8,639,371</u>	<u>8,763,836</u>	<u>6,991,450</u>	<u>1,772,386</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>(490,486)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			-	
<b>Total Other Financing Sources (Uses)</b>			<u>-</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>				
Expenditures and Other Financing Uses			(490,486)	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			102,620	
Changes Affected by Accrued Expenditures			(8,694)	
<b>Fund Balances - Beginning of Year</b>			<u>6,956,976</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 6,560,416</u>	

**Ada County**  
**Emergency Management**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	450,065	1,110,730	805,218	(305,512)
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	1,525	1,525
Total revenues	<u>450,065</u>	<u>1,110,730</u>	<u>806,743</u>	<u>(303,987)</u>
<b>Expenditures:</b>				
Current -				
Public safety				
Personal services	425,856	425,856	395,006	30,850
Other services and charges	110,082	747,434	351,209	396,225
Capital outlays	-	8,000	-	8,000
Total expenditures	<u>535,938</u>	<u>1,181,290</u>	<u>746,215</u>	<u>435,075</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>60,528</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			<u>(4,475)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>(4,475)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>				
Expenditures and Other Financing Uses			56,053	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			(90,641)	
Changes Affected by Accrued Expenditures			(64,619)	
<b>Fund Balances - Beginning of Year</b>			<u>416,647</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 317,440</u>	

(Continued)

**Ada County  
Veterans Memorial  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual (Non-GAAP Cash Basis)  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 18,600	\$ 18,600	\$ 18,964	\$ 364
Intergovernmental	-	-	16	16
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>18,600</u>	<u>18,600</u>	<u>18,980</u>	<u>380</u>
<b>Expenditures:</b>				
Current -				
Recreational and cultural				
Personal services	-	-	-	-
Other services and charges	20,000	20,000	20,000	-
Capital outlays	-	-	-	-
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>(1,020)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			<u>(56)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>(56)</u>	
<b>Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>			<b>(1,076)</b>	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			56	
Changes Affected by Accrued Expenditures			-	
<b>Fund Balances - Beginning of Year</b>			<u>3,465</u>	
<b>Fund Balance - End of Year</b>			<u><u>\$ 2,445</u></u>	

**Ada County**  
**Mosquito Abatement**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 894,622	\$ 894,622	\$ 909,775	\$ 15,153
Intergovernmental	13,000	16,000	19,598	3,598
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Interest	-	-	9,212	9,212
Miscellaneous	-	-	1,405	1,405
Total revenues	907,622	910,622	939,990	29,368
 <b>Expenditures:</b>				
Current -				
Sanitation				
Personal services	376,893	376,893	351,940	24,953
Other services and charges	461,278	492,047	321,201	170,846
Capital outlays	651,800	624,031	622,371	1,660
Total expenditures	1,489,971	1,492,971	1,295,512	197,459
Excess (deficiency) of revenues over expenditures and other uses, cash basis			(355,522)	
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			(634,284)	
<b>Total Other Financing Sources (Uses)</b>			(634,284)	
 <b>Revenues and Other Financing Sources Over (Under)</b>				
Expenditures and Other Financing Uses			(989,806)	
 <b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			2,964	
Changes Affected by Accrued Expenditures			603,872	
 <b>Fund Balances - Beginning of Year</b>			1,128,413	
 <b>Fund Balance - End of Year</b>			\$ 745,443	

(Continued)

**Ada County**  
**Consolidated Elections**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	522,795	522,795	564,140	41,345
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>522,795</u>	<u>522,795</u>	<u>564,140</u>	<u>41,345</u>
<b>Expenditures:</b>				
Current-				
Health and welfare				
Personal services	-	-	-	-
Other services and charges	522,795	522,792	462,732	60,060
Capital outlays	-	3	-	3
<b>Total expenditures</b>	<u>522,795</u>	<u>522,795</u>	<u>462,732</u>	<u>60,063</u>
Excess (deficiency) of revenues over expenditures and other uses, cash basis			<u>101,408</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	
Transfers Out			<u>(4,655)</u>	
<b>Total Other Financing Sources (Uses)</b>			<u>(4,655)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>				
Expenditures and Other Financing Uses			96,753	
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			4,655	
Changes Affected by Accrued Expenditures			-	
<b>Fund Balances - Beginning of Year</b>			<u>301,294</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 402,702</u>	

## INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the County.

**Self-Funded Health Insurance** - to account for the County's self-funded health insurance program, consisting of medical, dental and vision coverage. The County became self-insured for health insurance in fiscal year 2000.

**Liability Insurance** - to account for the County's self-insurance for liability and auto coverage, purchased insurance for property losses, and worker's compensation insurance.

**Ada County  
Internal Service Funds  
Combining Statement of Net Assets  
September 30, 2012**

	Self-Funded Health Insurance	Liability Insurance	Total
<b>ASSETS</b>			
Cash	\$ 946,851	\$ 1,817,271	\$ 2,764,122
Investments	4,722,564	8,602,283	13,324,847
Accrued interest receivable	<u>9,404</u>	<u>20,858</u>	<u>30,262</u>
Total current assets	<u>5,678,819</u>	<u>10,440,412</u>	<u>16,119,231</u>
Total assets	<u>5,678,819</u>	<u>10,440,412</u>	<u>16,119,231</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	955,006	63,063	1,018,069
Due to other funds	-	42,966	42,966
Claims and judgments	<u>1,505,447</u>	<u>818,295</u>	<u>2,323,742</u>
Total current liabilities	<u>2,460,453</u>	<u>924,324</u>	<u>3,384,777</u>
Noncurrent liabilities:			
Claims and judgments	<u>-</u>	<u>8,333,742</u>	<u>8,333,742</u>
Total noncurrent liabilities	<u>-</u>	<u>8,333,742</u>	<u>8,333,742</u>
Total liabilities	<u>2,460,453</u>	<u>9,258,066</u>	<u>11,718,519</u>
<b>NET ASSETS</b>			
Unrestricted	3,218,366	1,182,346	4,400,712
Total net assets	<u>\$ 3,218,366</u>	<u>\$ 1,182,346</u>	<u>\$ 4,400,712</u>

**Ada County**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**For the Year Ended September 30, 2012**

	<u>Self-Funded Health Insurance</u>	<u>Liability Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ <u>16,194,457</u>	\$ <u>1,783,290</u>	\$ <u>17,977,747</u>
Total operating revenues	<u>16,194,457</u>	<u>1,783,290</u>	<u>17,977,747</u>
<b>OPERATING EXPENSES</b>			
Claims	15,970,681	1,746,542	17,717,223
Administration	<u>2,404,207</u>	<u>149,257</u>	<u>2,553,464</u>
Total operating expenses	<u>18,374,888</u>	<u>1,895,799</u>	<u>20,270,687</u>
Income (loss) before nonoperating income (expense) and transfers	<u>(2,180,431)</u>	<u>(112,509)</u>	<u>(2,292,940)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	48,550	114,054	162,604
Net increase (decrease) in the fair value of investments	<u>2,733</u>	<u>8,957</u>	<u>11,690</u>
Total nonoperating income	<u>51,283</u>	<u>123,011</u>	<u>174,294</u>
Income (loss) before operating transfers	<u>(2,129,148)</u>	<u>10,502</u>	<u>(2,118,646)</u>
Transfers in	<u>1,488,844</u>	<u>461,594</u>	<u>1,950,438</u>
Change in net assets	<u>(640,304)</u>	<u>472,096</u>	<u>(168,208)</u>
Total net assets - beginning	<u>3,858,670</u>	<u>710,250</u>	<u>4,568,920</u>
Total net assets - ending	<u>\$ 3,218,366</u>	<u>\$ 1,182,346</u>	<u>\$ 4,400,712</u>

**Ada County**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended September 30, 2012**

	<u>Self-Funded Health Insurance</u>	<u>Liability Insurance</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from services provided to other funds	\$ 16,194,457	\$ 1,783,290	\$ 17,977,747
Cash paid to suppliers for goods and contracted services	<u>(17,648,496)</u>	<u>(1,749,484)</u>	<u>(19,397,980)</u>
Net cash provided by (used for) operating activities	<u>(1,454,039)</u>	<u>33,806</u>	<u>(1,420,233)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer in	<u>1,488,844</u>	<u>461,594</u>	<u>1,950,438</u>
Net cash provided by (used for) noncapital financing activities	<u>1,488,844</u>	<u>461,594</u>	<u>1,950,438</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net (increase) decrease in investments	(1,047,651)	(2,389,298)	(3,436,949)
Interest income	<u>50,445</u>	<u>108,794</u>	<u>159,239</u>
Net cash provided by (used for) investing activities	<u>(997,206)</u>	<u>(2,280,504)</u>	<u>(3,277,710)</u>
Net increase (decrease) in cash	(962,401)	(1,785,104)	(2,747,505)
Cash, beginning of year	<u>1,909,252</u>	<u>3,602,375</u>	<u>5,511,627</u>
Cash, end of year	<u><u>\$ 946,851</u></u>	<u><u>\$ 1,817,271</u></u>	<u><u>\$ 2,764,122</u></u>

(Continued)

Reconciliation of operating income to net cash  
provided (used) by operating activities

	Self-Funded Health Insurance	Liability Insurance	Total
Operating income (loss)	\$ (2,180,431)	\$ (112,509)	\$ (2,292,940)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Increase (decrease) in accounts payable	567,061	(7,569)	559,492
Increase (decrease) in due to other funds	-	(18,662)	(18,662)
Increase (decrease) in claims and judgments	159,331	172,546	331,877
Total adjustments	726,392	146,315	872,707
Net cash provided by (used for) operating activities	\$ (1,454,039)	\$ 33,806	\$ (1,420,233)

Noncash investing activities for governmental internal service funds were:

The net increase in the fair value of investments for Self-Funded Health Insurance was \$ 2,733 for the year.

The net increase in the fair value of investments for Liability Insurance was \$ 8,957 for the year.

## AGENCY FUNDS

Agency Funds account for the receipt and disbursement of various monies and property collected by the County, acting in the capacity of an agent, for distribution to other governmental units, organizations, or individuals.

**State of Idaho** - to account for monies received from court collections, sales tax, motor vehicle licenses, property tax collection for water pollution and unclaimed money.

**Special Taxing Districts** - to account for monies from property tax collection due to the following taxing districts: libraries, school districts, cities, cemeteries, fire protection, sewers, drainage and other miscellaneous districts.

**Unapportioned Account** - to account for tax and other revenues turned to the County from the Tax Collector and State of Idaho.

**Court Suspense** - to account for the monies received by the courts (traffic, magistrate and district) primarily comprised of filing fees, fines and bonds.

**Restitution Accounts** - to account for the non-treasury monies received and disbursed by the Public Defender, Prosecuting Attorney and Juvenile Departments.

**Sheriff's Account** - to account for non-treasury monies collected by the sheriff from writs, garnishments and delinquent property taxes (civil) and prisoner funds.

**Other Agencies** - to account for property tax refunds resulting from assessment errors and incorrect tax distribution.

ADA COUNTY, IDAHO  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 September 30, 2012

	State of Idaho	Special Taxing Districts	Unappor- tioned Account	Court Suspense	Resti- tution Accounts	Sheriff's Account	Other Agencies	Total
<b>Assets</b>								
Cash	\$ 2,687,593	\$ 858,677	\$ 1,696,924	\$ 3,540,928	\$ 21,177	\$ 926,269	\$ 185	\$ 9,731,753
Accounts Receivable	476,354	105,936	-	-	-	-	-	582,290
<b>Total assets</b>	<b><u>\$ 3,163,947</u></b>	<b><u>\$ 964,613</u></b>	<b><u>\$ 1,696,924</u></b>	<b><u>\$ 3,540,928</u></b>	<b><u>\$ 21,177</u></b>	<b><u>\$ 926,269</u></b>	<b><u>\$ 185</u></b>	<b><u>\$ 10,314,043</u></b>
<b>Liabilities</b>								
Accounts payable	\$ 100	\$ 59,282	\$ -	\$ 122,121	\$ -	\$ -	\$ 185	\$ 181,688
Fines and appearance bonds to be remitted	-	-	-	2,836,517	-	-	-	2,836,517
Fiduciary fund liabilities:								
Judgements held in trust	-	-	-	-	-	822,620	-	822,620
Tax receipts held in trust	-	-	1,696,924	-	-	-	-	1,696,924
Due to prisoners	-	-	-	-	-	103,649	-	103,649
Due to victims	-	-	-	-	21,177	-	-	21,177
Due to other agencies and units of government	3,163,847	905,331	-	582,290	-	-	-	4,651,468
<b>Total liabilities</b>	<b><u>\$ 3,163,947</u></b>	<b><u>\$ 964,613</u></b>	<b><u>\$ 1,696,924</u></b>	<b><u>\$ 3,540,928</u></b>	<b><u>\$ 21,177</u></b>	<b><u>\$ 926,269</u></b>	<b><u>\$ 185</u></b>	<b><u>\$ 10,314,043</u></b>

ADA COUNTY, IDAHO  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

<u>FUND</u>	Balance 9/30/11	Additions	Deductions	Balance 9/30/12
<u>State of Idaho</u>				
<b>Assets:</b>				
Cash	\$ 2,976,662	\$ 42,689,413	\$ 42,978,482	\$ 2,687,593
Accounts Receivable	495,924	476,354	495,924	476,354
Total Assets	<u>\$ 3,472,586</u>	<u>\$ 43,165,767</u>	<u>\$ 43,474,406</u>	<u>\$ 3,163,947</u>
<b>Liabilities:</b>				
Accounts payable	\$ 12,273	\$ 40,001,920	\$ 40,014,093	\$ 100
Due to other agencies and units of government	3,460,313	3,163,847	3,460,313	3,163,847
Total liabilities	<u>\$ 3,472,586</u>	<u>\$ 43,165,767</u>	<u>\$ 43,474,406</u>	<u>\$ 3,163,947</u>
<u>Special Taxing Districts</u>				
<b>Assets:</b>				
Cash	\$ 1,088,186	\$ 329,854,827	\$ 330,084,336	\$ 858,677
Accounts Receivable	130,936	105,936	130,936	105,936
	<u>\$ 1,219,122</u>	<u>\$ 329,960,763</u>	<u>\$ 330,215,272</u>	<u>\$ 964,613</u>
<b>Liabilities:</b>				
Accounts payable	\$ 72,994	\$ 59,282	\$ 72,994	\$ 59,282
Due to other agencies and units of government	1,146,128	329,901,481	330,142,278	905,331
	<u>\$ 1,219,122</u>	<u>\$ 329,960,763</u>	<u>\$ 330,215,272</u>	<u>\$ 964,613</u>
<u>Unapportioned</u>				
<b>Assets:</b>				
Cash	\$ 1,649,229	\$ 833,540,910	\$ 833,493,215	\$ 1,696,924
	<u>\$ 1,649,229</u>	<u>\$ 833,540,910</u>	<u>\$ 833,493,215</u>	<u>\$ 1,696,924</u>
<b>Liabilities:</b>				
Tax receipts held in trust	\$ 1,649,229	\$ 833,540,910	\$ 833,493,215	\$ 1,696,924
	<u>\$ 1,649,229</u>	<u>\$ 833,540,910</u>	<u>\$ 833,493,215</u>	<u>\$ 1,696,924</u>

ADA COUNTY, IDAHO  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

<b><u>FUND</u></b>	<u>Balance 9/30/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 9/30/12</u>
<b><u>Court Suspense</u></b>				
<b>Assets:</b>				
Cash	\$ 3,475,348	\$ 18,165,749	\$ 18,100,169	\$ 3,540,928
Total Assets	<u>\$ 3,475,348</u>	<u>\$ 18,165,749</u>	<u>\$ 18,100,169</u>	<u>\$ 3,540,928</u>
<b>Liabilities:</b>				
Accounts payable	\$ 33,376	\$ 14,746,942	\$ 14,658,197	\$ 122,121
Due to agencies	626,860	582,290	626,860	582,290
Fines and appearance bonds to be remitted	<u>2,815,112</u>	<u>2,836,517</u>	<u>2,815,112</u>	<u>2,836,517</u>
Total liabilities	<u>\$ 3,475,348</u>	<u>\$ 18,165,749</u>	<u>\$ 18,100,169</u>	<u>\$ 3,540,928</u>
<b><u>Restitution Accounts</u></b>				
<b>Assets:</b>				
Cash	\$ 31,451	\$ 1,459,836	\$ 1,470,110	\$ 21,177
	<u>\$ 31,451</u>	<u>\$ 1,459,836</u>	<u>\$ 1,470,110</u>	<u>\$ 21,177</u>
<b>Liabilities:</b>				
Due victims	\$ 31,451	\$ 1,459,836	\$ 1,470,110	\$ 21,177
	<u>\$ 31,451</u>	<u>\$ 1,459,836</u>	<u>\$ 1,470,110</u>	<u>\$ 21,177</u>
<b><u>Sheriff's Accounts</u></b>				
<b>Assets:</b>				
Cash	\$ 928,016	\$ 15,972,175	15,973,922	\$ 926,269
	<u>\$ 928,016</u>	<u>\$ 15,972,175</u>	<u>\$ 15,973,922</u>	<u>\$ 926,269</u>
<b>Liabilities:</b>				
Due to prisoners	\$ 115,858	\$ 1,393,417	\$ 1,405,626	\$ 103,649
Judgment held in trust	<u>812,158</u>	<u>14,578,758</u>	<u>14,568,296</u>	<u>822,620</u>
	<u>\$ 928,016</u>	<u>\$ 15,972,175</u>	<u>\$ 15,973,922</u>	<u>\$ 926,269</u>

(Continued)

ADA COUNTY, IDAHO  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

<b>FUND</b>	Balance 9/30/11	Additions	Deductions	Balance 9/30/12
<b>Other Agencies</b>				
<b>Assets:</b>				
Cash	\$ 335	\$ 4,886,993	\$ 4,887,143	\$ 185
Total Assets	<u>\$ 335</u>	<u>\$ 4,886,993</u>	<u>\$ 4,887,143</u>	<u>\$ 185</u>
<b>Liabilities:</b>				
Accounts payable	\$ 335	\$ 4,886,993	\$ 4,887,143	\$ 185
Total liabilities	<u>\$ 335</u>	<u>\$ 4,886,993</u>	<u>\$ 4,887,143</u>	<u>\$ 185</u>
<b>TOTAL ALL AGENCY FUNDS:</b>				
<b>Assets:</b>				
Cash	\$ 10,149,227	\$ 1,246,569,903	\$ 1,246,987,377	\$ 9,731,753
Accounts Receivable	626,860	582,290	626,860	582,290
	<u>\$ 10,776,087</u>	<u>\$ 1,247,152,193</u>	<u>\$ 1,247,614,237</u>	<u>\$ 10,314,043</u>
<b>Liabilities:</b>				
Accounts payable	\$ 118,978	\$ 59,695,137	\$ 59,632,427	\$ 181,688
Fines and appearance bonds to be remitted	2,815,112	2,836,517	2,815,112	2,836,517
Judgments held in trust	812,158	14,578,758	14,568,296	822,620
Tax receipts held in trust	1,649,229	833,540,910	833,493,215	1,696,924
Due to prisoners	115,858	1,393,417	1,405,626	103,649
Due to victims	31,451	1,459,836	1,470,110	21,177
Due to other agencies and units of government	5,233,301	333,647,618	334,229,451	4,651,468
	<u>\$ 10,776,087</u>	<u>\$ 1,247,152,193</u>	<u>\$ 1,247,614,237</u>	<u>\$ 10,314,043</u>

# STATISTICAL SECTION

This part of Ada County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends (Schedules 1 – 4)</b> <i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	100-105
<b>Revenue Capacity (Schedules 5 – 8)</b> <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	106-109
<b>Debt Capacity (1) (Schedules 9 – 13)</b> <i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	110-114
<b>Demographic and Economic Information (Schedules 14 – 15)</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	115-116
<b>Operating Information (Schedules 16 – 18)</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	117-119

(1) Although Ada County has no legal margin pertaining to the issuance of debt, a hypothetical margin has been computed on Schedule 12 utilizing legal maximum property tax.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Schedule 1  
 Ada County  
 Net Assets by Component,  
 Last Ten Fiscal Years  
*(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 49,055,088	\$ 50,527,624	\$ 50,761,483	\$ 54,745,311
Restricted	52,105,491	51,151,283	60,873,439	27,339,891
Unrestricted	<u>32,116,316</u>	<u>36,718,291</u>	<u>40,748,998</u>	<u>99,934,565</u>
Total governmental activities net assets	<u>\$ 133,276,895</u>	<u>\$ 138,397,198</u>	<u>\$ 152,383,920</u>	<u>\$ 182,019,767</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 10,695,662	\$ 9,854,251	\$ 13,046,297	\$ 28,144,613
Unrestricted	<u>11,617,669</u>	<u>13,288,919</u>	<u>18,915,611</u>	<u>11,368,331</u>
Total business-type activities net assets	<u>\$ 22,313,331</u>	<u>\$ 23,143,170</u>	<u>\$ 31,961,908</u>	<u>\$ 39,512,944</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 59,750,750	\$ 60,381,875	\$ 63,807,780	\$ 82,889,924
Restricted	52,105,491	51,151,283	60,873,439	27,339,891
Unrestricted	<u>43,733,985</u>	<u>50,007,210</u>	<u>59,664,609</u>	<u>111,302,896</u>
Total primary government net assets	<u>\$ 155,590,226</u>	<u>\$ 161,540,368</u>	<u>\$ 184,345,828</u>	<u>\$ 221,532,711</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 77,996,260	\$ 87,719,664	\$ 90,423,756	\$ 88,847,732	\$ 89,750,109	\$ 91,217,513
20,562,666	23,166,023	18,833,918	19,766,888	11,602,787	14,257,039
109,397,452	110,577,070	113,753,487	115,463,248	126,125,797	119,908,182
<u>\$ 207,956,378</u>	<u>\$ 221,462,757</u>	<u>\$ 223,011,161</u>	<u>\$ 224,077,868</u>	<u>\$ 227,478,693</u>	<u>\$ 225,382,734</u>
\$ 31,370,655	\$ 32,861,601	\$ 41,505,019	\$ 44,217,618	\$ 48,798,551	\$ 47,883,817
11,044,254	8,687,207	3,760,014	2,926,742	880,345	8,015,689
<u>\$ 42,414,909</u>	<u>\$ 41,548,808</u>	<u>\$ 45,265,033</u>	<u>\$ 47,144,360</u>	<u>\$ 49,678,896</u>	<u>\$ 55,899,506</u>
\$ 109,366,915	\$ 120,581,265	\$ 131,928,775	\$ 133,065,350	\$ 138,548,660	\$ 139,101,330
20,562,666	23,166,023	18,833,918	19,766,888	11,602,787	14,257,039
120,441,706	119,264,277	117,513,501	118,389,990	127,006,142	127,923,871
<u>\$ 250,371,287</u>	<u>\$ 263,011,565</u>	<u>\$ 268,276,194</u>	<u>\$ 271,222,228</u>	<u>\$ 277,157,589</u>	<u>\$ 281,282,240</u>

Schedule 2  
 Ada County  
 Changes in Net Assets, Last Nine Fiscal Years  
 (accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 40,360,772	\$ 43,740,895	\$ 45,539,444	\$ 46,977,794
Public safety	40,010,188	42,583,796	44,102,776	48,083,014
Sanitation	988,789	1,067,514	1,516,825	1,291,724
Health and Welfare	7,265,169	7,200,293	7,562,599	4,792,298
Recreational & Cultural	564,955	626,455	771,402	925,717
Education	222,024	171,841	205,473	185,584
Interest on long-term debt	2,171,026	2,394,837	3,005,333	2,061,611
Total governmental activities expenses	<u>91,582,923</u>	<u>97,785,631</u>	<u>102,703,852</u>	<u>104,317,742</u>
Business-type Activities:				
Emergency Medical Services	7,112,398	8,376,772	8,815,039	9,187,061
Solid Waste Management	8,574,644	5,593,317	109,108	6,768,032
Western Idaho Fair	3,069,528	3,335,164	3,126,586	3,431,519
Billing Services	3,446,884	3,575,586	3,388,534	3,283,362
Total Business-type Activities Expenses	<u>22,203,454</u>	<u>20,880,839</u>	<u>15,439,267</u>	<u>22,669,974</u>
Total Primary Government Expenses	<u>\$ 113,786,377</u>	<u>\$ 118,666,470</u>	<u>\$ 118,143,119</u>	<u>\$ 126,987,716</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 10,510,682	\$ 10,459,647	\$ 11,975,216	\$ 13,145,778
Sanitation	289,412	316,282	385,591	347,019
Public safety	10,598,156	13,478,053	14,752,609	15,996,195
Recreational and cultural	341,280	361,976	376,537	405,336
Operating grants and contributions	4,766,707	2,983,127	6,422,511	7,043,774
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>26,506,237</u>	<u>27,599,085</u>	<u>33,912,464</u>	<u>36,938,102</u>
Business-type Activities:				
Charges for services:				
Emergency Medical Services	4,744,090	5,176,301	5,679,540	8,341,010
Solid Waste Management	6,516,973	6,634,193	7,458,910	10,051,962
Western Idaho Fair	2,762,440	2,670,114	3,009,623	3,517,297
Billing Services	3,616,158	3,812,613	3,413,900	3,227,213
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>17,639,661</u>	<u>18,293,221</u>	<u>19,561,973</u>	<u>25,137,482</u>
Total primary government program revenues	<u>\$ 44,145,898</u>	<u>\$ 45,892,306</u>	<u>\$ 53,474,437</u>	<u>\$ 62,075,584</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (65,076,686)	\$ (70,186,546)	\$ (68,791,388)	\$ (67,379,640)
Business-type Activities	(4,563,793)	(2,587,618)	4,122,706	2,467,508
Total primary government net expense	<u>\$ (69,640,479)</u>	<u>\$ (72,774,164)</u>	<u>\$ (64,668,682)</u>	<u>\$ (64,912,132)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 53,718,896	\$ 58,757,020	\$ 64,199,339	\$ 71,357,699
Sales taxes	9,852,016	10,716,039	12,045,623	13,731,326
Unrestricted grants and contributions	2,512,356	2,397,086	2,516,646	2,763,521
Investment earnings	2,221,450	2,408,020	3,258,628	7,387,507
Miscellaneous	1,115,847	897,625	757,874	1,006,073
Transfers	-	(165,724)	-	(139,418)
Special items	1,895,220	-	-	908,779
Total governmental activities	<u>71,315,785</u>	<u>75,010,066</u>	<u>82,778,110</u>	<u>97,015,487</u>
Business-type Activities:				
Taxes				
Property Taxes	2,267,047	2,554,566	2,712,800	2,987,616
Sales taxes	119,103	130,731	148,114	167,427
Investment earnings	643,971	566,436	611,726	1,232,764
Miscellaneous	-	-	-	556,303
Transfers	-	165,724	105,617	139,418
Total Business-type activities	<u>3,030,121</u>	<u>3,417,457</u>	<u>3,578,257</u>	<u>5,083,528</u>
Total primary government	<u>\$ 74,345,906</u>	<u>\$ 78,427,523</u>	<u>\$ 86,356,367</u>	<u>\$ 102,099,015</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ 6,239,099	\$ 4,823,520	\$ 13,986,722	\$ 29,635,847
Business-type activities	(1,533,672)	829,839	7,700,963	7,551,036
Total primary government	<u>\$ 4,705,427</u>	<u>\$ 5,653,359</u>	<u>\$ 21,687,685</u>	<u>\$ 37,186,883</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 52,170,385	\$ 56,754,618	\$ 60,278,077	\$ 58,584,760	\$ 58,526,634	\$ 61,484,228
52,647,819	60,025,033	66,365,684	64,925,425	68,724,187	69,645,805
2,024,030	2,137,534	2,389,758	2,532,523	2,262,190	2,177,501
5,287,717	6,788,432	9,327,152	9,948,451	10,084,812	10,458,674
883,819	1,035,666	1,270,222	1,080,420	1,096,802	933,979
230,756	153,879	-	-	-	-
2,599,255	1,974,928	1,943,494	2,190,645	2,140,307	2,022,206
<u>115,843,781</u>	<u>128,870,090</u>	<u>141,574,387</u>	<u>139,262,224</u>	<u>142,834,932</u>	<u>146,722,393</u>
8,697,888	9,760,710	9,891,228	10,308,696	11,363,354	11,467,618
8,824,916	17,424,254	9,948,898	9,599,649	8,013,967	5,542,775
3,511,749	3,692,851	3,528,574	3,742,215	3,810,884	3,842,484
3,509,084	3,810,141	4,190,431	4,408,850	2,395,015	4,276,903
<u>24,543,637</u>	<u>34,687,956</u>	<u>27,559,131</u>	<u>28,059,410</u>	<u>25,583,220</u>	<u>25,129,780</u>
<u>\$ 140,387,418</u>	<u>\$ 163,558,046</u>	<u>\$ 169,133,518</u>	<u>\$ 167,321,634</u>	<u>\$ 168,418,152</u>	<u>\$ 171,852,173</u>
\$ 12,500,483	\$ 10,071,190	\$ 8,431,614	\$ 8,684,928	\$ 9,854,503	\$ 10,420,478
369,165	365,455	629,343	663,617	410,989	433,674
17,595,763	21,271,616	21,473,736	20,759,001	20,855,993	21,155,331
540,643	300,632	281,368	276,481	249,440	299,805
5,512,550	3,705,763	6,679,011	5,074,372	6,344,399	4,817,043
-	-	-	459,381	319,840	172,020
<u>36,518,604</u>	<u>35,714,656</u>	<u>37,495,072</u>	<u>35,917,780</u>	<u>38,035,164</u>	<u>37,298,351</u>
6,366,450	7,487,474	7,137,575	7,543,075	7,673,408	7,662,036
9,545,456	13,602,397	12,210,403	11,054,437	11,079,603	10,652,812
3,693,718	3,644,401	3,298,213	3,275,178	3,312,926	3,779,678
3,297,502	4,186,425	3,990,866	3,683,752	1,969,200	4,453,337
-	-	-	-	37,506	39,172
-	-	-	-	50,078	-
<u>22,903,126</u>	<u>28,920,697</u>	<u>26,637,057</u>	<u>25,556,442</u>	<u>24,122,721</u>	<u>26,587,035</u>
<u>\$ 59,421,730</u>	<u>\$ 64,635,353</u>	<u>\$ 64,132,129</u>	<u>\$ 61,474,222</u>	<u>\$ 62,157,885</u>	<u>\$ 63,885,386</u>
\$ (79,325,177)	\$ (93,155,434)	\$ (104,079,315)	\$ (103,344,444)	\$ (104,799,768)	\$ (109,424,042)
(1,640,511)	(5,767,259)	(922,074)	(2,502,968)	(1,460,499)	1,457,255
<u>\$ (80,965,688)</u>	<u>\$ (98,922,693)</u>	<u>\$ (105,001,389)</u>	<u>\$ (105,847,412)</u>	<u>\$ (106,260,267)</u>	<u>\$ (107,966,787)</u>
\$ 75,125,349	\$ 79,689,693	\$ 82,630,115	\$ 84,021,542	\$ 83,715,268	\$ 83,732,818
14,795,681	14,459,564	12,411,494	11,998,048	13,071,774	14,228,023
4,760,277	4,608,140	4,384,595	3,937,492	4,035,220	5,201,959
9,151,715	6,354,998	4,229,018	1,696,044	1,940,852	2,073,274
1,428,766	1,549,418	1,972,497	2,758,025	3,177,143	2,092,009
-	-	-	-	-	-
-	-	-	-	2,260,336	-
<u>105,261,788</u>	<u>106,661,813</u>	<u>105,627,719</u>	<u>104,411,151</u>	<u>108,200,593</u>	<u>107,328,083</u>
3,275,673	3,567,680	3,810,007	3,988,094	4,142,323	4,309,024
183,519	173,859	146,670	142,264	149,631	163,094
998,511	919,235	678,622	216,437	225,485	287,237
84,773	240,384	3,000	35,500	(522,404)	4,000
-	-	-	-	-	-
<u>4,542,476</u>	<u>4,901,158</u>	<u>4,638,299</u>	<u>4,382,295</u>	<u>3,995,035</u>	<u>4,763,355</u>
<u>\$ 109,804,264</u>	<u>\$ 111,562,971</u>	<u>\$ 110,266,018</u>	<u>\$ 108,793,446</u>	<u>\$ 112,195,628</u>	<u>\$ 112,091,438</u>
\$ 25,936,611	\$ 13,506,379	\$ 1,548,404	\$ 1,066,707	\$ 3,400,825	\$ (2,095,959)
2,901,965	(866,101)	3,716,225	1,879,327	2,534,536	6,220,610
<u>\$ 28,838,576</u>	<u>\$ 12,640,278</u>	<u>\$ 5,264,629</u>	<u>\$ 2,946,034</u>	<u>\$ 5,935,361</u>	<u>\$ 4,124,651</u>

Schedule 3  
 Ada County  
 Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund										
Restricted	\$ 1,239,859	\$ 1,474,433	\$ 2,726,322	\$ 2,961,143	\$ 1,775,181	\$ 1,438,037	\$ 1,189,823	\$ 1,216,216	\$ 2,722,455	\$ 2,993,967
Assigned	4,818,795	8,624,162	6,435,150	22,385,777	20,249,494	2,349,002	159,900	13,271,925	18,145,965	14,482,549
Unassigned	<u>26,528,578</u>	<u>29,431,096</u>	<u>41,359,125</u>	<u>28,887,248</u>	<u>30,728,649</u>	<u>30,291,603</u>	<u>38,675,681</u>	<u>34,933,700</u>	<u>36,021,439</u>	<u>33,073,659</u>
Total general fund	<u>\$ 32,587,232</u>	<u>\$ 39,529,691</u>	<u>\$ 50,520,597</u>	<u>\$ 54,234,168</u>	<u>\$ 52,753,324</u>	<u>\$ 34,078,642</u>	<u>\$ 40,025,404</u>	<u>\$ 49,421,841</u>	<u>\$ 56,889,859</u>	<u>\$ 50,550,175</u>
All Other Governmental Funds										
Nonspendable	\$ 74,531	\$ 55,650	\$ 75,779	\$ 47,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,342,655	3,806,206	4,906,165	4,263,416	5,372,051	7,692,971	9,701,445	11,239,328	11,648,347	11,276,393
Assigned	34,604,169	31,909,963	32,086,858	52,632,979	55,861,205	76,126,011	68,750,220	66,918,888	65,417,987	69,094,990
Unassigned	-	-	-	-	-	-	-	-	(1,075,123)	-
Total all other governmental funds	<u>\$ 37,021,355</u>	<u>\$ 35,771,819</u>	<u>\$ 37,068,802</u>	<u>\$ 56,944,115</u>	<u>\$ 61,233,256</u>	<u>\$ 83,818,982</u>	<u>\$ 78,451,665</u>	<u>\$ 78,158,216</u>	<u>\$ 75,991,211</u>	<u>\$ 80,371,383</u>
Grand Total Governmental Funds	<u>\$ 69,608,587</u>	<u>\$ 75,301,510</u>	<u>\$ 87,589,399</u>	<u>\$ 111,178,283</u>	<u>\$ 113,986,580</u>	<u>\$ 117,897,624</u>	<u>\$ 118,477,069</u>	<u>\$ 127,580,057</u>	<u>\$ 132,881,070</u>	<u>\$ 130,921,558</u>

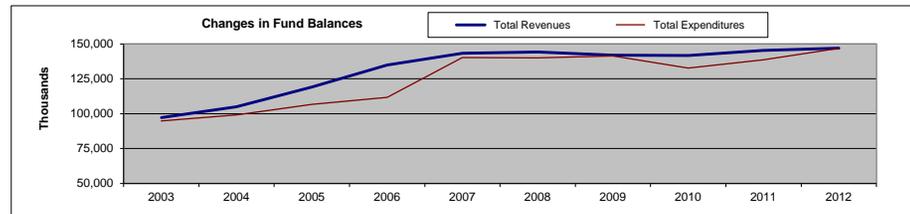
Schedule 4  
 Ada County  
 Changes in Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Property Taxes	\$ 53,727,440	\$ 58,752,777	\$ 64,310,738	\$ 71,376,370	\$ 74,823,351	\$ 78,690,959	\$ 81,084,044	\$ 83,818,073	\$ 84,061,312	\$ 84,460,830
Licenses and Permits	1,186,623	1,169,811	1,163,233	1,120,437	1,267,325	1,364,599	1,397,900	1,266,905	1,357,644	1,451,436
Intergovernmental	17,131,079	16,096,252	20,984,780	23,538,621	25,068,508	22,773,467	23,475,100	21,469,293	23,771,233	24,419,045
Charges for Services	20,271,777	23,206,909	26,028,315	28,542,424	28,854,813	29,581,174	28,008,592	27,808,125	28,775,816	30,065,568
Fines and Forfeitures	1,136,757	1,290,366	1,153,574	1,321,227	1,996,638	1,738,443	1,916,172	1,847,861	1,542,318	1,365,628
Miscellaneous	1,888,362	2,417,984	2,601,927	2,397,689	3,193,850	4,501,933	2,449,872	4,071,422	4,006,810	3,262,916
Interest Income	2,539,898	2,264,489	3,550,187	5,946,970	7,620,065	5,850,773	2,977,295	1,932,897	1,709,444	1,856,012
Net Change in Fair Value of Investments	(641,206)	(182,064)	(668,647)	551,582	441,475	(337,454)	737,725	(381,744)	84,402	61,090
<b>Total Revenues</b>	<b>97,240,730</b>	<b>105,016,524</b>	<b>119,124,107</b>	<b>134,795,320</b>	<b>143,266,025</b>	<b>144,163,894</b>	<b>142,046,700</b>	<b>141,832,832</b>	<b>145,308,979</b>	<b>146,942,525</b>
<b>Expenditures</b>										
General Government	38,424,982	40,122,849	44,337,748	45,068,796	48,903,489	54,064,422	54,291,715	53,306,533	51,833,010	55,684,557
Public Safety	37,268,572	40,893,929	43,166,037	47,795,451	50,647,989	56,848,717	62,361,569	60,118,064	62,303,788	64,698,759
Sanitation	932,069	1,032,441	1,507,314	1,219,396	1,889,501	1,959,076	2,214,515	2,302,103	1,993,245	1,972,854
Recreational and Cultural	552,900	529,626	687,664	750,010	713,009	734,038	948,947	710,245	727,596	578,605
Education	222,024	171,841	205,473	185,584	230,756	153,879	-	-	-	-
Health and Welfare	7,839,714	7,991,232	8,240,817	5,677,477	6,195,072	7,253,842	9,598,295	7,732,560	12,570,816	10,458,699
Capital Outlay	7,492,523	6,036,167	5,473,069	8,235,136	28,491,005	15,625,440	8,423,950	4,506,044	4,564,967	8,850,103
Debt Service										
Interest	2,171,026	2,394,837	3,005,333	2,061,611	2,714,185	1,974,928	1,953,264	2,204,295	2,158,989	2,043,022
Principal	(41,142)	(26,275)	(6,423)	682,336	394,338	1,510,000	1,675,000	1,850,000	2,415,000	2,665,000
<b>Total expenditures</b>	<b>94,862,668</b>	<b>99,146,647</b>	<b>106,617,032</b>	<b>111,675,797</b>	<b>140,179,344</b>	<b>140,124,342</b>	<b>141,467,255</b>	<b>132,729,844</b>	<b>138,567,411</b>	<b>146,951,599</b>
Excess of revenues over (under) expenditures	2,378,062	5,869,877	12,507,075	23,119,523	3,086,681	4,039,552	579,445	9,102,988	6,741,568	(9,074)
<b>Other Financing Sources (Uses)</b>										
Proceeds from sale (1)	1,895,220	-	-	908,779	-	-	-	-	-	-
Transfers in	12,904,247	3,144,400	3,861,358	16,372,819	27,285,697	39,379,319	5,962,638	3,829,413	2,444,485	8,029,146
Transfers out	(12,902,447)	(3,321,354)	(4,080,544)	(16,812,237)	(27,564,081)	(39,507,827)	(5,962,638)	(3,829,413)	(3,885,040)	(9,979,584)
Proceeds from Capital lease	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,897,020</b>	<b>(176,954)</b>	<b>(219,186)</b>	<b>469,361</b>	<b>(278,384)</b>	<b>(128,508)</b>	<b>-</b>	<b>-</b>	<b>(1,440,555)</b>	<b>(1,950,438)</b>
<b>Net change in fund balances</b>	<b>\$ 4,275,082</b>	<b>\$ 5,692,923</b>	<b>\$ 12,287,889</b>	<b>\$ 23,588,884</b>	<b>\$ 2,808,297</b>	<b>\$ 3,911,044</b>	<b>\$ 579,445</b>	<b>\$ 9,102,988</b>	<b>\$ 5,301,013</b>	<b>\$ (1,959,512)</b>
Debt service as a percentage of noncapital expenditures (2)	2.4%	2.5%	3.0%	2.7%	2.8%	2.8%	2.7%	3.2%	3.4%	3.4%

105

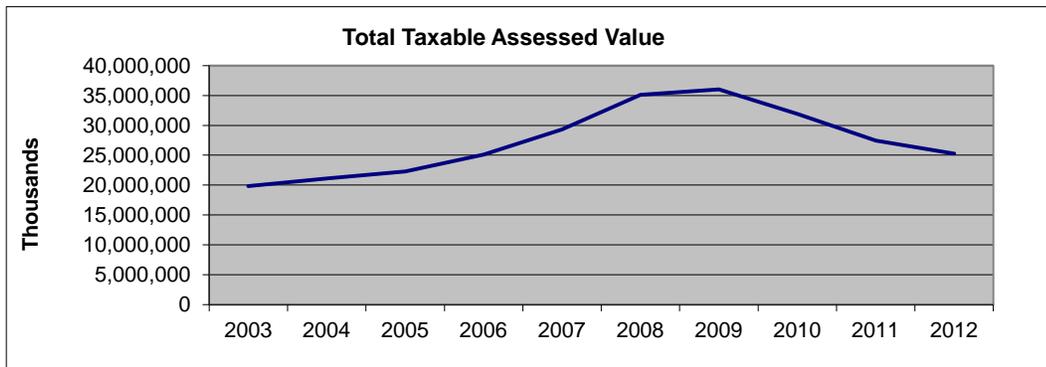
(1) Proceeds from sale of real property  
 Proceeds from sale of land

(2) Debt service represents debt service principal and interest expenditures presented above.  
 Noncapital expenditures represents Total Expenditures above, less the category of Capital Outlay expenditures (which represents all capital asset expenditures for all governmental functions).



Schedule 5  
 Ada County  
 Assessed Value and Actual Value of Taxable Property <sup>(1)</sup>  
 Last Ten Fiscal Years  
*(in thousands of dollars)*

Fiscal Year	Real Property	Personal Property	Mobile Home Property	Public Utilities	Total Actual Value	(2) Less: Homeowner Tax Exemption	Total Taxable Assessed Value	Total Direct Tax Rate
2003	\$ 21,795,499	\$ 835,712	\$96,401	\$ 647,468	\$23,375,080	\$ 3,511,963	\$ 19,863,117	\$ 2.96
2004	23,003,399	1,065,055	94,561	628,743	24,791,757	3,697,866	21,093,891	3.02
2005	24,573,709	934,873	81,397	565,068	26,155,047	3,862,769	22,292,278	3.12
2006	27,462,027	1,095,288	77,413	573,664	29,208,391	4,084,464	25,123,927	3.10
2007	34,046,274	1,264,355	68,126	570,031	35,948,786	6,622,739	29,326,047	2.82
2008	41,118,797	1,442,401	67,227	604,277	43,232,702	8,123,941	35,108,762	2.52
2009	42,835,490	1,501,000	68,601	651,623	45,056,714	9,039,771	36,016,943	2.56
2010	38,415,658	1,572,854	59,756	650,489	40,698,757	8,769,962	31,928,795	2.93
2011	33,479,770	1,297,866	52,404	631,305	35,461,345	8,001,348	27,459,997	3.39
2012	30,484,252	1,203,166	48,295	701,621	32,437,334	7,171,652	25,265,682	3.70



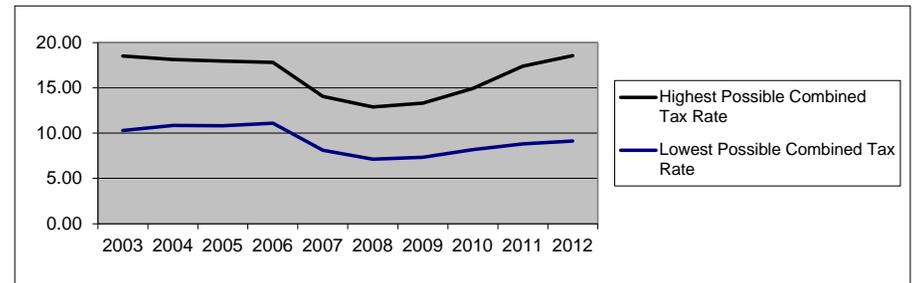
Notes:

- (1) Property is assessed at 100% of actual value; therefore, the assessed values are equal to actual value.
- (2) An initiative was passed by the Idaho electorate in 1983 which exempts certain taxable assessed value by 50% or \$50,000, whichever is less. By special session in 2006, the \$50,000 was changed to \$75,000 for fiscal 2007 and indexed to the Federal House Price Index for each year thereafter. The new indexed amount for fiscal year 2008 was \$89,325, fiscal 2009 was \$100,938, fiscal 2010 was \$104,471, fiscal 2011 was \$101,153, and fiscal 2012 was \$92,040.

Schedule 6  
 Ada County  
 Direct and Overlapping Property Tax Rates,  
 Last Ten Fiscal Years  
*(rate per \$1000 of assessed value)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>County direct rates</b>										
General	\$ 2.74	\$ 2.80	\$ 2.86	\$ 2.83	\$ 2.56	\$ 2.28	\$ 2.30	\$ 2.63	\$ 3.06	\$ 3.32
Emergency Medical Services	0.12	0.12	0.12	0.12	0.11	0.10	0.11	0.13	0.15	0.17
Pest Extermination	0.10	0.10	0.11	0.12	0.12	0.11	0.12	0.14	0.15	0.17
Mosquito Abatement <sup>(1)</sup>	n/a	n/a	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04
Total Direct rate	2.96	3.02	3.12	3.10	2.82	2.52	2.56	2.93	3.39	3.70
Ada County Highway district rate	1.00	1.01	1.03	1.01	0.95	0.87	0.91	1.02	1.19	1.29
<b>City rates</b>										
Boise	5.81	5.56	5.79	5.74	5.49	5.03	5.15	5.87	6.98	7.78
Eagle	1.14	1.07	1.06	1.01	0.86	0.78	0.83	1.00	1.01	1.01
Garden City	3.02	2.99	3.02	3.07	2.93	2.70	2.72	2.99	3.57	4.06
Kuna	2.41	2.30	2.33	2.18	2.11	1.94	2.06	2.60	3.16	3.63
Meridian	2.96	3.06	3.11	3.01	2.81	2.67	2.86	3.49	4.09	4.48
Star	2.05	2.42	2.35	2.39	2.18	1.82	2.04	2.73	3.16	3.58
Average of the 6 City rates	2.90	2.90	2.94							
<b>School district rates <sup>(2)</sup></b>										
College of Western Idaho <sup>(4)</sup>	n/a	n/a	n/a	n/a	n/a	n/a	0.11	0.13	0.16	0.18
Boise Ind School Dist #1	8.14	8.44	7.94	7.92	4.74	4.43	4.56	4.92	5.58	5.50
Meridian Jt School Dist #2	6.54	6.31	6.69	6.56	3.89	3.65	3.58	3.51	3.49	3.40
Kuna Jt School Dist #3	6.57	6.53	6.53	6.48	3.86	3.32	3.33	4.63	5.03	4.79
Melba Jt School Dist #136	6.31	6.83	6.69	7.98	5.41	5.35	5.34	4.92	5.00	5.51
Average Rate of 7 Fire districts	1.52	1.51	1.46	1.53	1.54	1.44	1.54	1.74	1.96	2.09
Average Rate of 3 Library districts	0.58	0.58	0.57	0.55	0.53	0.46	0.50	0.58	0.66	0.66
Average Rate of 7 Cemetery districts	0.07	0.07	0.08	0.07	0.07	0.06	0.06	0.07	0.07	0.08
Average Rate of 4 Sewer districts <sup>(3)</sup>	0.34	0.26	0.26	0.26	0.24	0.22	0.24	0.33	0.39	1.62
Average Rate of Miscellaneous districts	0.07	0.07	0.09	0.09	0.08	0.07	0.08	0.09	0.11	0.11
Highest Possible Combined Tax Rate	18.50	18.13	17.93	17.80	14.03	12.87	13.29	14.91	17.37	18.53
Lowest Possible Combined Tax Rate	10.27	10.86	10.81	11.10	8.12	7.13	7.33	8.18	8.82	9.14

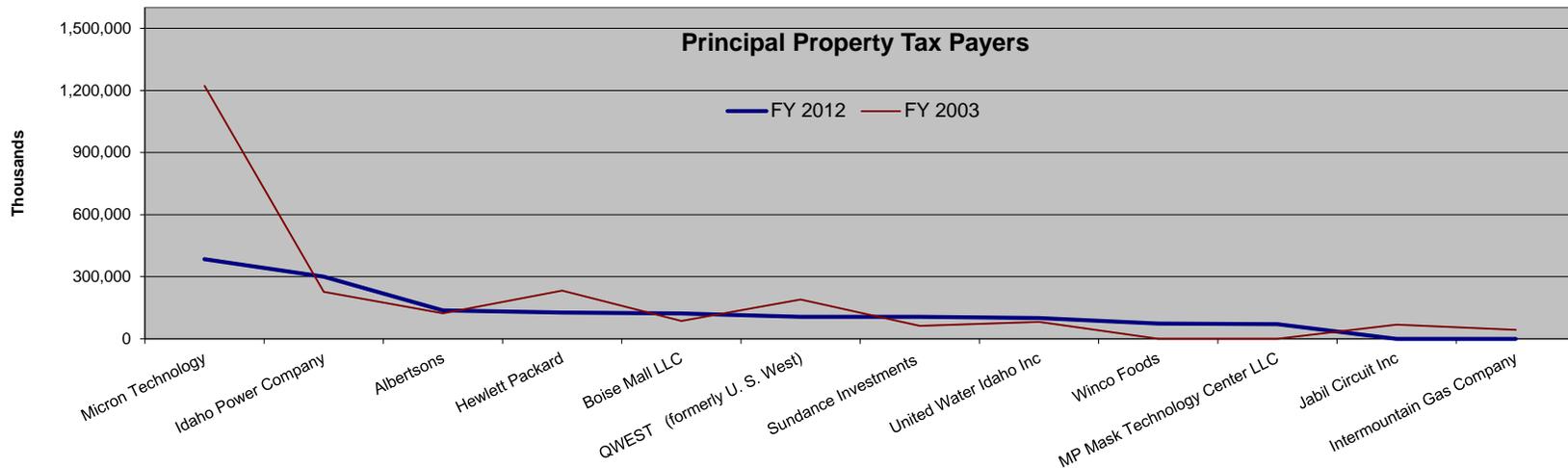
- (1) In early 2004, the Board of Commissioners agreed to operate and integrate the Southwest Ada County Mosquito Abatement District as a County department. For the years prior to the change, Mosquito Abatement was included within the designation: Miscellaneous districts.
- (2) By special Idaho legislative session in 2006, funding for all School District's Maintenance & Operations changed it's revenue source from levy to a one cent state sales tax increase. Also, public support for tax relief caused other Districts to request lower funding amounts.
- (3) A new district, Meridian Heights Sewer, levied 5.13 in FY 2012, significantly raising the average sewer levy.
- (4) A new district, College of Western Idaho, first levied in FY 2009.



Schedule 7  
 Ada County  
 Principal Property Tax Payers,  
 Fiscal Year and Nine Years Ago

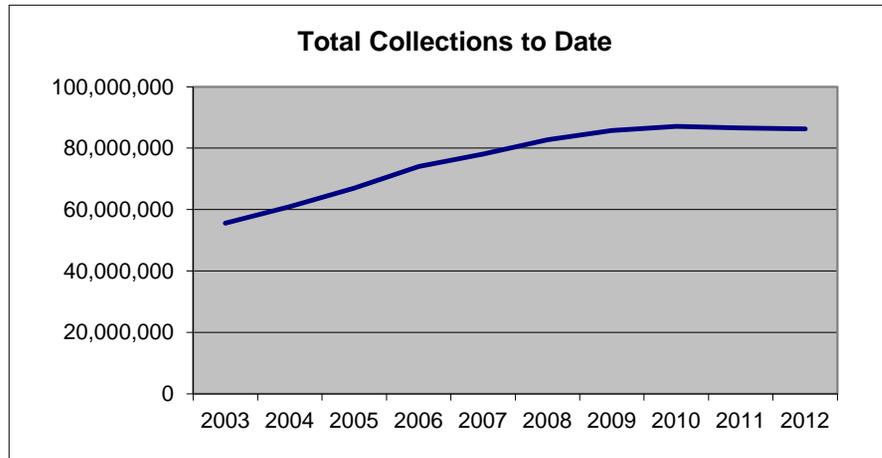
Taxpayer	Type of Business	Fiscal Year 2012			Fiscal Year 2003		
		Taxable Assessed Valuation	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total County Taxable Assessed Value
Micron Technology	Electronics Manufacturer	\$ 385,014,800	1	1.52 %	\$ 1,222,327,250	1	6.15 %
Idaho Power Company	Electric Utility	300,682,648	2	1.19	227,255,115	3	1.14
Albertsons	Retail Grocery	137,389,700	3	0.54	124,014,300	5	0.62
Hewlett Packard	Electronics Manufacturer	127,382,300	4	0.50	233,130,500	2	1.17
Boise Mall LLC	Real Estate Holding	123,128,900	5	0.49	85,962,400	6	0.43
QWEST (formerly U. S. West)	Telephone Utility	106,782,294	6	0.42	190,350,263	4	0.96
Sundance Investments	Commercial Construction	106,068,800	7	0.42	63,408,700	9	0.32
United Water Idaho Inc	Water Utility	101,085,694	8	0.40	82,821,674	7	0.42
Winco Foods	Retail Grocery	73,801,700	9	0.29	-----	----	----
MP Mask Technology Center LLC	Electronics Manufacturer	70,579,500	10	0.28	-----	----	----
Jabil Circuit Inc	Electronics Manufacturer	-----	----	----	69,299,700	8	0.35
Intermountain Gas Company	Gas Utility	-----	----	----	43,418,234	10	0.22
Ten Largest Taxpayers		1,531,916,336		6.06 %	2,341,988,136		11.79 %
All Other Taxpayers		23,733,765,542		93.94 %	17,521,128,841		88.21 %
Total Ada County Market Valuation		\$ 25,265,681,878		100.00 %	\$ 19,863,116,977		100.00 %

108



Schedule 8  
 Ada County  
 Property Tax Levies and Collections,  
 Last Ten Fiscal Years

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 55,816,927	\$ 55,074,567	98.67 %	\$ 556,936	\$ 55,631,503	99.67 %
2004	61,143,158	60,356,173	98.71	612,848	60,969,021	99.72
2005	67,012,955	66,352,900	99.02	606,948	66,959,848	99.92
2006	74,121,204	73,457,192	99.10	623,050	74,080,242	99.94
2007	78,254,651	77,198,247	98.65	847,411	78,045,658	99.73
2008	83,063,301	81,224,050	97.79	1,519,264	82,743,314	99.61
2009	86,148,471	83,321,611	96.72	2,408,853	85,730,464	99.51
2010	87,575,480	85,215,903	97.31	1,908,326	87,124,229	99.48
2011	87,408,655	85,532,876	97.85	1,012,198	86,545,074	99.01
2012	87,718,521	86,245,350	98.32	-	86,245,350	98.32



Schedule 9  
 Ada County  
 Ratios of Outstanding Debt by Type,  
 Last Ten Fiscal Years  
*(dollars in thousands, except per capita)*

Fiscal Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total Primary Government	Percentage of Personal Income <sup>(2)</sup>	Per Capita <sup>(2)</sup>
	Gross Bonded Debt	Capital Leases <sup>(1)</sup>	Gross Bonded Debt	Capital Leases			
2003	\$ -	\$ 54,991	\$ -	\$ -	\$ 54,991	0.50 %	\$ 172
2004	-	54,522	-	-	54,522	0.47	168
2005	-	54,010	-	-	54,010	0.44	162
2006	-	52,784	-	-	52,784	0.39	153
2007	-	51,820	-	-	51,820	0.35	144
2008	-	50,310	-	-	50,310	0.31	135
2009	-	48,635	-	-	48,635	0.30	128
2010	-	46,785	-	-	46,785	0.31	122
2011	-	44,370	-	-	44,370	0.29	113
2012	-	41,705	-	-	41,705	0.26	104

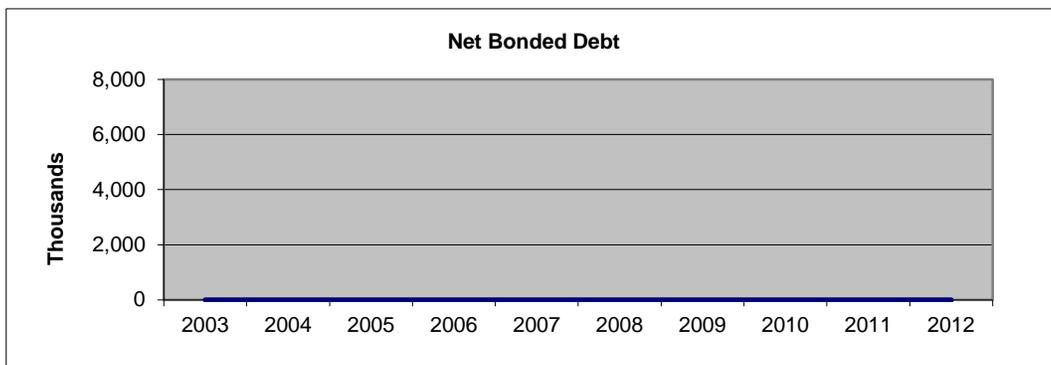
Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

(1) In fiscal 2000, the county entered into the Court Complex Lease Agreement for 30 years of one year leases. In fiscal 2005, the Court Complex Lease Agreement was renegotiated, resulting in a revised 23-year term of one year leases.

(2) See Schedule 14 for personal income and population data used to calculate percentage and per capita.

Schedule 10  
 Ada County  
 Ratios of Net General Bonded Debt Outstanding,  
 Last Ten Fiscal Years  
*(dollars in thousands, except per capita)*

Fiscal Year	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Percentage of Actual Taxable Value <sup>(1)</sup> of Property	Per Capita <sup>(2)</sup>
2003	\$ 0	\$ 0	\$ 0	0.00 %	\$ 0
2004	0	0	0	0.00	0
2005	0	0	0	0.00	0
2006	0	0	0	0.00	0
2007	0	0	0	0.00	0
2008	0	0	0	0.00	0
2009	0	0	0	0.00	0
2010	0	0	0	0.00	0
2011	0	0	0	0.00	0
2012	0	0	0	0.00	0



Notes:

- (1) See Schedule 5 for property value data.
- (2) Population data can be found in Schedule 14.

Schedule 11  
 Ada County  
 Direct and Overlapping Governmental Activities Debt,  
 As of September 30, 2012  
 (dollars in thousands)

Government Unit	Debt Outstanding	Estimated Percentage Applicable <sup>(1)</sup>	Estimated Share of Overlapping Debt
<i><u>Ada County Direct Indebtedness:</u></i>			
Capital Leases	\$ 41,705	100.000 %	\$ 41,705
<i><u>Overlapping Bonded Indebtedness:</u></i>			
School District No. 1	\$ 85,520	99.998 %	\$ 85,518
School District No. 2	160,561	99.075 %	159,076
School District No. 3	43,845	84.538 %	37,066
School District No. 136J	2,826	19.659 %	556
Boise City	69,675	100.000 %	69,675
Eagle City	1,149	100.000 %	1,149
Garden City	650	100.000 %	650
Kuna City	25,879	100.000 %	25,879
Kuna Fire	200	93.278 %	187
Eagle Sewer	4,971	100.000 %	4,971
Meridian Heights Water & Sewer	133	100.000 %	133
Star Sewer	394	100.000 %	394
Kuna Library	463	84.538 %	391
Meridian Library	815	100.000 %	815
Subtotal, overlapping debt	<u>397,081</u>		<u>386,459</u>
Total direct and overlapping debt	<u>\$ 438,786</u>		<u>\$ 428,164</u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Ada County Board of Equalization and assessment. Debt outstanding data provided by each governmental unit.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Ada County. This process recognizes that, when considering the county's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the county's boundaries and dividing it by each unit's total taxable assessed value.

Schedule 12  
 Ada County  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years  
*(dollars in thousands)*

<b>Legal Debt Margin Calculation for Fiscal Year 2012</b>	
Maximum <b>Property Tax</b> for Ada County Governmental Funds	\$101,987
Debt Limit (could exceed above with 2/3 vote of qualified electors)	\$101,987
Debt applicable to limit:	
General obligation bonds	-
Less: amount set aside for repayment of debt	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$101,987</u>

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit <sup>(1)</sup>	\$ 55,351	\$ 59,114	\$ 63,234	\$ 68,494	\$ 75,407	\$ 82,576	\$ 87,879	\$ 91,895	\$ 98,566	\$ 101,987
Total net debt applicable to limit	<u>-</u>									
Legal debt margin	<u>\$ 55,351</u>	<u>\$ 59,114</u>	<u>\$ 63,234</u>	<u>\$ 68,494</u>	<u>\$ 75,407</u>	<u>\$ 82,576</u>	<u>\$ 87,879</u>	<u>\$ 91,895</u>	<u>\$ 98,566</u>	<u>\$ 101,987</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Schedule 10 - Net Debt, Idaho Code 31-Chapter 19; 57-Chapter 2, and Maximum Allowable Non-exempt Property Tax Budget

Note: Under Idaho State Code, bonded debt may be incurred by Counties when authorized by a vote of 2/3 of qualified electors, as a levy on all taxable property within the county - with no other limitations. Debt may be offset by amounts set aside for repaying general obligation bonds.

(1) Although voters could authorize bonded indebtedness in excess of current statutory property tax limits, the County has no such debt - therefore, the amounts shown for debt limit are equal to the County's legal property tax limit.

Schedule 13  
 Ada County  
 Pledged-Revenue Coverage,  
 Last Ten Fiscal Years  
*(dollars in thousands)*

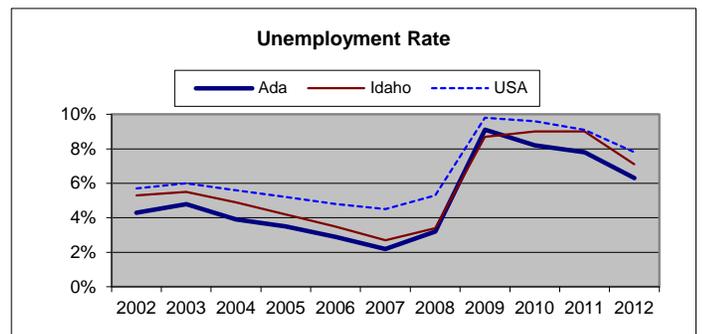
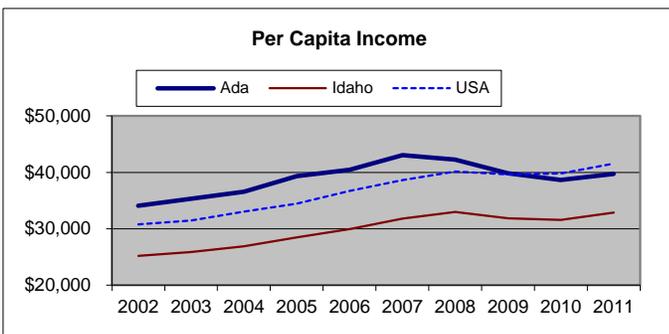
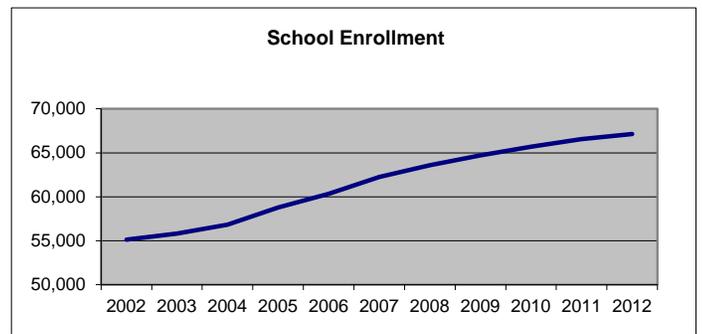
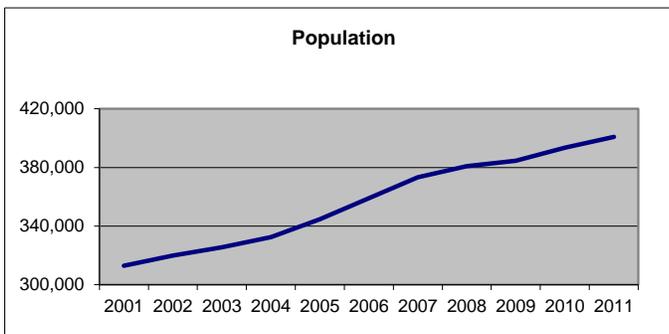
Fiscal Year	Courthouse Corridor Capital Lease											
	Sales	Rent	Bldg. Sales	Charge	Gen'l		Total	Less:	Net	Debt Service		Coverage
	Tax	Savings	& Lease Revenue	for Services	Interest	Fund Bal. Transfer	Revenue	Operating Expenses	Available Revenue	Principal	Interest	
2003	\$ 2,000	\$ 135	\$ 2,395	\$ 904	\$ 476	\$ 2,997	\$8,907	\$ 75	\$ 8,832	\$ (41)	\$ 2,171	4.15 %
2004	2,000	139	500	971	496	-	4,106	62	4,044	(26)	2,395	1.71
2005	2,000	141	500	869	582	91	4,183	16	4,167	(6)	3,005	1.39
2006	2,000	145	500	955	1,231	-	4,831	27	4,804	682	2,062	1.75
2007	2,000	148	500	1,054	3,600	-	7,302	25	7,277	394	2,714	2.34
2008	2,000	121	500	1,072	1,464	2,675	7,832	25	7,807	1,510	1,975	2.24
2009	2,000	124	500	1,106	1,565	-	5,295	25	5,270	1,675	1,953	1.45
2010	2,000	128	500	1,100	574	-	4,302	25	4,277	1,850	2,204	1.06
2011 <sup>(1)</sup>	-	-	500	990	645	-	2,135	2	2,133	2,415	2,159	0.47
2012	-	-	500	940	654	-	2,094	-	2,094	2,665	2,043	0.44

**Note:** Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Ada County's planned use of fund balance to cover the increasing lease payments begins.

Schedule 14  
 Ada County  
 Demographic and Economic Statistics,  
 Last Ten Calendar and Fiscal Years

Calendar Year	Population <sup>(1)</sup>	Personal Income <i>(in thousands of dollars)</i> <sup>(2)</sup>	Per Capita Personal Income <sup>(2)</sup>	Median Age <sup>(3)</sup>	Fiscal Year	School Enrollment <sup>(4)</sup>	Unemployment Rate <sup>(5)</sup>
2001	312,855	\$ 10,560,709	\$ 33,771	33.0	2002	55,145	4.3 %
2002	319,839	10,891,956	34,072	33.4	2003	55,810	4.8
2003	325,482	11,497,481	35,324	33.5	2004	56,810	3.9
2004	332,523	12,152,307	36,543	34.4	2005	58,790	3.5
2005	344,727	13,575,500	39,302	34.9	2006	60,326	2.9
2006	359,035	14,626,750	40,445	34.6	2007	62,249	2.2
2007	373,406	16,056,425	43,028	34.6	2008	63,594	3.2
2008	380,920	16,036,284	42,273	34.7	2009	64,714	9.1
2009	384,656	15,319,574	39,827	34.3	2010	65,706	8.2
2010	393,531	15,200,836	38,633	35.0	2011	66,564	7.8
2011	400,842	15,927,071	39,734	35.2	2012	67,133	6.3



Notes:

Calendar Year is from January to December. For example, the last Calendar Year shown above (2011) is from 1/1/11 - 12/31/11.  
 Fiscal Year is from October to September. For example, the last Fiscal Year shown above (2012) is from 10/1/11 - 9/30/12.

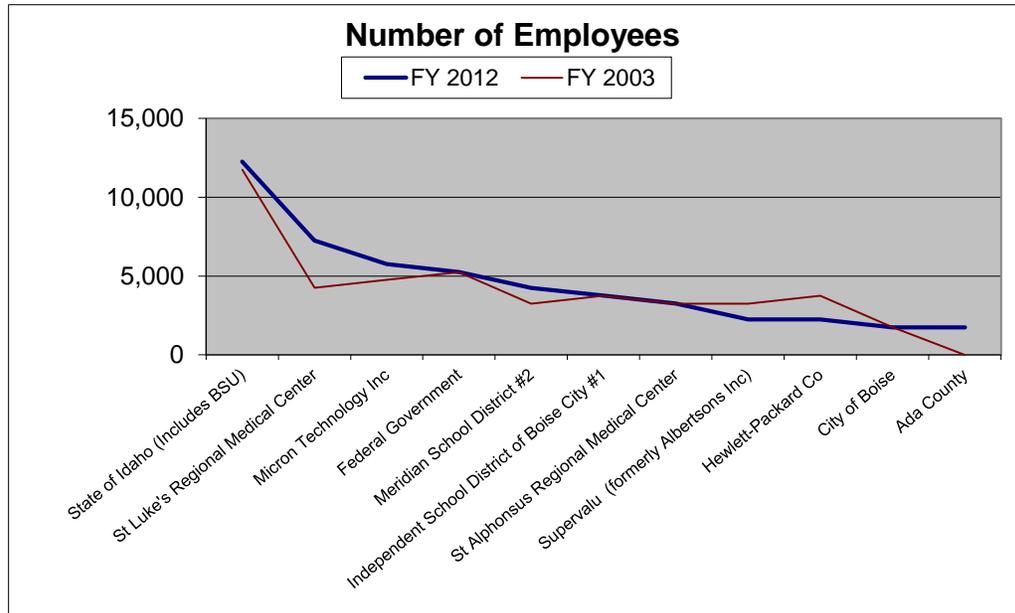
Sources:

- (1) Population Division, U.S. Census Bureau for July 1, 2011, release date September, 2012.
- (2) Bureau of Economic Accounts (BEA) for 2011, release date November 26, 2012.
- (3) U.S. Census Bureau American Community Survey for 2011, release date September, 2012.
- (4) Idaho State Dept of Education for the 2011-2012 School Year.
- (5) Idaho Department of Labor, Public Affairs. Beginning fiscal 2009, the reported unemployment rate changed from a 12 month average to the single last month of the fiscal year (FY 2012 = September 2012). This provides a better reflection of the present economy.

Schedule 15  
 Ada County  
 Principal Employers,  
 Fiscal Year and Nine Years ago

<u>Employer</u>	<u>Fiscal Year 2012</u>			<u>Fiscal Year 2003</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment <sup>(1)</sup></u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment <sup>(1)</sup></u>
State of Idaho (Includes BSU)	12,000 - 12,500	1	6.10%	11,500 - 12,000	1	6.39%
St Luke's Regional Medical Center	7,000 - 7,500	2	3.61%	4,000 - 4,500	4	2.31%
Micron Technology Inc	5,500 - 6,000	3	2.86%	4,500 - 5,000	3	2.58%
Federal Government	5,000 - 5,500	4	2.62%	5,000 - 5,500	2	2.85%
Meridian School District #2	4,000 - 4,500	5	2.12%	3,000 - 3,500	7	1.77%
Independent School District of Boise City #1	3,500 - 4,000	6	1.87%	3,500 - 4,000	5	2.04%
St Alphonsus Regional Medical Center	3,000 - 3,500	7	1.62%	3,000 - 3,500	7	1.77%
Supervalu (formerly Albertsons Inc)	2,000 - 2,500	8	1.12%	3,000 - 3,500	7	1.77%
Hewlett-Packard Co	2,000 - 2,500	8	1.12%	3,500 - 4,000	5	2.04%
City of Boise	1,500 - 2,000	10	0.87%	1,500 - 2,000	10	0.95%
Ada County	1,500 - 2,000	10	0.87%	- - -	-	-
<b>Totals</b>	<b>47,000 - 52,500</b>		<b>24.78%</b>	<b>42,500 - 47,500</b>		<b>24.47%</b>

Total Number of Ada County Nonfarm Jobs      200,700      184,000



(1) Percentage calculated from the mid-point of the given range of Employees and from the total Nonfarm Jobs in Ada County

Source: Idaho Department of Labor, Communications & Research Bureau  
 November 30, 2012

Schedule 16  
 Ada County  
 Full-time Equivalent County Government Employees by Function/Program,  
 Last Ten Fiscal Years

<b>Function/Program</b>	Full-time Equivalent Employees as of September 30									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<i>Governmental Activities</i>										
General Government										
Clerk/Auditor	124	124	125	129	136	136	133	133	136	141
Treasurer	12	12	12	12	12	12	12	12	12	14
Assessor	14	14	12	11	12	12	12	11	11	9
Prosecutor	110	114	115	123	130	139	140	132	135	137
Motor Vehicle	47	46	46	47	48	51	42	39	38	38
Operations	28	29	29	31	34	34	33	33	33	36
Information Technology	39	40	40	41	44	43	43	43	43	46
Development Services	37	42	51	59	54	37	21	19	18	19
Public Defender	44	45	48	50	55	58	59	58	60	63
Ad Valorem	40	40	43	46	46	47	45	45	44	44
District Court	69	74	75	79	88	88	88	83	84	92
Other	20	22	25	28	28	29	27	27	26	29
Public Safety										
Sheriff	449	454	494	512	526	593	577	577	595	611
Juvenile	135	132	132	128	125	143	130	130	131	139
Other	14	20	20	22	23	27	28	27	28	33
Sanitation										
Weed	11	11	15	17	17	20	20	21	17	20
Health & Welfare										
Charities	19	21	22	22	21	22	21	22	23	23
Recreation & Culture										
Parks & Waterways	<u>5</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>6</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>6</u>	<u>6</u>
<b>Total Governmental Activities</b>	<b>1217</b>	<b>1246</b>	<b>1310</b>	<b>1364</b>	<b>1405</b>	<b>1496</b>	<b>1436</b>	<b>1417</b>	<b>1440</b>	<b>1500</b>
<i>Business-type Activities</i>										
Emergency Medical Svcs	94	104	105	110	127	122	122	122	123	126
Solid Waste Mgmt	14	14	12	12	12	12	12	13	12	14
Western Idaho Fair	<u>15</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>
<b>Total Business-Type Activities</b>	<b>123</b>	<b>133</b>	<b>132</b>	<b>138</b>	<b>153</b>	<b>148</b>	<b>148</b>	<b>149</b>	<b>149</b>	<b>154</b>
<b>Grand Total</b>	<b>1,340</b>	<b>1,379</b>	<b>1,442</b>	<b>1,502</b>	<b>1,558</b>	<b>1,644</b>	<b>1,584</b>	<b>1,566</b>	<b>1,589</b>	<b>1,654</b>

Source: Ada County Auditors Office

Schedule 17  
 Ada County  
 Operating Indicators by Function/Program,  
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities:</b>										
<b>General government</b>										
Number of recorded documents	213,293	172,703	186,104	209,802	181,285	145,792	140,572	124,804	110,723	131,044
Primary election, May										
Number of registered voters at cutoff	----	158,117	----	179,457	----	184,624	----	198,302	----	204,112
Additional election day registrants (1)	----	1,812	----	2,892	----	2,562	----	3,011	----	1,544
Percentage voting in:	----	15.6%	----	21.2%	----	21.1%	----	21.8%	----	16.4%
General election, November										
Number of registered voters at cutoff	154,779	----	169,413	----	181,741	----	194,758	----	200,250	----
Additional election day registrants (1)	16,507	----	38,755	----	20,332	----	38,279	----	15,107	----
Percentage voting in:	62.6%	----	75.8%	----	61.1%	----	78.0%	----	56.7%	----
Building permits issued (outside cities)										
Residential	1,015	1,122	1,512	1,359	598	459	176	193	160	308
Commercial	14	33	25	31	37	19	8	3	13	12
Combined value of Building permits (in 1,000's)	\$ 179,744	\$ 218,868	\$ 319,012	\$ 323,530	\$ 169,064	\$ 117,609	\$ 37,753	\$ 45,108	\$ 34,305	\$ 62,915
County-wide new construction value (in 1,000's)	\$ 782,045	\$ 873,994	\$ 1,182,393	\$ 1,720,591	\$ 1,952,266	\$ 1,311,835	\$ 701,031	\$ 370,451	\$ 259,291	\$ 291,989
Number of Taxable property parcels assessed	154,343	163,364	168,269	178,567	186,359	186,806	190,097	189,734	190,236	191,154
Motor vehicles registered (Calendar Year) (2)	278,383	292,299	304,185	311,451	309,164	311,489	299,807	312,324	317,490	n/a
Drivers licenses in force (Calendar Year) (2)	224,108	231,216	242,653	251,822	259,768	265,195	269,456	274,164	280,056	n/a
<b>Sanitation</b>										
Acres sprayed for weed control	7,100	7,400	7,500	5,800	6,000	4,272	3,261	5,915	4,535	3,601
Acres sprayed for pest control	60,000	61,000	65,000	50,000	76,000	106,668	125,548	42,322	51,927	37,022
Acres sprayed for mosquito abatement (3)	350,490	52,641	31,493	141,526	48,939	68,135	105,609	57,744	54,258	56,651
<b>Public Safety</b>										
Traffic violations issued	62,304	69,368	58,738	61,729	63,682	68,311	62,648	61,276	60,358	66,533
Physical arrests	20,428	23,312	23,386	26,704	24,857	25,038	24,672	21,502	20,455	18,647
Average jail population	764	825	949	916	923	946	887	879	892	865
<b>Health and welfare</b>										
Number of cases processed	4,374	3,273	2,429	2,075	2,401	2,485	2,477	2,893	2,699	2,605
<b>Recreational and cultural</b>										
Barber Park Number of Visitors (4)	102,114	107,926	78,454	75,747	94,253	127,507	111,338	113,275	110,800	111,399
<b>Education</b>										
Amount of tuition assistance to county residents for community college (5)	\$ 210,206	\$ 171,841	\$ 205,473	\$ 185,584	\$ 230,756	\$ 153,879	\$ -	\$ -	\$ -	\$ -
<b>Business-type activities:</b>										
Number of emergency responses	16,604	17,940	18,268	20,147	21,221	22,803	20,018	21,157	22,370	22,132
Cubic Yards of trash deposited at landfill (in 1,000's)	1,716	1,788	1,884	1,846	1,917	1,580	1,340	1,211	1,195	1,177
Western Idaho Fair attendance	211,746	207,404	219,601	228,836	243,610	232,674	225,046	217,769	224,731	233,523

- (1) Information of same day election registrants has been added to this schedule.  
 (2) Calendar year information for 2012 not available as of September 30, 2012  
 (3) In 2004, a more effective adulticiding formula was used to treat acres after mosquitos became resistant to the previous formula.  
 In 2006, Ada County had the highest number of West Nile reported cases in the nation. An emergency aerial application covering 84,366 acres was completed.  
 (4) In 2005, an alcohol ban on the Boise River by the City of Boise caused a drop in visitors. In 2008, off season and event center users were tracked and counted for the first time.  
 (5) Beginning with the fall semester of 2008, tuition assistance has been discontinued due to the formation of local taxing district College of Western Idaho.

Sources: Various county departments, Idaho Transportation Department and Idaho Secretary of State Website

Schedule 18  
 Ada County  
 Capital Asset Statistics by Function/Program,  
 Last Eight Fiscal Years <sup>(1)</sup>

Function/Program	Fiscal Year							
	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:								
General Government								
Land (acres) <sup>(2)</sup>	27	27	27	32	27	27	27	284
Buildings	5	5	6	7	8	8	9	9
Vehicles	13	14	17	16	15	15	16	16
Public Safety								
Land (acres)	28	28	28	28	29	29	29	29
Buildings	11	11	11	11	11	11	11	11
Patrol Vehicles	80	96	97	106	115	116	119	122
Other Vehicles	24	27	33	39	42	40	42	47
Boats	2	2	2	3	3	3	2	3
Sanitation								
Land (acres)	2	2	2	2	2	2	2	2
Buildings	2	0	3	3	3	3	3	3
Vehicles	9	9	11	12	13	14	14	16
Recreational and Cultural								
Land (acres)	68	82	82	82	106	106	106	106
Buildings	4	4	5	5	5	5	5	5
Vehicles	2	2	2	2	2	2	2	2
Boats	1	1	1	1	1	1	1	1
Business-type activities:								
Emergency Medical Services								
Land (acres)	0	0	0	1	3	4	4	4
Buildings	4	4	4	6	5	5	8	8
Ambulances	21	23	24	26	27	26	26	28
Other Vehicles	9	9	9	10	10	10	12	13
Solid Waste Management								
Land (acres)	2,713	2,716	2,716	2,716	2,716	2,716	2,716	2,716
Buildings	3	3	3	3	3	3	3	3
Vehicles	4	4	4	4	4	4	7	6
Western Idaho Fair								
Land (acres)	240	240	240	240	240	240	240	240
Buildings	11	13	13	13	13	13	13	13
Vehicles	2	2	2	2	2	2	2	2

(1) The County will continue to annually report information until this schedule includes 10 fiscal years.

(2) Ada County purchased 256.5 acres called Red Hawks Estate in 2012.

Source: Fixed Asset Reports and Various County Departments

# **SINGLE AUDIT**



CPAs & BUSINESS ADVISORS

**Report on Internal control over Financial Reporting and on Compliance with Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Commissioners  
Ada County, Idaho

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ada County, Idaho, (County) as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 28, 2012. 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.

**Internal Control Over Financial Reporting**

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

*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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2012-1 that we consider to be a significant deficiency in internal control over financial reporting. 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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, County Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho  
December 28, 2012



CPAs & BUSINESS ADVISORS

## **Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133**

To the Board of Commissioners  
Ada County, Idaho

### **Compliance**

We have audited Ada County, Idaho's (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Ada County, Idaho's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

### **Internal Control over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned

functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2012-2 to be a significant deficiency.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho  
December 28, 2012

**ADA COUNTY, IDAHO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

FEDERAL GRANT/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PROJECT NUMBER	TOTAL EXPENDITURES
<b><i>Department of Agriculture</i></b>			
<u>Pass Through Payments From State of Idaho</u> <u>Superintendent of Public Instruction:</u>			
Cash Assistance:			
School Breakfast Program (a)	10.553	-	\$ 21,899
National School Lunch Program (a)	10.555	-	38,824
Non-Cash Assistance (Commodities):			
National School Lunch Program (a)	10.555	-	<u>3,685</u>
<b>Total Department of Agriculture</b>			<b><u>64,408</u></b>
<b><i>Department of the Interior-Bureau of Land Mgmt</i></b>			
<u>Pass Through Payments From State of Idaho</u> <u>Department of Agriculture:</u>			
Terrestrial Noxious Weed Management	15.230	L11AC20096	<u>5,000</u>
<b><i>Department of Justice</i></b>			
Office of Violence Against Women Later in Life	16.528	2011-EW-AX-K003	48,383
Office of Violence Against Women - Prosecutor	16.590	2007-WE-AX-0012	80,234
Office of Violence Against Women - Sheriff	16.590	2007-WE-AX-0012	54,832
State Criminal Alien Assistance Program	16.606	2011-H3891-ID-AP	31,936
Bulletproof Vest Partnership	16.607	2011	2,007
Justice Assistance (b)	16.738	2009-DJ-BX-0887 2010-DJ-BX-0828 2011-DJ-BX-2485	212,171
ARRA - Justice Assistance (b)	16.804	2009-SB-B9-2259	1,486
<u>Pass Through Payments From</u> <u>City of Boise:</u>			
Cops Interoperable Communications Technology	16.710	2007-CK-WX-0032	127,882

*(continued)*

**ADA COUNTY, IDAHO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

FEDERAL GRANT/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PROJECT NUMBER	TOTAL EXPENDITURES
<u>Pass Through Payments From State of Idaho</u>			
<u>Department of Juvenile Corrections:</u>			
Juvenile Accountability Block Grant	16.523	09-JA41-01 10-JA41-01	55,427
Juvenile Accountability Block Grant-Re-Entry	16.523	08-JB-0032	280
<u>Pass Through Payments From State of Idaho</u>			
<u>Office of the Attorney General:</u>			
ARRA - Internet Crimes Against Children	16.800	2009-SN-B9-K030	10,451
<u>Pass Through Payments From State of Idaho</u>			
<u>State Police:</u>			
ARRA - Stop Violence Against Women	16.588	2009-EF-S6-0032	3,300
ARRA - Justice Assistance - Prosecutor (b)	16.803	09RJAGAC	56,893
ARRA - Statewide Video Conferencing (b)	16.803	11RJ09VC	85,554
<b>Total Department of Justice</b>			<b>770,836</b>
 <b><i>Department of Transportation</i></b>			
<u>Pass Through Payments From State of Idaho</u>			
<u>Department of Transportation:</u>			
Law Enforcement Campaigns (c)	20.205	-	1,481
Oregon Trails (c)	20.205	STP-0100(175)	1,171
Law Enforcement Campaigns (d)	20.600	-	12,851
Law Enforcement Campaigns (d)	20.601	-	16,917
<b>Total Department of Transportation</b>			<b>32,420</b>
 <b><i>Department of Energy</i></b>			
ARRA - Energy Efficiency & Conservation	81.128	DE-SC0003203	47,533

**ADA COUNTY, IDAHO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

FEDERAL GRANT/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PROJECT NUMBER	TOTAL EXPENDITURES
<b><i>Department of Health &amp; Human Services</i></b>			
<u>Pass Through Payments From State of Idaho Department of Health and Welfare:</u>			
Mosquito Surveillance	93.283	HC756100	3,000
Idaho Health Care Preparedness	93.889	-	<u>33,572</u>
<b>Total Department of Health &amp; Human Services</b>			<b><u>36,572</u></b>
<b><i>United States Coast Guard</i></b>			
<u>Pass Through Payments From State of Idaho Department of Parks and Recreation:</u>			
Boat Safety	97.012	-	<u>16,355</u>
<b><i>Department of Homeland Security</i></b>			
<u>Pass Through Payments From State of Idaho Military Division:</u>			
Flood Mitigation Assistance Grant	97.029	EMS-2008-FM-E001	10,013
Emergency Management Performance Grant	97.042	EMW-2011-EP-00082 EMW-2012-EP-00065	206,469
Pre-Disaster Mitigation Planning Grant	97.047	PDMC-PL-10-ID-2009-002	23,441
State Preparedness Equipment Grant (e)	97.067	2009-SS-T9-0014 2010-SS-T0-0088	168,807
Training and Exercise (e)	97.067	2009-SS-T9-0014 2010-SS-T0-0088	68,383
Training and Exercise Shared (e)	97.067	2008-GE-T8-0044 2009-SS-T9-0014 2010-SS-T0-0088	5,501
Administration (e)	97.067	2010-SS-T0-0088	10,521
Citizen Corp (e)	97.067	2009-SS-T9-0014 2010-SS-T0-0088	23,506
Regional Collaboration & Planning Shared (e)	97.067	2008-GE-T8-0044	766
National Incident Management System Shared (e)	97.067	2008-GE-T8-0044	334

*(continued)*

**ADA COUNTY, IDAHO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

FEDERAL GRANT/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PROJECT NUMBER	TOTAL EXPENDITURES
Community Preparation & Participation (e)	97.067	2009-SS-T9-0014 2010-SS-T0-0088	310
Emergency Planning (e)	97.067	2009-SS-T9-0014 2010-SS-T0-0088	<u>162,018</u>
<b>Total Department of Homeland Security</b>			<b><u>680,069</u></b>
 <b><i>Other Federal Assistance</i></b>			
<u>Pass Through Payments From State of Idaho Secretary of State:</u>			
Help America Vote Act	93.617	-	<u>16,456</u>
		TOTAL FEDERAL ASSISTANCE	<b><u>\$ 1,669,649</u></b>

- (a) School Lunch Cluster - \$64,408
- (b) Justice Assistance Cluster - \$356,104
- (c) Law Enforcement Cluster 1 - \$2,652
- (d) Law Enforcement Cluster 2 - \$29,768
- (e) Homeland Security Cluster - \$440,146

ADA COUNTY, IDAHO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. The Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Ada County, Idaho. The reporting entity is defined in Note I to the County's basic financial statements.
2. The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting as described in Note I to the County's basic financial statements.
3. Major programs are identified in the Schedule of Findings and Questioned Costs.
4. Of the federal expenditures presented in the schedule, Ada County provided federal awards to subrecipients as follows:

CFDA # 16.738	Justice Assistance Grant	\$152,178
CFDA # 16.804	ARRA – Justice Assistance Grant	\$ 1,486

ADA COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED SEPTEMBER 30, 2012

**SECTION I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
16.738	Justice Assistance Grant
16.804	Justice Assistance Grant – American Recovery and Reinvestment Act
16.803	Justice Assistance Grant – American Recovery and Reinvestment Act
97.067	U.S. Department of Homeland Security – Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	Yes

## SECTION II - Financial Statement Findings

2012-1

*Criteria:* The Ada County investment policy states that, “Where possible...the investment portfolio should not consist of more than 50% of any class of security”. Also, Governments should provide information about the credit risk associated with their investments by disclosing the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations-rating agencies-as of the date of their financial statements (GASB No. 40, Paragraph 7).

*Condition:* The language of the investment policy regarding diversification of asset class has not been in line with the investing activities of the County since 2005 when the restrictive language on asset class diversification percentage was placed into effect. For the year ended September 30, 2012, over 50% of the fair market value of the investment balance is invested in debt securities. During our testing of the investment information provided for financial reporting, we noted several debt securities that did not report accurate credit ratings as of year-end.

*Effect:* The investment portfolio is less diversified than directed by the investment policy. The investment information provided for financial reporting did not contain accurate credit ratings on all debt securities as of year-end.

*Cause:* The 2005, 2008 and 2011 investment policies have not met the needs of the current or predecessor Treasurers. Additionally, the control and reporting structure of debt securities includes obtaining the credit quality rating at the date of purchase in order to comply with the investment policy. The control and reporting structure does not include a process to update the ratings on debt securities at year-end for financial reporting purposes.

*Recommendation:* We recommend that the Treasurer’s office consider updating the investment policy to allow greater than 50% of investments in a class. The Treasurer’s office should also implement a process to update the ratings on debt securities at year-end for financial reporting purposes.

*Management’s response:* The Treasurer’s office agrees with the finding.

### Corrective Action Plan (CAP)

#### *Action Planned in Response to Finding:*

- 1) GASB 40 year-end reporting requires the credit risk of debt securities.  
In December 2012, the Treasurer took action to move all investments under a single custodian, Wells Fargo. Wells Fargo, as custodian, has the ability to provide a link to bond ratings for year-end reporting. This should not be an issue in future years.
- 2) The investment portfolio at year-end is less diversified than directed by the investment policy. Ada County is only authorized to invest in two classifications of asset class, fixed-income and money markets & cash equivalents. As a result, at any one time it is very likely that one class or the other will exceed the 50% asset class limitation of the investment policy.

Investing is a moving target. County cash flow and budget demands are also moving targets as the County budgeting process methodology does not provide the necessary information for liquidity projections. This results in the potential for asset class imbalance, depending on the time of analysis.

Action to be taken: The investment policy requires review every two years or more frequently as appropriate. (Section 10) Although the policy was reviewed and changed in 2011, with two (2) new County Commissioners coming to the Board the middle of January, a review is warranted. A meeting will be scheduled with the Board to discuss the current economy and if/how the investment policy may need modified. Any changes will be initiated through resolution.

*Explanation of Disagreement:* None

*Official Responsible for Ensuring Corrective Action* – Ada County Treasurer

*Planned Completion for Corrective Action:* December 2012 and January 2013.

*Plan to Monitor Completion of Corrective Action:* The Treasurer will monitor the progress of the corrective action to ensure it meets the operational and financial reporting needs of the County.

### **SECTION III - Federal Award Findings and Questioned Costs**

2012-2

*Criteria:* Compliance section I – Procurement and Suspension and Debarment requires that the grantee expending funds to a single vendor in excess of \$25,000 must verify that the vendor is not suspended or debarred. This can be done by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity.

*Condition:* During our testing of the Justice Assistant Grant (CFDA# 16.738) it was noted that Ada County is not performing any of the three options for verifying that vendors are not suspended or debarred.

*Questioned costs:* N/A

*Effect:* The County did not ascertain if grant fund expenditures were sent to suspended or debarred vendors. Upon further testing, the items tested did not indicate any expenditure to suspended or debarred vendors.

*Cause:* Ada County does not have a process for verifying that vendors are not suspended or debarred.

*Recommendation:* It is recommended that Ada County initiate a control to determine if a single vendor that receives in excess of \$25,000 of federal funds has been suspended or debarred. This control can include one of the following three elements: checking the *EPLS* maintained by the GSA, collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity.

*Management's response:* We agree with the findings and will implement the proper procedures to ensure this is managed correctly in the future.

#### **Corrective Action Plan (CAP)**

*Action Planned in Response to Finding:* Upon a new vendor request, the 'excluded party list system' website will be checked to ensure the new vendor request is not an excluded vendor and is allowed to receive federal funds. Once a year, current vendors will be checked against the website to ensure they are still allowed to receive federal funds.

*Explanation of Disagreement:* None

*Official Responsible for Ensuring Corrective Action* – Clerk of the District Court, ex-officio Auditor and Recorder

*Planned Completion for Corrective Action:* This will be an on-going process as new vendor requests occur and an annual update process.

*Plan to Monitor Completion of Corrective Action:* The Auditor's Office will incorporate the review of the 'excluded party list' as part of the monthly review of vendor changes.