

STATE OF IDAHO

CANYON COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

September 30, 2013



CHRIS YAMAMOTO, COUNTY AUDITOR

STATE OF IDAHO

CANYON COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

September 30, 2013

Prepared by:
Canyon County
Auditor's Office

INTRODUCTORY SECTION



**STATE OF IDAHO
CANYON COUNTY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2013
TABLE OF CONTENTS**

	<u>Page</u>
INTRODUCTORY SECTION	
Table of Contents.....	1
Letter of Transmittal.....	3
GFOA Certificate of Achievement.....	7
Organizational Chart.....	8
Names of Elected Officials and Department Administrators.....	9
FINANCIAL SECTION	
Independent Auditor's Report.....	11
Management's Discussion and Analysis.....	14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	24
Statement of Activities.....	25
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	26
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28
Statement of Net Position - Proprietary Funds.....	29
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	30
Statement of Cash Flows - Proprietary Funds.....	31
Statement of Net Position - Fiduciary Funds.....	32
Notes to the Financial Statements.....	33
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Fund.....	50
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Justice Special Revenue Fund.....	53
Schedule of Revenues, Expenditures, and Changes, in Fund Balances - Budget and Actual District Court Special Revenue Fund.....	54
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Indigent Special Revenue Fund.....	55
Notes to Required Supplementary Information - Budgetary Information.....	56
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds.....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	63
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Weed Control Special Revenue Fund.....	66
Assessor's Reappraisal Special Revenue Fund.....	67
Health District Special Revenue Fund.....	68
County Fair Special Revenue Fund.....	69
Parks and Recreation Special Revenue Fund.....	70
Historical Society Special Revenue Fund.....	71
Pest Control Special Revenue Fund.....	72
Melba Gopher Special Revenue Fund.....	73
Court Device Special Revenue Fund.....	74

	Page
Waterways Special Revenue Fund.....	75
Court Facilities Special Revenue Fund.....	76
Emergency Communications Special Revenue Fund.....	77
Specialty Courts Special Revenue Fund.....	78
Misdemeanor Probation Special Revenue Fund.....	79
Consolidated Elections Special Revenue Fund.....	80
Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency funds.....	81

STATISTICAL SECTION

Net Position by Component.....	85
Changes in Net Position.....	86
Fund Balances of Governmental Funds.....	88
Changes in Fund Balances of Governmental Funds.....	89
Assessed Value and Actual Value of Taxable Property.....	90
Direct and Overlapping Property Tax Rates.....	91
Principal Property Taxpayers.....	92
Property Tax Levies and Collections.....	93
Ratios of Outstanding Debt.....	94
Direct and Overlapping Governmental Activities Debt.....	95
Legal Debt Margin Information.....	96
Demographic and Economic Statistics.....	97
Principal Employers.....	98
Full-Time Equivalent County Government Employees by Function.....	99
Operating Indicators by Function.....	100
Capital Asset Statistics by Function.....	101

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards.....	103
Notes to the Schedule of Expenditures of Federal Awards.....	104
Independent Auditor's 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.....	105
Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance Required by OMB Circular A-133.....	107
Schedule of Findings and Questioned Costs.....	109



Chris Yamamoto
Canyon County Clerk of the District Court
Ex-Officio Auditor and Recorder



"Serving all of Canyon County in an efficient, accurate and friendly manner"

Brad Jackson | Chief Deputy

Zach Wagoner | Controller

To the Board of County Commissioners of Canyon County:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements 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 of Canyon County (the County) for the fiscal year ended September 30, 2013.

This report consists of the management's representations concerning the finances of Canyon 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, the management of Canyon 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 Canyon County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Canyon County's comprehensive framework of internal control 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.

Canyon 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 Canyon County for the fiscal year ended September 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that Canyon County's financial statements for the fiscal year ended September 30, 2013, 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.

GAAP requires 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 the MD&A and should be read in conjunction with it. Canyon County's MD&A can be found immediately following the report of the independent auditors.

Profile of Canyon County

Canyon County was established November 19, 1892 with its County seat in Caldwell. The name probably came from the Snake River Canyon that forms the southern border of the County. The Hudson's Bay Company established Fort Boise in 1834 at the mouth of the Boise River near what is now Parma, but abandoned it in 1855. Emigrants traveled through what is now Canyon County on the Oregon Trail. It is located in the southwestern part of Idaho west of Boise, the state capitol. Canyon County is bordered on the east by Ada County, on the south by Owyhee County, on the north by Gem and Payette counties and on the west by Oregon. Canyon County has the second highest population among Idaho's 44 counties and covers 603 square miles. Caldwell is the county seat and the second largest city in the County with an estimated population of 46,905. Nampa is the largest city in the county and the second largest in Idaho with an estimated population of 82,755. Canyon County benefits from having these two medium sized cities in close proximity as they provide numerous urban benefits not found in the more sparsely populated counties. The current population of Canyon County is estimated to be 193,888 an increase of 48% since 2000. Canyon County is empowered to levy a property tax on real and personal property located within its boundaries. It also is empowered by state statute to extend its boundary limits by annexation.

All elected officials are constitutional officers, elected to specific terms of office and charged to perform the functions and duties of their office as outlined and enumerated in Idaho law.

Canyon County operates under a commissioner form of government with three elected commissioners. The three member board of county commissioners is the governing body of county government in Idaho. They act as both the executive branch and the legislative branch, and are responsible for all duties not specifically mandated to other elected officials. Two county commissioners are elected each biennium; one for a two year term and one for a four year term.

The County Commissioners are responsible for passing ordinances, adopting the budget, appointing board members and hiring department administrators.

Canyon County provides a full range of services. These services include: police protection, sanitation services, health and social services, welfare, culture and recreation, development services and general administrative services, which include but are not limited to: judicial, tax administration, record of deeds, federal, state and local elections.

The annual budget serves as the foundation for Canyon County's financial planning and control. All departments and agencies of the County are required to submit requests for appropriations to the County Budget Officer, also known as the County Auditor, on or before the 3rd Monday in May each year. The Budget Officer uses these requests as the starting point for developing a proposed budget.

The Budget Officer then presents this proposed budget to the Board of County Commissioners for review on or before the 1st Monday of August each year. The Commissioners are required to have the budget published in a local newspaper during the 3rd week of August. They must hold a public hearing no later than Tuesday following the first Monday in September of each year. The appropriated budget is prepared under the classifications of salaries, benefits, and detail of other expenses by department and fund. County Commissioners can transfer from salaries and benefits to other expenses through a Commissioners resolution. 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, the justice special revenue fund, the district court special revenue fund and the indigent special revenue fund, the four major governmental

funds, this comparison is presented on pages 50-55 as part of the required supplementary information. For governmental funds other than the major funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 66.

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 with which Canyon County operates.

Local Economy. Canyon County is endowed with rich, fertile soil and a mild climate. These factors have positioned Canyon County as an agricultural leader in the Northwest. Hops, mint, sugar beets, potatoes, fruit orchards and vineyards are just a few of the many crops grown in Canyon County. Productive farms are scattered throughout the County and provide numerous employment opportunities. Other major employers include: education, government, retail, construction, and health care.

As of November 2013, with a civilian labor force of 86,797 the unemployment rate for Canyon County stands at 6.5%. This represents a decrease from November 2012 when the unemployment rate was 7.5%. The housing boom of 2005-2007 rapidly increased the civilian labor force in the County and also was largely responsible for the record lows in unemployment over that same time period. With the burst of the housing bubble and the immediate halt of population growth, unemployment began a rapid ascent to 10.7% in November 2010 and has been steadily decreasing since.

The construction industry is not alone when it comes to experiencing the effects of the recession. As consumers have reduced spending, layoffs have taken place in multiple industries throughout Canyon County. Manufacturing, trade, finance, retail, professional and business services have all experienced decreases in employment numbers.

In January 2012, Saint Alphonsus announced plans to build a new birthing center, comprehensive heart care center and emergency department in Nampa. It is projected that the new facilities will provide roughly 500 construction jobs and 85 new health care employment opportunities. Ground was officially broken for the \$33 million dollar project in April 2012 and the grand opening for the Saint Alphonsus Birkeland Maternity Center, Neonatal Intensive Care Unit and Heart Center occurred January 4, 2014.

On December 6, 2013, the tallest building in Caldwell opened its doors for business when West Valley Medical Center opened a medical office building. The building is four stories tall and contains 91,500 square feet of primary care space for West Valley Medical Group doctors, outpatient medical imaging, lab tests, outpatient wound care and meeting spaces for wellness and pre-surgery education. Gardner Company was the building's developer.

Long-term financial planning. The County continues to be cognizant of future needs and has explored ways to ensure that the County has and will have adequate facilities to meet current and future requirements. In January of 2012, Canyon County was visited by Carter Goble Lee, an expert in the field of defining and developing public facilities that provide users functionality for generations. Carter Goble Lee examined the County's current facilities, provided guidance on future facilities needs and presented options that will meet current and future facilities needs. The County is reviewing the ideas put forth, prioritizing needs and formulating a plan to meet facilities needs in an appropriate manner.

Relevant financial policies. Canyon County's budget has decreased from \$83,284,057 in fiscal year 2008 to \$67,940,736 for fiscal year 2013, a decrease of \$15,343,321 or over 18%. County leaders and department administrators have been instructed to cut back wherever possible and look for ways to continue to provide required services at a lower cost. Many previously filled positions that have been vacated have been left vacant in order to cut costs. Property taxes levied by Canyon County have been stable to decreasing over the past few fiscal years. In fiscal year 2009, property taxes levied totaled \$37,985,388 and for fiscal year 2013, total property taxes levied by Canyon County were \$38,057,593. For fiscal year 2013, County Commissioners had the statutory authority to levy an additional \$5,796,633 in property tax; but choose instead to leave that money in taxpayers' pockets.

Major initiatives. Canyon County has entered into an arrangement with the Caldwell Urban Renewal Agency to construct a new administration building. The Urban Renewal Agency receives tax increment revenue that would otherwise be received by the County. The Urban Renewal Agency has entered into a long term debt obligation with the County's share of tax increment revenue pledged as repayment. The County anticipates having \$7.5 million dollars available to construct an administration building and remodel the existing courthouse. Construction on the 45,000 square foot administration building began September 2013 and it is expected to be completed by summer 2014. The new administration building will house the County Clerk, Treasurer, Assessor, Indigent and Development Services offices.

Awards and acknowledgements. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Canyon County for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the 24th consecutive year that Canyon County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient, effective and dedicated services of Canyon County Controller Zach Wagoner, and the entire Auditor's office staff whose continued efforts for improvement in the County's accounting and reporting system are directly responsible for the high quality of the information being reported to the Board of Commissioners of Canyon County. Credit must also be given to the Board of Commissioners for their support in planning and conducting financial operations of the County in a responsible manner.

Sincerely,



Chris Yamamoto
Canyon County
Clerk/Auditor/Recorder
February 25, 2014



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

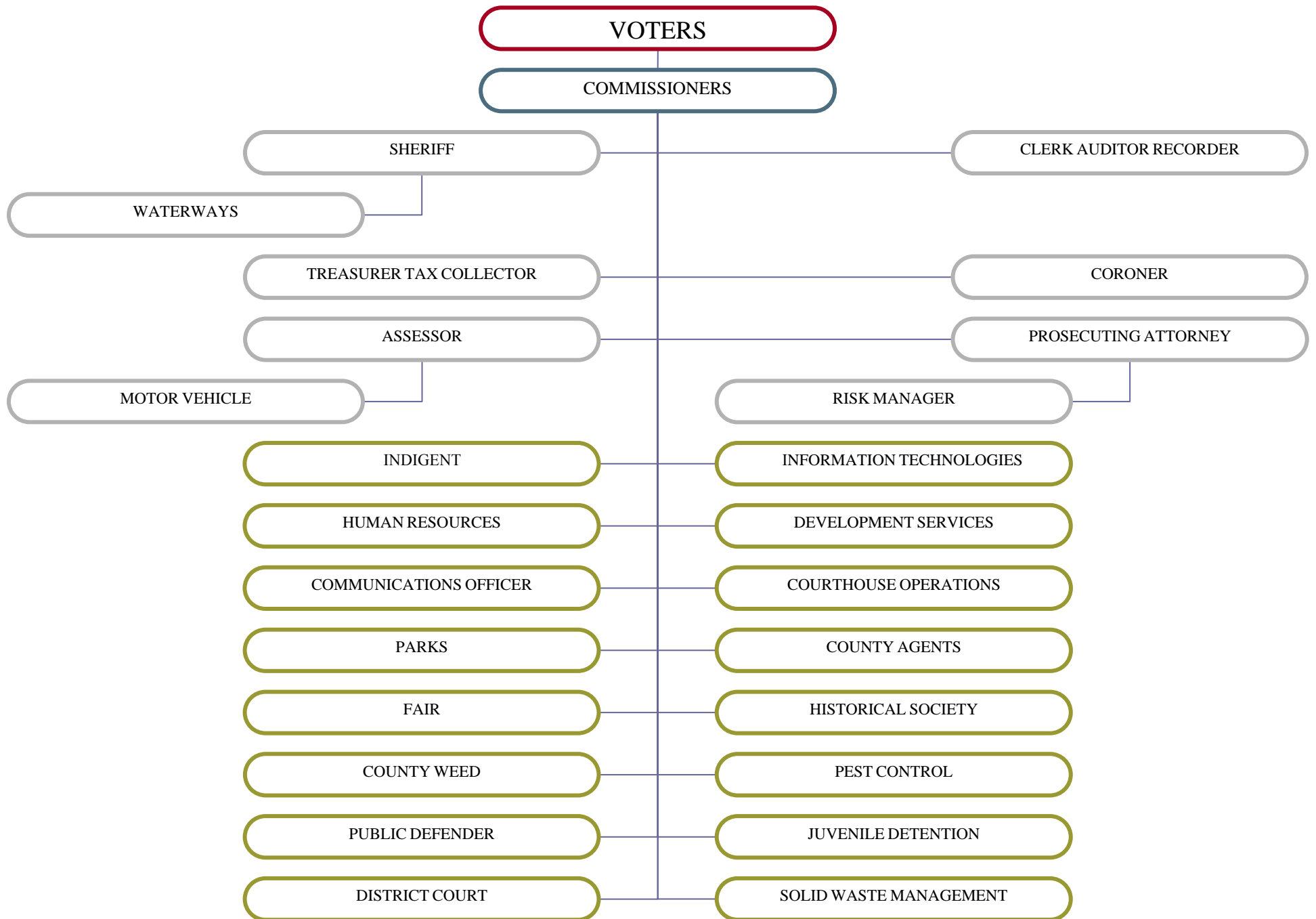
**Canyon County
Idaho**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

CANYON COUNTY IDAHO ORGANIZTIONAL CHART



**STATE OF IDAHO
CANYON COUNTY
ELECTED OFFICIALS AND DEPARTMENT ADMINISTRATORS
September 30, 2013**

ELECTED OFFICIALS

Commissioner District #1.....	Steve Rule
Commissioner District #2.....	Kathy Alder
Commissioner District #3.....	Craig Hanson
County Clerk.....	Chris Yamamoto
County Treasurer.....	Tracie Lloyd
County Assessor.....	Gene Kuehn
County Sheriff.....	Kieran Donahue
County Prosecutor.....	Bryan Taylor
County Coroner.....	Vicki DeGeus-Morris
Administrative District Judge (1).....	Thomas J. Ryan
District Judge.....	George A. Southworth
District Judge.....	Juneal C. Kerrick
District Judge.....	Molly Huskey
District Judge.....	Bradly S. Ford
Magistrate Judge.....	Dayo O. Onanubosi
Magistrate Judge.....	Jayne B. Sullivan
Magistrate Judge.....	Gary D. DeMeyer
Magistrate Judge.....	Frank P. Kotyk
Magistrate Judge.....	Debra A. Orr
Magistrate Judge.....	James R. Schiller
Magistrate Judge.....	Jerold W. Lee
Magistrate Judge.....	F. Randall Kline

DEPARTMENT ADMINISTRATORS

Trial Court Administrator.....	Dan Kessler
Development Services Director.....	Tricia Nilsson
Information Technologies Director.....	Rob Hopper
Human Resources Director.....	Jeannine Eiband
Director of Indigent Services.....	Michele Chadwick
Juvenile Probation Director.....	Elda Catalano
Juvenile Detention Center Director.....	Steve Jett
County Agent.....	Jerry Neufeld
Building Superintendent.....	Paul Navarro
Parks and Recreation Director.....	Tom Bick
Landfill Director.....	Jack Biddle
Weed Control Director.....	James D. Martell
County Fleet Management Director.....	Mark Tolman

(1) Canyon County is in the Third Judicial District which includes: Canyon, Adams, Gem, Payette, Washington and Owyhee Counties. Five of the six District Judges and eight of the thirteen Magistrate Judges reside in and have their chambers in Canyon County.

FINANCIAL SECTION





Independent Auditor's Report

To the County Commissioners
Canyon County, Idaho
Boise, Idaho

Report on the Financial Statements

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 Canyon County, Idaho (the County), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 Audit Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2013, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Correction of an error

As discussed in Note IV, subsection F, the County discovered errors in the financial statements of the general fund for the year ended September 30, 2012. The financial statements have been restated to correct these errors. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison on pages 14 through 22 and 50 through 56 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. 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 Organization*, and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, budget and actual comparisons for governmental funds other than 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budget and actual comparisons for governmental funds other than general and major special revenue funds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report February 25, 2014 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, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Boise, Idaho
February 25, 2014

Management's Discussion and Analysis

As management of Canyon County (the County), we offer readers of Canyon County's financial statements this narrative overview and analysis of the financial activities of Canyon County for the fiscal year ended September 30, 2013. 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 3-6 of this report.

Financial Highlights

- The assets of Canyon County exceeded its liabilities at the close of the most recent fiscal year by \$93,624,649 (net position). Of this amount \$47,412,011 (unrestricted net position) may be used to meet Canyon County's ongoing obligations to citizens and creditors.
- Canyon County's total net position increased by \$438,976 during fiscal year 2013. Total revenue increased \$798,613 compared to the prior fiscal year due to increased development services activity, increased sales tax revenue from the state and an increase in property tax collection. Total expenses increased \$2,076,144 from last year due mostly to increases in claims costs associated with the County's self-funded health insurance program.
- As of the close of the current fiscal year, Canyon County's governmental funds reported combined ending fund balances of \$34,797,862, a decrease of \$2,163,712 from the previous fiscal year. The decrease is a result of the self-funded health insurance fund being transferred from the general fund to a proprietary fund. The total fund balance consists of: \$15,001,998 in the general fund, \$10,679,500 in the justice special revenue fund, \$2,915,497 in the district court special revenue fund, \$1,968,085 assigned to the indigent special revenue fund and \$4,232,782 in the other governmental funds.

Overview of the financial statements

This discussion and analysis are intended to serve as an introduction to Canyon County's basic financial statements. Canyon County's basic financial statements comprise 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 Canyon County's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of Canyon County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Canyon County include general

government, public safety, public works, health and welfare, and culture and recreation. The *business-type activities* of Canyon County include a sanitary landfill.

The government-wide financial statements can be found on pages 24-25 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. Canyon 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 Canyon 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, the readers may better understand the long-term impact of the County'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*.

Canyon County maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the justice special revenue fund, the district court special revenue fund and the indigent special revenue fund all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Canyon County adopts an annual appropriated budget for all of its governmental funds, including the enterprise fund. A budgetary comparison schedule has been provided for the governmental funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 26-28 of this report.

Proprietary funds. Canyon County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for its sanitary landfill operations. An *internal service fund* is used to account for the financial activities of the County's self-funded health insurance fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitary landfill operations, and self-funded health insurance fund which are considered to be major funds of Canyon County.

The basic proprietary fund financial statements can be found on pages 29-31 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside Canyon County government. Fiduciary funds are not reflected in the government-wide financial

statements because the resources of those funds are not available to support Canyon 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 32 of this report. The combining statement of changes in assets and liabilities for the agency funds begins on page 82 at the end of the combining & individual fund section.

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 can be found on pages 33-48 of this report.

Other Information. In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* which can be found on pages 50-55 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 60-80 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial situation. In the case of Canyon County, assets exceeded liabilities by \$93,624,649 at the close of the most recent fiscal year.

Nearly 50% of Canyon County's net position 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.

Canyon County's Net Position September 30, 2013

	Governmental Activities		Business-type Activities		Totals	
	2013	2012, restated	2013	2012	2013	2012, restated
Current and other assets	\$ 82,199,382	\$ 42,800,612	\$ 14,629,663	\$ 14,145,561	\$ 96,829,045	\$ 56,946,173
Capital assets	36,754,214	37,743,519	9,679,506	9,956,687	46,433,720	47,700,206
Total assets	<u>118,953,596</u>	<u>80,544,131</u>	<u>24,309,169</u>	<u>24,102,248</u>	<u>143,262,765</u>	<u>104,646,379</u>
Long-term liabilities						
outstanding	-	-	6,367,411	5,995,850	6,367,411	5,995,850
Other liabilities	43,084,106	5,342,072	186,599	122,784	43,270,705	5,464,856
Total liabilities	<u>43,084,106</u>	<u>5,342,072</u>	<u>6,554,010</u>	<u>6,118,634</u>	<u>49,638,116</u>	<u>11,460,706</u>
Net position:						
Invested in capital assets, net of related debt	36,533,132	38,469,585	9,679,506	10,217,081	46,212,638	48,686,666
Restricted	-	-	-	2,198,759	-	2,198,759
Unrestricted	39,336,358	36,732,474	8,075,653	5,567,774	47,412,011	42,300,248
Total net position	<u>\$ 75,869,490</u>	<u>\$ 75,202,059</u>	<u>\$ 17,755,159</u>	<u>\$ 17,983,614</u>	<u>\$ 93,624,649</u>	<u>\$ 93,185,673</u>

Canyon County's balance of *unrestricted net position*, \$47,412,011 may be used to meet the County's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, Canyon County is able to report positive balances in all categories of net position, both for the County as a whole, as well as for its business-type activity. The same situation was true for the previous fiscal year.

For the year ended September 30, 2013, the County's overall net position increased \$438,976. The business-type activities of the County decreased net position by \$228,455 while the governmental activities increased the County's net position \$667,431. Changes to both are displayed on the following chart.

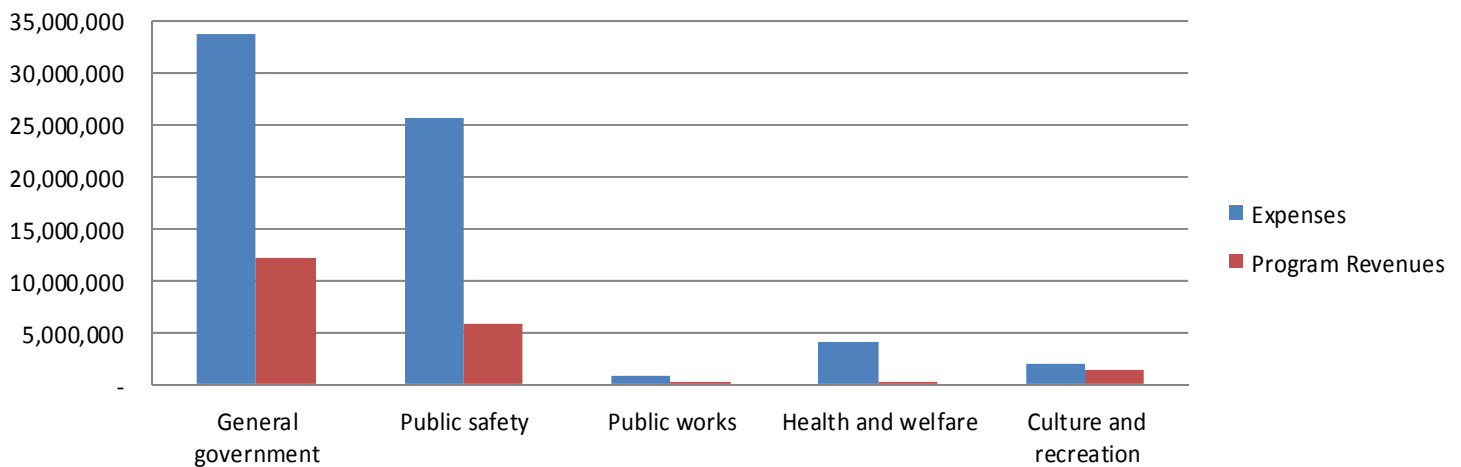
	Governmental Activities		Business-type Activities		Total	
	2013	2012, restated	2013	2012	2013	2012, restated
Revenues:						
Program revenues:						
Charges for services	\$ 15,967,631	\$ 15,625,090	\$ 2,985,577	\$ 2,753,555	\$ 18,953,208	\$ 18,378,645
Operating grants and contributions	2,436,378	2,863,892	-	-	2,436,378	2,863,892
Capital grants and contributions	1,280,197	214,742	-	-	1,280,197	214,742
General revenues:						
Property taxes	39,146,580	38,596,396	-	-	39,146,580	38,596,396
Other taxes	8,429,260	7,879,155	-	-	8,429,260	7,879,155
Unrealized loss on investments	(677,869)	-	(180,088)	-	(857,957)	-
Interest on investments	165,007	439,761	143,601	178,041	308,608	617,802
Miscellaneous	125,196	475,498	5,590	2,317	130,786	477,815
Total revenues	66,872,380	66,094,534	2,954,680	2,933,913	69,827,060	69,028,447
Expenses:						
General government	33,685,089	32,950,099	-	-	33,685,089	32,950,099
Public safety	25,630,036	24,901,991	-	-	25,630,036	24,901,991
Public works	822,108	758,201	-	-	822,108	758,201
Health and welfare	4,052,197	3,815,217	-	-	4,052,197	3,815,217
Culture and recreation	2,001,598	1,939,529	-	-	2,001,598	1,939,529
Interest on long-term debt	13,921	20,326	-	-	13,921	20,326
Sanitary landfill	-	-	3,183,135	2,926,577	3,183,135	2,926,577
Total expenses	66,204,949	64,385,363	3,183,135	2,926,577	69,388,084	67,311,940
Changes in net position	667,431	1,709,171	(228,455)	7,336	438,976	1,716,507
Beginning net position - 10/01	75,202,059	73,492,888	17,983,614	17,976,278	93,185,673	91,469,166
Ending net position - 9/30	<u>\$ 75,869,490</u>	<u>\$ 75,202,059</u>	<u>\$ 17,755,159</u>	<u>\$ 17,983,614</u>	<u>\$ 93,624,649</u>	<u>\$ 93,185,673</u>

Governmental activities. Total net position for governmental activities increased \$667,431 during fiscal year 2013, key features include:

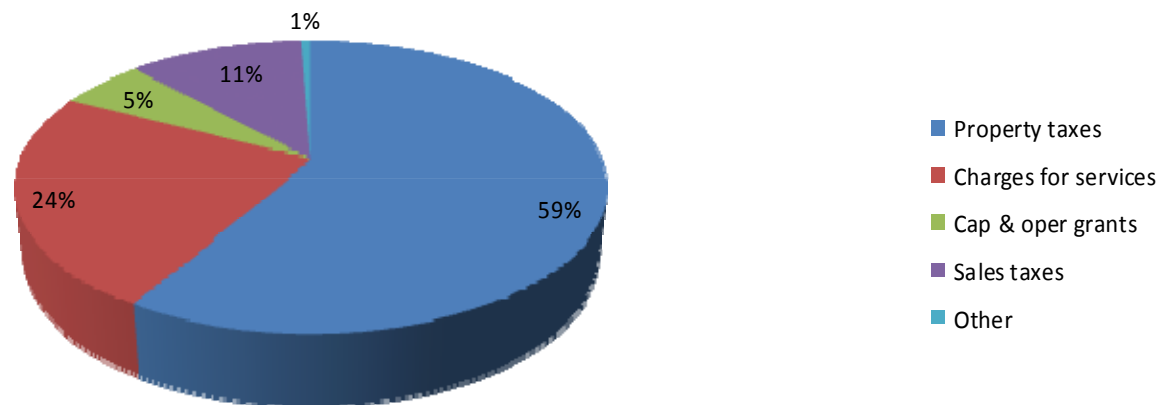
- Charges for services revenue for governmental activities increased by \$342,541 from the prior fiscal year, the increase is a result of increased development services activity.

- Grants and contributions increased \$637,941 from last year due to the construction of the Crossroads Transportation Museum which has been largely funded by a pass-through grant in conjunction with the Idaho Department of Transportation and the US Department of Transportation.
- Property taxes increased \$550,184 and other taxes including sales and liquor tax remitted from the State increased \$550,105. Overall, the revenue increase for governmental activities totaled \$777,846.
- A sharp increase in interest rates during the year resulted in an unrealized loss of \$677,869 on the County's investment portfolio.
- Total expenses increased \$1,819,586 due mainly to increases in medical claims costs related to the County's self-funded health insurance plan.

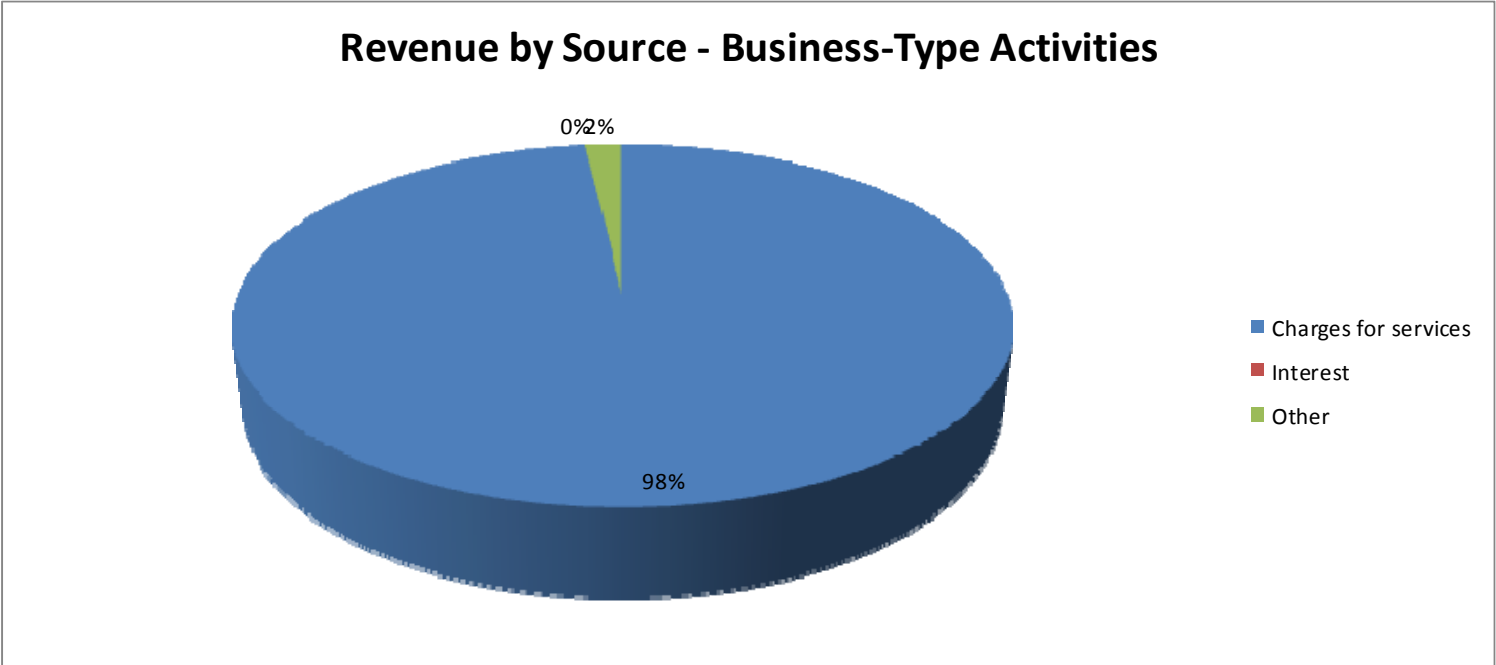
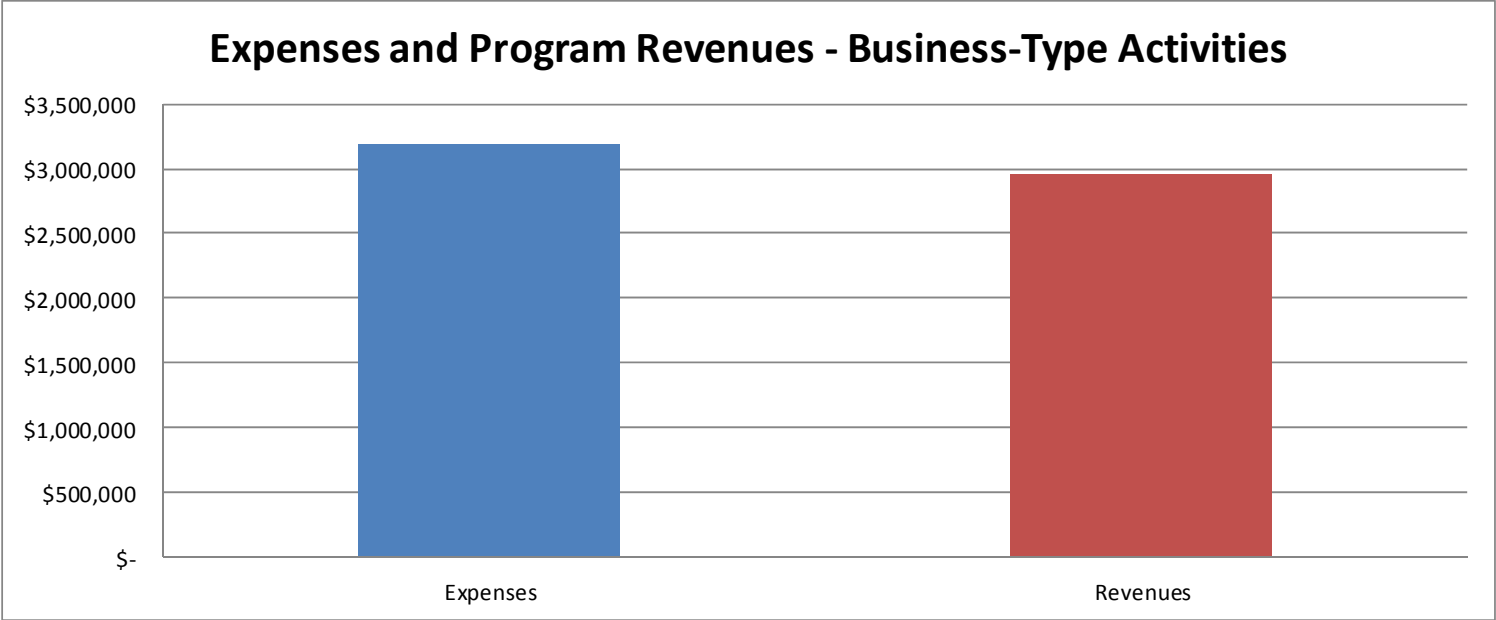
Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-Type activities. Business-type activity (sanitary landfill) net position decreased \$228,455 during the year. Charges for services revenue increased \$232,022 or 8% due to improving economic conditions, however the increase was offset by a \$180,088 unrealized loss in investment values. Total expenses increased \$256,558 due to the increased activity at the landfill and related personnel expenses.



Financial Analysis of the County's funds

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

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

As of the end of the current fiscal year, Canyon County's governmental funds reported combined ending fund balances of \$34,797,862, a decrease of \$2,163,712 from the prior year due to the transfer of the self-funded health insurance fund to a proprietary fund. For the year, revenues exceeded expenditures by \$3,361,096. \$34,490,352 of the total fund balances are either unassigned in the general fund or assigned to the County's special revenue funds. The remaining \$307,510 of fund balance is reported as nonspendable due to prepaid items.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the total fund balance of the general fund was \$15,001,998 with \$14,774,910 unassigned. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to the total fund expenditures. Unassigned fund balance represents 73% of the total general fund expenditures.

The unassigned fund balance of the County's general fund increased \$2,951,470 during the fiscal year; with revenues exceeding expenditures by \$2,715,480. The increase in fund balance is largely due to a shift in the allocation of sales tax revenue from other County funds to the general fund which contributed to the revenue increase in the fund of \$951,756.

At the end of the fiscal year, the justice special revenue fund had a total fund balance of \$10,679,500 with \$10,651,512 assigned, the assigned fund balance represents 51% of the funds' expenditures. The net decrease in total fund balance during the year was \$1,610,885. The decrease is due to a decreased allocation of property tax and sales tax revenue.

The district court special revenue fund reports an ending total fund balance of \$2,915,497, an increase of \$877,224 with all of the fund balance assigned it represents 45% of the total fund expenditures. The indigent special revenue total fund balance increased \$1,082,429 during the year to an ending fund balance of \$1,968,085 representing 61% of total fund expenditures. Expenditures in both funds have increased over the past few years and in order to increase fund balances the allocation of property tax and sales tax revenue were shifted to these funds from other governmental funds.

Proprietary funds. Canyon County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position in the Sanitary Landfill enterprise fund at the end of the year was \$8,075,653. Factors concerning the sanitary landfill have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final budget are summarized below:

- \$139,000 in general reserves was transferred to the Board of County Commissioners budget to account for personnel that were transferred to the Commissioner's office.
- \$24,000 in general reserves was transferred to Motor Vehicles for year-end payroll activities including recognition pay and the self-funded health insurance contribution.
- \$37,000 in general reserves was transferred to the Prosecuting Attorney for year-end payroll activities including recognition pay and the self-funded health insurance contribution.
- \$19,000 in general reserves was transferred to the Coroner for year-end payroll activities and a vacation payout for a departing employee.

- \$58,000 in general reserves was transferred to Buildings and Grounds for year-end payroll activities and property purchases.
- \$3,000 in personal services was transferred to other charges and services in Development Services for expenditures associated with increased development services activity.
- \$4,000 in other charges and services was transferred to personal services in County Fleet for year-end payroll activities including recognition pay and the self-funded health insurance contribution.
- \$20,000 in other charges and services was transferred to personal services in Human Resources for personal service costs associated with department restructuring.
- \$2,000 in other charges and services was transferred to personal services in Public Information Officer for year-end payroll activities including recognition pay and the self-funded health insurance contribution.
- \$3,000 in other charges and services was transferred to personal services in Emergency Management for year-end payroll activities including recognition pay and the self-funded health insurance contribution.

Differences between the final amended budget and the actual results are summarized below:

- \$344,234 unspent in the Clerk's office is due to vacant positions and lower than anticipated operating costs related to payroll and recording services.
- \$103,407 unspent in the Treasurer's office is due to vacant positions and lower than anticipated advertising costs related to tax deeds and unpaid property taxes.
- \$819,579 unspent in the general department is due to budget set aside for reserves for unanticipated expenditures not needed during the year.
- \$238,505 unspent in the information technologies budget is due to capital and technology projects involving cabling and wiring uncompleted during the fiscal year.
- In the County Fleet department, \$495,689 unspent is due to cutbacks in spending on vehicles and upfitting of vehicles.
- \$215,886 unspent in Juvenile Detention is due to vacant positions unfilled as a result of the number Juveniles held in the facility.

Capital Asset and Capital Lease Administration

Capital Assets. Canyon County's investment in capital assets for its governmental and business-type activities as of September 30, 2013, amounted to \$46,433,720 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings and machinery and equipment. The total decrease in Canyon County's investments in capital assets for the current fiscal year was 2%.

Major capital assets events during the fiscal year include the following:

- \$321,044 for courthouse, jail and other facilities remodeling projects, \$164,091 of land acquisitions including the Map Rock Road property and other property in close proximity to the courthouse and other county holdings.
- \$501,206 invested in acquiring and upfitting public safety vehicles, \$127,538 spent on vehicles and equipment for other county departments.
- \$227,647 for technology upgrades related to the County E-911 center, \$216,228 for other county technology improvements including a county-wide document management system.
- \$190,380 for a new loader at the landfill.
- \$622,097 and \$97,144 added to construction in progress for the Crossroads Transportation Museum and Juvenile Courtrooms addition, respectively.

Canyon County's Capital Assets
(Net of depreciation)

	Governmental		Business-type		Totals	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Land	\$ 8,132,863	\$ 7,968,773	\$ 4,528,723	\$ 4,577,723	\$ 12,661,586	\$ 12,546,496
Building	17,954,008	18,577,621	861,724	849,018	18,815,732	19,426,639
Improvements other than buildings	694,156	775,009	1,004,660	1,027,572	1,698,816	1,802,581
Machinery and equipment	8,997,542	9,838,389	1,632,070	1,905,392	10,629,612	11,743,781
Construction in progress	975,645	583,727	1,652,329	1,596,982	2,627,974	2,180,709
Total	<u>\$ 36,754,214</u>	<u>\$ 37,743,519</u>	<u>\$ 9,679,506</u>	<u>\$ 9,956,687</u>	<u>\$ 46,433,720</u>	<u>\$ 47,700,206</u>

Additional information on Canyon County's capital assets can be found in note C on page 43.

Capital Leases. The County entered into a capital lease in May of 2003 to purchase heating and lighting equipment for several county buildings. As of September 30, 2013, the capital lease outstanding for the heating and lighting equipment is \$221,082.

Additional information on Canyon County's capital lease can be found in note E on pages 44-45.

Economic Factors and Next Year's Budgets and Rates

Economic conditions in the County continue to be challenging, but have been steadily improving. The November 2013 unemployment rate in Canyon County is 6.5% compared to 7.5% a year earlier. Property values have stabilized and are increasing in certain locations throughout the County. County revenues from multiple sources have been increasing including development services, recording fees, and sales tax. The County continues to provide mandated services at a high level, and County employees and leadership are to be commended for maintaining levels of service in spite of economic challenges.

The County Commissioners adopted a budget for fiscal year 2014 in the amount of \$74,176,679 with \$36,534,599 of the total derived from property tax. The amount of property tax levied for 2014 is a \$1,522,994 decrease from the prior year and has resulted in a property tax levy rate decrease of 11% to a rate of .005066750.

Requests for Information

This financial report is designed to provide a general overview of Canyon County's finances for all those with an interest in the County's finances. Questions concerning any of this information provided in this report or requests for additional financial information should be addressed to the Canyon County Auditor, Canyon County Courthouse, 1115 Albany St., Caldwell, Idaho 83605.

BASIC FINANCIAL STATEMENTS



**STATE OF IDAHO
CANYON COUNTY
STATEMENT OF NET POSITION
September 30, 2013**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 39,381,565	\$ 14,389,061	\$ 53,770,626
Accounts receivable	995,644	225,981	1,221,625
Property tax receivable	38,733,037	-	38,733,037
Intergovernmental receivable	2,741,212	-	2,741,212
Interest receivable	40,414	14,621	55,035
Prepays	307,510	-	307,510
Capital assets not being depreciated:			
Land	8,132,863	4,528,723	12,661,586
Construction in progress	975,645	1,652,329	2,627,974
Capital assets, net of accumulated depreciation			
Buildings	17,954,008	861,724	18,815,732
Improvements other than buildings	694,156	1,004,660	1,698,816
Machinery and equipment	8,997,542	1,632,070	10,629,612
Total assets	<u>118,953,596</u>	<u>24,309,169</u>	<u>143,262,765</u>
LIABILITIES			
Interest payable	1,645	-	1,645
Accounts payable	1,284,092	68,942	1,353,034
Accrued wages payable	2,771,091	76,276	2,847,367
Incurred claims payable	458,535	-	458,535
Comp time payable	23,682	1,546	25,228
Unavailable/advanced revenue	36,537,527	-	36,537,527
Noncurrent liabilities:			
Due within one year	1,503,308	30,274	1,533,582
Due in more than one year	504,226	9,561	513,787
Landfill closure/post-closure costs	-	6,367,411	6,367,411
Total liabilities	<u>43,084,106</u>	<u>6,554,010</u>	<u>49,638,116</u>
NET POSITION			
Net investment in capital assets	36,533,132	9,679,506	46,212,638
Unrestricted	39,336,358	8,075,653	47,412,011
Total net position	<u>\$ 75,869,490</u>	<u>\$ 17,755,159</u>	<u>\$ 93,624,649</u>

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

**STATE OF IDAHO
CANYON COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2013**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 33,685,089	\$ 11,050,115	\$ 896,877	\$ 181,829	\$ (21,556,268)	\$ -	\$ (21,556,268)
Public safety	25,630,036	3,851,059	1,457,845	465,021	(19,856,111)	-	(19,856,111)
Public works	822,108	68,777	-	-	(753,331)	-	(753,331)
Health and welfare	4,052,197	278,677	36,815	-	(3,736,705)	-	(3,736,705)
Culture and recreation	2,001,598	719,003	44,841	633,347	(604,407)	-	(604,407)
Interest on long-term debt	13,921	-	-	-	(13,921)	-	(13,921)
Total government activities	<u>66,204,949</u>	<u>15,967,631</u>	<u>2,436,378</u>	<u>1,280,197</u>	<u>(46,520,743)</u>	<u>-</u>	<u>(46,520,743)</u>
Business-type activities:							
Sanitary landfill	3,183,135	2,985,577	-	-	-	(197,558)	(197,558)
Total business-type activities	<u>3,183,135</u>	<u>2,985,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(197,558)</u>	<u>(197,558)</u>
Total primary government	<u>\$ 69,388,084</u>	<u>\$ 18,953,208</u>	<u>\$ 2,436,378</u>	<u>\$ 1,280,197</u>	<u>(46,520,743)</u>	<u>(197,558)</u>	<u>(46,718,301)</u>
General revenues:							
Property taxes					39,146,580	-	39,146,580
Sales tax & revenue sharing					7,658,031	-	7,658,031
Franchise tax					54,400	-	54,400
Liquor apportionment					771,229	-	771,229
Unrealized loss on investments					(677,869)	(180,088)	(857,957)
Miscellaneous					70,796	5,590	76,386
Interest on investments					165,007	143,601	308,608
Total general revenues					<u>47,188,174</u>	<u>(30,897)</u>	<u>47,157,277</u>
Change in net position					667,431	(228,455)	438,976
Net position - beginning, as restated					75,202,059	17,983,614	93,185,673
Net position - ending					<u>\$ 75,869,490</u>	<u>\$ 17,755,159</u>	<u>\$ 93,624,649</u>

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

**STATE OF IDAHO
CANYON COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2013**

ASSETS	Major Special Revenue Funds					Total
	General Fund	Justice	District Court	Indigent	Other Funds	
Cash and investments	\$ 14,865,413	\$ 11,045,543	\$ 2,764,116	\$ 2,329,199	\$ 4,362,374	\$ 35,366,645
Accounts receivable	152,462	39,751	-	-	117,653	309,866
Property tax receivable	14,858,799	13,842,661	2,653,308	3,074,433	4,303,836	38,733,037
Intergovernmental receivable	1,033,032	903,374	645,760	-	159,046	2,741,212
Interest receivable	18,088	14,068	-	-	419	32,575
Prepays	227,088	27,988	-	-	52,434	307,510
Total assets	<u>\$ 31,154,882</u>	<u>\$ 25,873,385</u>	<u>\$ 6,063,184</u>	<u>\$ 5,403,632</u>	<u>\$ 8,995,762</u>	<u>\$ 77,490,845</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 392,380	\$ 299,452	\$ 100,900	\$ 330,090	\$ 161,270	\$ 1,284,092
Accrued wages payable	940,360	1,085,473	399,094	39,426	306,738	2,771,091
Unavailable/advanced revenue	14,820,144	13,808,960	2,647,693	3,066,031	4,294,972	38,637,800
Total liabilities	<u>16,152,884</u>	<u>15,193,885</u>	<u>3,147,687</u>	<u>3,435,547</u>	<u>4,762,980</u>	<u>42,692,983</u>
Fund balances:						
Nonspendable	227,088	27,988	-	-	52,434	307,510
Assigned to:						
Justice fund	-	10,651,512	-	-	-	10,651,512
District Court fund	-	-	2,915,497	-	-	2,915,497
Indigent fund	-	-	-	1,968,085	-	1,968,085
Other governmental funds	-	-	-	-	4,180,348	4,180,348
Unassigned	14,774,910	-	-	-	-	14,774,910
Total fund balances	<u>15,001,998</u>	<u>10,679,500</u>	<u>2,915,497</u>	<u>1,968,085</u>	<u>4,232,782</u>	<u>34,797,862</u>
Total liabilities and fund balances	<u>\$ 31,154,882</u>	<u>\$ 25,873,385</u>	<u>\$ 6,063,184</u>	<u>\$ 5,403,632</u>	<u>\$ 8,995,762</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	36,754,214
Other long-term assets are not available to pay current period expenditures and, therefore, are unavailable/advanced in the funds.	2,100,273
An internal service fund is used by management to charge the cost of health insurance to individual funds and is reported separately from governmental funds in the fund statements. The assets and liabilities of the fund is included in governmental activities in the Statement of Net Position.	4,250,002
Long-term liabilities, including capital lease and interest payable, are not due and payable in the current period and therefore not included in the funds.	(2,032,861)

Net position of governmental activities \$ 75,869,490

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

**STATE OF IDAHO
CANYON COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2013**

	<u>General</u>	<u>Justice</u>	<u>District Court</u>	<u>Indigent</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 14,406,774	\$ 13,592,648	\$ 3,087,356	\$ 4,012,166	\$ 4,356,680	\$ 39,455,624
Licenses and permits	1,131,555	398,693	-	-	93,634	1,623,882
Intergovernmental	3,614,045	3,356,385	3,123,172	36,815	1,437,720	11,568,137
Charges for services	3,655,257	1,721,973	561,446	278,409	2,165,065	8,382,150
Fines and forfeits	-	113,116	524,148	-	-	637,264
Unrealized loss on investments	(360,119)	(215,492)	-	-	-	(575,611)
Miscellaneous	552,617	477,330	16,050	2,922	625,376	1,674,295
Total revenues	<u>23,000,129</u>	<u>19,444,653</u>	<u>7,312,172</u>	<u>4,330,312</u>	<u>8,678,475</u>	<u>62,765,741</u>
EXPENDITURES						
Current:						
General government	17,056,469	2,272,578	4,614,999	-	3,452,005	27,396,051
Public safety	1,967,360	18,629,286	1,697,800	-	816,968	23,111,414
Public works	300,000	-	-	-	436,904	736,904
Health	-	-	-	-	813,989	813,989
Welfare	-	-	-	3,247,883	-	3,247,883
Culture and recreation	-	-	-	-	1,922,259	1,922,259
Capital outlay	807,115	153,674	122,149	-	939,502	2,022,440
Debt service:						
Principal	138,752	-	-	-	-	138,752
Interest	14,953	-	-	-	-	14,953
Total expenditures	<u>20,284,649</u>	<u>21,055,538</u>	<u>6,434,948</u>	<u>3,247,883</u>	<u>8,381,627</u>	<u>59,404,645</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,715,480</u>	<u>(1,610,885)</u>	<u>877,224</u>	<u>1,082,429</u>	<u>296,848</u>	<u>3,361,096</u>
Other financing sources (uses)						
Transfers out	<u>(5,524,808)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,524,808)</u>
Net change in fund balances	<u>(2,809,328)</u>	<u>(1,610,885)</u>	<u>877,224</u>	<u>1,082,429</u>	<u>296,848</u>	<u>(2,163,712)</u>
Fund balances - beginning, as restated	<u>17,811,326</u>	<u>12,290,385</u>	<u>2,038,273</u>	<u>885,656</u>	<u>3,935,934</u>	<u>36,961,574</u>
Fund balances - ending	<u>\$ 15,001,998</u>	<u>\$ 10,679,500</u>	<u>\$ 2,915,497</u>	<u>\$ 1,968,085</u>	<u>\$ 4,232,782</u>	<u>\$ 34,797,862</u>

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

**STATE OF IDAHO
CANYON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2013**

Amounts reported for governmental activities (page 25) in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 27)	\$ (2,163,712)
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. This is the amount by which depreciation exceeded capital outlays in the current period.	(689,572)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	196,405
The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets and deleted capital assets. Conversely, governmental funds do not report any loss on trade-in or deleted capital assets.	(496,138)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This is the payment of the County's lease.	138,751
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(161,526)
An internal service fund is used by management to charge the costs of health insurance benefits to individual funds. The net revenue (expense) of the internal service fund is included in governmental activities in the statement of activities.	(1,274,806)
The self-funded health insurance internal service fund was previously accounted for in the general fund, however beginning in fiscal year 2013 it has been transferred to a proprietary fund.	5,524,808
Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the funds.	<u>(406,779)</u>
Change in net position of governmental activities (page 25)	<u>\$ 667,431</u>

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

**STATE OF IDAHO
CANYON COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2013**

	Business-type Activities - Enterprise Fund Solid Waste Management	Governmental Activities - Internal Service Fund Self-funded Health Insurance
ASSETS		
Current assets:		
Cash and investments	\$ 14,389,061	\$ 4,014,920
Accounts receivable	225,981	685,778
Interest receivable	14,621	7,839
Total current assets	<u>14,629,663</u>	<u>4,708,537</u>
Noncurrent assets:		
Capital assets:		
Capital assets (net of accumulated depreciation)	<u>9,679,506</u>	<u>-</u>
Total assets	<u>24,309,169</u>	<u>4,708,537</u>
LIABILITIES		
Current liabilities:		
Accounts payable	68,942	-
Incurred claims payable	-	458,535
Accrued wages payable	76,276	-
Comptime payable	1,546	-
Compensated absences payable	<u>30,274</u>	<u>-</u>
Total current liabilities	<u>177,038</u>	<u>458,535</u>
Noncurrent liabilities:		
Compensated absences payable	9,561	-
Landfill closure/post-closure costs	<u>6,367,411</u>	<u>-</u>
Total noncurrent liabilities	<u>6,376,972</u>	<u>-</u>
Total liabilities	<u>6,554,010</u>	<u>458,535</u>
NET POSITION		
Net investment in capital assets	9,679,506	-
Unrestricted	<u>8,075,653</u>	<u>4,250,002</u>
Total net position	<u>\$ 17,755,159</u>	<u>\$ 4,250,002</u>

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

**STATE OF IDAHO
CANYON COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2013**

	Business-type Activities - Enterprise Fund Solid Waste Management	Governmental Activities - Internal Service Fund Self-funded Health Insurance
Operating revenues:		
Charges for services	\$ 2,929,632	\$ 6,673,045
Miscellaneous	<u>5,590</u>	<u>37,965</u>
Total operating revenues	<u>2,935,222</u>	<u>6,711,010</u>
Operating expenses:		
Administration	1,051,395	862,400
Costs of sales and services	1,127,502	-
Claims	-	7,021,158
Depreciation	632,677	-
Landfill closure and post-closure costs	<u>371,561</u>	<u>-</u>
Total operating expenses	<u>3,183,135</u>	<u>7,883,558</u>
Operating loss	<u>(247,913)</u>	<u>(1,172,548)</u>
Nonoperating revenues (expenses):		
Loss on investments	(36,487)	(102,258)
Gain on capital assets	<u>55,945</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>19,458</u>	<u>(102,258)</u>
Income (loss) before transfers	(228,455)	(1,274,806)
Transfers in	<u>-</u>	<u>5,524,808</u>
Change in net position	(228,455)	4,250,002
Net position - beginning	<u>17,983,614</u>	<u>-</u>
Net position - ending	<u><u>\$ 17,755,159</u></u>	<u><u>\$ 4,250,002</u></u>

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

STATE OF IDAHO
CANYON COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2013
Increase (Decrease) in Cash and Cash Equivalents

	Business-type Activities- Enterprise Fund Solid Waste Management	Governmental Activities Internal Service Fund Self-funded Health Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 2,894,676	\$ 6,524,143
Payments for goods and services	(1,117,879)	(7,831,485)
Payments to employees	(996,407)	-
Other operating revenues	5,590	-
Net cash provided (used) by operating activities	<u>785,980</u>	<u>(1,307,342)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	5,421,855
Net cash from non-capital financing activities	<u>-</u>	<u>5,421,855</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	80,309	-
Acquisition of capital assets	(401,013)	-
Net cash used by capital and related financing activities	<u>(320,704)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net increase (decrease) in investing activities	(180,173)	(345,496)
Interest and dividends received	178,730	245,903
Net cash used by investing activities	<u>(1,443)</u>	<u>(99,593)</u>
Net increase (decrease) in cash and cash equivalents	463,833	4,014,920
Cash and cash equivalents, October 1	13,925,228	-
Cash and cash equivalents, September 30	<u>\$ 14,389,061</u>	<u>\$ 4,014,920</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (247,913)	\$ (1,172,548)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation expense	632,677	-
Increase in accounts receivable	(34,956)	(186,867)
Decrease in prepaids	797	-
Increase in accounts payable	10,398	52,073
Increase in accrued wages payable	45,915	-
Increase in comp absences payable	7,876	-
Decrease in comp time payable	(375)	-
Increase in closure costs payable	371,561	-
Total adjustments	<u>1,033,893</u>	<u>(134,794)</u>
Net cash provided (used) by operating activities	<u>\$ 785,980</u>	<u>\$ (1,307,342)</u>
Noncash investing, capital , and financing activities:		
Capital assets purchased through trade-in	\$ 76,500	\$ -

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

STATE OF IDAHO
CANYON COUNTY
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 3,065,558
Property tax receivable	6,300,618
Accounts receivable, net	<u>11,398,064</u>
Total assets	<u>\$ 20,764,240</u>
LIABILITIES	
Accounts payable	\$ 13,112,593
Due to other taxing districts	6,300,618
Due to other agencies	<u>1,351,029</u>
Total liabilities	<u>\$ 20,764,240</u>

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

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

I. Summary of significant accounting policies

The financial statements of Canyon County (County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting entity

Canyon County was incorporated in 1892 and operates under a commissioner form of government with supervision of various departments by elected officials as provided by the constitution. The accompanying financial statements present Canyon County government. The County has no component units.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Canyon County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Internal service funds are included with governmental activities in the government-wide statements and are included with the proprietary funds in the fund statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds, the landfill enterprise fund, and the self-funded health insurance internal service fund are reported as separate columns in the fund financial 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. The agency funds have no measurement focus. 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 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 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 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Franchise taxes, licenses, sales and liquor taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The 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 those required to be accounted for in another fund. It is funded by property tax, charges for services and intergovernmental transfers.

The *justice special revenue fund* accounts for the County's Sheriff's office, construction, remodeling, operation and maintenance of the County jail, and the functions of the public defender. Resources for the fund are provided by property tax revenue, intergovernmental transfers, and charges for services.

The *district court special revenue fund* accounts for the functions of the district court and the magistrate division of the district court. Funding is provided by property tax, court fines and fees and intergovernmental revenues.

The *indigent special revenue fund* accounts for providing suitable provisions for the care and medical needs of indigent persons in Canyon County, and safeguarding the public health, safety and welfare. Resources are provided by property tax, intergovernmental transfers and repayment for services.

The County reports the following major proprietary funds:

The *sanitary landfill enterprise fund* accounts for the provisions of sanitary landfill services throughout the County. All activities necessary to provide such services are accounted for in this fund, including administration, operations and maintenance.

The *self-funded health insurance internal service fund* accounts for the activities of the County's self-funded health insurance program. Resources for the fund are derived from employees and County departments through payroll as a premium for the service. The fund pays the administrative costs and claims in a manner similar to a regular insurance company. Premium contributions and claims activities are monitored on an on-going basis and are adjusted as needed.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments-in-lieu of taxes and other charges between the sanitary landfill operation and various 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 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than program revenues. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 the 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 nonoperating revenues and expenses.

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

In fiscal year 2012, the fund balance and activities of the self-funded health insurance fund were included with the general fund. To provide a clearer and more distinct picture of the activities of the general fund without the activities of the self-funded health insurance fund, in fiscal year 2013 the fund balance and activities of the self-funded health insurance fund have been separated from the general fund and are reported as a proprietary fund.

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The agency funds are custodial in nature and do not present results in operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity. They are used to account for the collection to be paid to other taxing districts, cities, State of Idaho, private individuals and other government agencies from property taxes or other legal assessments.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned amounts are available for use, it is the County's policy to use committed resources first, assigned resources second and unassigned resources as needed.

D. Assets, liabilities, and net position or equity

1. Deposits and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash, cash equivalents and investments have been pooled in the County's financial statements, specific details regarding cash and investments can be found in note III A.

State statutes authorize the County to invest in certain revenue bonds, general obligation bonds, local improvement district bonds, registered warrants of state and local governmental entities, time deposit accounts, tax anticipation and interest-bearing notes, bonds, treasury bills, debentures or other similar obligations of the United States Government and the Farm Credit System and repurchase agreements.

All investments are stated at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pooled shares.

For the purposes of the statement of cash flows, the County considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash and investment balances for the Proprietary Funds represent their allocated share of pooled cash and investments of the County and can be drawn down on demand.

2. Property taxes receivable

In the governmental fund financial statement, property taxes are recognized as revenue when the amount of taxes levied is measurable, and proceeds are available to finance current period expenditures. Available tax proceeds include property taxes receivable expected to be collected within thirty days of year-end.

Property taxes attach as liens on properties January 1, and are levied in September each year. Tax notices are sent to taxpayers during November, with the first payment due on or before December 20. Taxpayers may pay all or one-half of their tax liability on or before December 20. If one-half of the amount is paid, the remaining balance is due by the following June 20. Because the County is on a September 30 fiscal year-end, property taxes levied during September are accrued as assets receivable. A lien is placed on property three years from the date the taxes become delinquent.

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

3. Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when consumed and are valued at cost using the specific identification method.

4. Capital assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$15,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-40
Improvements other than buildings	5-50
Machinery and equipment	5-15

5. Compensated absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the county does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. Compensatory time

Nonadministrative employees may accumulate compensatory time for overtime hours worked over 40 hours in one week. Unused compensatory time is paid out only at termination. It is management's policy to keep compensatory time at fairly low levels.

7. Long-term obligations

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 position.

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

8. Fund equity

In the fund financial statements, unassigned fund balance is the residual classification for the general fund and represents fund balance that has not been assigned to other funds or restricted, committed or assigned to specific purposes within the general fund. Assigned fund balances in funds other than the general fund include fund balances that are assigned by the Board of County Commissioners in conjunction with the appropriate uses for each special revenue fund as outlined in Idaho Code. Assigned fund balance may be used to cover budgetary gaps between projected revenues and expenditures for special revenue funds. Committed fund balance represents amounts that cannot be used for any other purpose without a formal resolution approved by the County's highest level of decision-making authority, the Board of County Commissioners.

9. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues, expenditures and expenses during the reported period. The actual results could differ from those estimates.

10. Inventories

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

11. Impact of recently issued accounting principles

Recently issued and adopted accounting pronouncements

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011, and was implemented in fiscal year 2013. The adoption of GASBS No. 62 did not have any impact on the County's financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011, and have been implemented by the County in fiscal year 2013.

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

Recently issued accounting pronouncements

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement on the County's financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement 27*. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the entity's financial statements.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including capital lease and interest payable are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$2,032,861 difference are as follows:

Capital lease payable	\$ 221,082
Interest payable	1,645
Compensated absences payable	1,786,452
Comptime payable	<u>23,682</u>
 Net adjustment to reduce fund balance- total governmental funds to arrive at net position- governmental activities	 <u><u>\$ 2,032,861</u></u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlay as expenditures.

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(689,573) difference are as follows:

Capital outlay	\$ 1,967,906
Depreciation expense	<u>(2,657,479)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (689,573)</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(161,526) difference are as follows:

2012 compensated absences	\$ 1,624,791
2012 comptime	22,784
2013 compensated absences	(1,786,452)
2013 comptime	(23,682)
2012 interest on lease	2,678
2013 interest on lease	<u>(1,645)</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (161,526)</u>

III. Detailed notes on all funds

A. Deposits and investments

At September 30, 2013, cash and investments were invested as follows:

Cash on hand	\$ 83,185
Cash and equivalents	12,910,770
Investments	<u>40,776,671</u>
Total	<u>\$ 53,770,626</u>
Deposits with financial institutions	
Unrestricted	\$ 12,910,770
Cash on hand	<u>83,185</u>
Total Cash	<u>\$ 12,993,955</u>
Investments carried at market value	
Money Market Investments	\$ 14,875,554
Certificates of Deposits	1,414,488
State of Idaho Local Government Investment Pool	3,034,127
State of Idaho Diversified Bond Fund	5,016,453
U.S. Government and Agency Securities	<u>16,436,049</u>
Total investments	<u>\$ 40,776,671</u>

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

The County's investments are guided by Idaho Code Section 67-1210 which authorizes investments in US Treasury obligations, commercial paper, certificates of deposit, money market funds, and the State Treasurer's Local Government Investment Pool (LGIP). The Idaho State Treasurer authorized by Idaho Code Section 67-2327 and 67-2328 sponsors external investment pools available to Idaho governmental entities. The LGIP is a highly liquid short-term investment pool with overnight fund availability up to \$10 million. The Diversified Bond Fund (DBF) is available for longer term investments with potentially greater returns over a longer time horizon (3.5 years or longer).

The pools must be operated for the benefit of the participants and are not registered with the Securities and Exchange Commission or any other regulatory body. The State Treasurer does not provide any legally binding guarantees to support the value of the shares to participants. The County's fair value of its position at fiscal year-end in the pools is the same as the per share value of the total Investment Pool.

Credit risk. Canyon County's investment policy requires individual investments to have a credit rating of A or better by a nationally recognized statistical rating organization. The County's investments in U.S. government agencies are rated AA+.

Concentration of credit risk. The County's investment policy states that not more than 50% of the investment portfolio may consist of securities from the same issuer and not more than 50% may come from the same class. As of September 30, 2013 the following issuers hold more than 5% of Canyon County's investment portfolio. Zions Bank – 25%, Bank of the Cascades – 10%, Federal Home Loan Bank – 13%, Federal National Mortgage Association – 12%, and Freddie Mac – 6%.

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 all bank deposits to be FDIC insured or collateralized to secure deposits against possible bank depository default for failure. As of September 30, 2013, \$1,643,599 of the County's deposits was exposed to custodial credit risk because it was uninsured and not collateralized.

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 investment or securities that are in the possession of another party. The County's investment policy requires investments be made with banks designated by the State Treasurer as a state depository. All county investments are held by an independent third party in the name of the County for safekeeping to minimize custodial credit risk. State statute requires repurchase agreements to be full collateralized by securities issued or guaranteed by the federal government. The County does not have an additional custodial credit risk policy.

Interest rate risk. It is the policy of the Treasurer to diversify the investment portfolio to limit the risk of loss due to over concentration of assets. Diversification includes staggering portfolio maturities in a manner that avoids excess concentration in a specific maturity sector. Securities are purchased with the intent of holding them to maturity to manage exposure to fair value losses arising from increasing interest rates.

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

Investments and maturity rates at September 30, 2013, were as follows:

Investment Type	Credit Ratings	Maturity			Market Value	Cost
		30 Days And Under	1-5 Years	Over 5 Years		
FANNIE MAE UNSECRDNT CALL	AA+	\$ -	\$ 1,486,655	\$ -	\$ 1,486,655	\$ 1,500,000
FEDERAL FARM CREDIT BANK	AA+	-	-	2,020,039	2,020,039	2,160,000
FEDERAL HOME LN BKS STEP UP	AA+	-	-	2,403,764	2,403,764	2,550,000
FEDERAL HOME LOAN BANK	AA+	-	-	1,906,142	1,906,142	2,045,000
FEDERAL HOME LOAN MTG CORP	AA+	-	-	192,021	192,021	200,000
FEDERAL NATL MORTGAGE ASSN	AA+	-	-	2,173,907	2,173,907	2,300,000
FEDERAL NATL MTG ASSN MEDIUM TERM	AA+	-	246,735	1,995,056	2,241,791	2,300,000
FHLB STEP-UP	AA+	-	-	938,450	938,450	1,000,000
FNMA STEP-UP	AA+	-	-	574,083	574,083	600,000
FREDDIE MAC	AA+	-	1,470,811	-	1,470,811	1,500,000
FREDDIE MAC UNNT	AA+	-	-	1,028,386	1,028,386	1,055,000
STATE OF IDAHO - LGIP	UNRATED	3,034,127	-	-	3,034,127	3,034,127
STATE OF IDAHO - DBF	UNRATED	5,016,453	-	-	5,016,453	5,059,625
MONEY MARKET INVESTMENTS	UNRATED	14,875,554	-	-	14,875,554	14,875,554
CERTIFICATES OF DEPOSIT	UNRATED	1,414,488	-	-	1,414,488	1,414,488
TOTAL INVESTMENTS		\$ 24,340,622	\$ 3,204,201	\$ 13,231,848	\$ 40,776,671	\$ 41,593,794

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

B. Receivables

Receivables at year end, including applicable allowances for uncollectibles are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary</u>	<u>Agency</u>	<u>Total</u>
Receivables:					
Interest	\$ 18,088	\$ 14,487	\$ 22,460	\$ -	\$ 55,035
Property taxes	14,858,799	23,874,238	-	6,300,618	45,033,655
Intergovernmental:					
State shared taxes	896,203	1,519,444	-	-	2,415,647
Federal grants	130,994	92,212	-	-	223,206
State grants	5,835	96,524	-	-	102,359
Accounts	<u>152,462</u>	<u>157,404</u>	<u>911,759</u>	<u>52,512,276</u>	<u>53,733,901</u>
Gross receivables	16,062,381	25,754,309	934,219	58,812,894	101,563,803
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,114,212)</u>	<u>(41,114,212)</u>
Net total receivables	<u>\$ 16,062,381</u>	<u>\$ 25,754,309</u>	<u>\$ 934,219</u>	<u>\$ 17,698,682</u>	<u>\$ 60,449,591</u>

Receivables not expected to be collected within one year include taxes receivable: \$742,940 in the general fund, \$1,193,712 in the special revenue funds and \$315,031 in the agency funds. Also, collections receivable in the agency funds, \$49,886,662 related to court collections.

Governmental funds report unavailable/advanced 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 unavailable/advanced revenue reported in the governmental funds were as follows:

Taxes levied for subsequent period - unavailable	\$ 36,535,052
Current year delinquent property taxes receivable - unavailable	1,067,836
Prior years' delinquent property taxes receivable - unavailable	1,032,437
Advanced rental revenue	<u>2,475</u>
Total unavailable and advanced revenue for governmental funds	<u>\$ 38,637,800</u>

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

C. Capital Assets

Capital asset activity for the year ended September 30, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Primary Government					
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 7,968,772	\$ 164,091	\$ -	\$ -	\$ 8,132,863
Construction in progress	583,727	950,289	11,403	(546,968)	975,645
Total capital assets, not being depreciated	<u>8,552,499</u>	<u>1,114,380</u>	<u>11,403</u>	<u>(546,968)</u>	<u>9,108,508</u>
Capital assets, being depreciated:					
Buildings	35,751,502	218,670	78,823	145,398	36,036,747
Improvements other than buildings	1,416,063	23,150	-	(43,024)	1,396,189
Machinery and equipment	17,497,493	808,112	1,292,688	444,594	17,457,511
Total capital assets being depreciated	<u>54,665,058</u>	<u>1,049,932</u>	<u>1,371,511</u>	<u>546,968</u>	<u>54,890,447</u>
Less accumulated depreciation for:					
Buildings	(17,173,881)	(909,574)	716	-	(18,082,739)
Improvements other than buildings	(641,053)	(60,980)	-	-	(702,033)
Machinery and equipment	(7,659,104)	(1,686,925)	886,060	-	(8,459,969)
Total accumulated depreciation	<u>(25,474,038)</u>	<u>(2,657,479)</u>	<u>886,776</u>	<u>-</u>	<u>(27,244,741)</u>
Total capital assets, being depreciated, net	<u>29,191,020</u>	<u>(1,607,547)</u>	<u>484,735</u>	<u>546,968</u>	<u>27,645,706</u>
Governmental activities capital assets, net	<u>\$ 37,743,519</u>	<u>\$ (493,167)</u>	<u>\$ 496,138</u>	<u>\$ -</u>	<u>\$ 36,754,214</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 4,577,723	\$ -	\$ 49,000	\$ -	\$ 4,528,723
Construction in progress	1,596,982	55,347	-	-	1,652,329
Total capital assets not being depreciated	<u>6,174,705</u>	<u>55,347</u>	<u>49,000</u>	<u>-</u>	<u>6,181,052</u>
Capital assets, being depreciated:					
Buildings	1,623,400	77,110	75,215	-	1,625,295
Improvements other than buildings	1,648,980	15,515	-	-	1,664,495
Machinery and equipment	3,977,666	308,388	227,305	-	4,058,749
Total capital assets being depreciated	<u>7,250,046</u>	<u>401,013</u>	<u>302,520</u>	<u>-</u>	<u>7,348,539</u>
Less accumulated depreciation for:					
Buildings	(774,382)	(56,479)	67,290	-	(763,571)
Improvements other than buildings	(621,408)	(38,427)	-	-	(659,835)
Machinery and equipment	(2,072,274)	(537,771)	183,366	-	(2,426,679)
Total accumulated depreciation	<u>(3,468,064)</u>	<u>(632,677)</u>	<u>250,656</u>	<u>-</u>	<u>(3,850,085)</u>
Total capital assets, being depreciated, net	<u>3,781,982</u>	<u>(231,664)</u>	<u>51,864</u>	<u>-</u>	<u>3,498,454</u>
Business-type activities capital assets, net	<u>\$ 9,956,687</u>	<u>\$ (176,317)</u>	<u>\$ 100,864</u>	<u>\$ -</u>	<u>\$ 9,679,506</u>

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

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

Governmental activities:	
General government	\$ 913,370
Public safety	1,609,138
Public works	68,037
Culture and recreation	66,934
Total depreciation expense - governmental activities	<u>\$ 2,657,479</u>
Business-type activities:	
Pickles Butte Sanitary Landfill	<u>\$ 632,677</u>

During fiscal year 2013, \$49,000 of land in the business-type activities landfill fund was exchanged for a \$41,000 parcel of land with cultural and historical significance that is now accounted for in governmental activities. As a result of the exchange, \$49,000 of land has been removed from business-type activities capital assets and \$41,000 of land has been added to governmental activities capital assets.

D. Operating leases

The County has several operating leases for land, buildings, road right-of-way and equipment. Lease expenditures for the year ended September 30, 2013, amounted to \$343,790.

Future minimum lease payments for these leases are as follows:

<u>Year</u> <u>Ending</u>	<u>Amount</u>
2014	\$ 211,700
2015	13,470
2016	13,470
2017	13,470
2018	13,470
2019-2023	67,350
Total	<u>\$ 332,930</u>

E. Capital leases

Canyon County has entered into a lease agreement for the acquisition of lighting and electrical equipment for several County buildings.

The assets acquired through this capital lease are as follows:

	<u>Governmental</u> <u>Activities</u>
Electrical & heating equipment	\$ 1,370,552
Less accumulated depreciation	<u>(376,902)</u>
Net capital assets	<u>\$ 993,650</u>

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

Future minimum lease payments as of September 30, 2013, are as follows:

<u>Electrical and heating equipment lease</u>	
2014	\$ 153,705
2015	76,853
Total lease payments	230,558
Less amount of interest	(9,476)
Present value of lease payments	<u>\$ 221,082</u>

F. Long-term debt

Long-term liability activity for the year ended September 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One year</u>
Governmental activities:					
Capital lease payable-long-term	\$ 359,833	\$ -	\$ 138,751	\$ 221,082	\$ 145,605
Compensated absences	1,636,468	346,456	196,472	1,786,452	1,357,703
Governmental activity					
Long-term liabilities	<u>\$ 1,996,301</u>	<u>\$ 346,456</u>	<u>\$ 335,223</u>	<u>\$ 2,007,534</u>	<u>\$ 1,503,308</u>
Business-type activities:					
Compensated absences	\$ 31,958	\$ 11,790	\$ 3,913	\$ 39,835	\$ 30,274
Landfill closure	5,995,850	371,561	-	6,367,411	-
Business-type activity					
Long-term liabilities	<u>\$ 6,027,808</u>	<u>\$ 383,351</u>	<u>\$ 3,913</u>	<u>\$ 6,407,246</u>	<u>\$ 30,274</u>

Funds used in prior years to liquidate compensated absences were general, justice, all special revenue funds and the enterprise fund.

G. Fund balance

Fund balance may be divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources. The classifications are employed to more clearly define fund balance categories making the nature and extent of the constraints placed on the County's fund balances more transparent.

Nonspendable fund balance – amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes through either externally imposed restrictions by creditors, grantors, contributors or by laws or regulations of other governments imposed through constitutional provisions or enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the County, using its highest level of decision-making authority, the Board of Canyon County Commissioners. To be reported as committed, amounts cannot be used for any other purpose without the County taking the same highest level action to remove or change the constraint.

Assigned fund balance – amounts that are intended to be used by the County for specific

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned fund balance represents intended uses as established by Idaho Statutes. The authority to assign fund balance resides with the Board of County Commissioners.

Unassigned fund balance – amounts that are available for any purpose. The General Fund is the only fund that may report a positive amount which includes all spendable amounts not contained in the other classifications.

For purposes of fund balance classification, expenditures are first to be spent from restricted fund balance then followed in order by committed fund balance, assigned fund balance and unassigned fund balance.

IV. Other information

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the County carries commercial insurance. During the last three years, no claim settlements and or judgments have exceeded Canyon County's limits of insurance. Insurance is maintained through the Idaho Counties Risk Management Program (ICRMP). ICRMP is an insurance pool serving public entities in Idaho through provision of property, general liability, auto liability, physical damage and public officials' insurance.

The 2013-2014 Canyon County ICRMP policy provides coverage up to a limit of \$500,000 for any single claim (brought pursuant to Idaho Code Title 6 Chapter 9). For any other type of liability claim the policy limit is \$3,000,000 per claim with an aggregate amount for all liability claims of \$5,000,000. Earthquake and flood losses are covered up to \$50,000,000 in the aggregate annually for all ICRMP participants.

B. Contingent liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Canyon County is defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Prosecutor, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

C. Landfill closure and post-closure care cost

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

Although closure and post-closure care costs will be paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each Statement of Net Position date.

\$6,367,411 reported as landfill closure and post-closure care liability at September 30, 2013, represents the cumulative amount reported to date based on the use of 36% of the estimated capacity of the landfill site. The current liability reflects an increase of \$371,561 from the previous year.

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

The County will recognize the remaining estimated cost of closure and post-closure care of \$5,026,007 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2013. Actual cost may be higher because of inflation, changes in technology, or changes in regulations. The estimated remaining life of the landfill is 50 years. The County expects future inflation costs to be paid from interest earnings, however, if interest earnings are inadequate or additional post-closure care requirements are determined (because of changes in technology or applicable laws and regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue. The County has demonstrated closure and post-closure financial assurance by satisfying the financial ratio method prescribed by Title 40 Part 258.74 of the Code of Federal Regulations.

D. Defined benefit pension plan

Public Employee Retirement System of Idaho - The Public Employee Retirement System of Idaho (PERSI), 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. 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. Financial reports for the plan are available from PERSI upon request.

After five 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% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

The actuarially determined contribution rate for both the County and its employees are annually established by the PERSI Board of Trustees. On July 1, 2013, the contribution rate for both the County and its employees increased. For the year ended September 30, 2013, the required contribution rate for general employees was 11.32% and 6.79% of covered payroll for Canyon County and its employees, respectively, and 11.66% and 8.36% for police/firefighter employees, for Canyon County and its employees, respectively. Canyon County contributions required and paid were \$3,124,116, \$2,963,665, and \$3,002,556 for the three years ended September 30, 2013, 2012, and 2011 respectively.

E. Health insurance program

Beginning in January 2000, the County established a self-funded health insurance fund (an internal service fund) for risks associated with the employee's health insurance plan where assets are pooled for claim settlements and administrative costs. All funds with employees eligible for benefits participate and make payments to the fund based on the number of qualifying employees. Third parties administer the plan providing medical, dental and vision coverage to employees and eligible dependents. Specific stop-loss for medical claims exceeding \$150,000 per individual is purchased along with aggregate stop loss coverage for the program as a whole. As of September 30, 2013, the net position of the fund is \$4,250,002.

Liabilities for claims are recorded if information indicates that it is probable that liabilities have been incurred at the date of the financial statements and the amount of the liability can be reasonably estimated. Claim liabilities are calculated based on the projected cost of settling the claim, recent claim settlement trends, and the overall claim activity during the fiscal year.

In prior fiscal years, the activities of the self-funded health insurance fund were accounted for in the County's general fund. Beginning in fiscal year 2013 the fund is accounted for as a proprietary fund, and \$5,524,808 of fund balance was transferred from the general fund to the proprietary fund.

**STATE OF IDAHO
CANYON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013**

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

	<u>Self-Funded Health Insurance</u>	
	<u>Fiscal Year</u>	
	<u>2013</u>	<u>2012</u>
Unpaid claims as of October 1	\$ 384,816	\$ 419,218
Total incurred claims (including IBNRs) and prior period changes in claim estimates	7,021,158	5,357,396
Total payments	<u>6,947,439</u>	<u>5,391,798</u>
Unpaid claims as of September 30	<u>\$ 458,535</u>	<u>\$ 384,816</u>

F. Prior period adjustment

During the year ended September 30, 2013, the following affected the net position and fund balance of the County:

The liability for claims incurred but not reported for the self-funded health insurance fund was not recorded for the year ended September 30, 2012.

\$ (384,816)

The net prior period adjustment is shown as a decrease in the beginning net position and fund balance on the Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances.

	<u>Governmental Activities</u>	<u>General Fund</u>
Fund balance/net position, September 30, 2012 (as previously reported)	\$ 75,586,875	\$ 18,196,142
Restated for Health insurance claims incurred but not reported	<u>(384,816)</u>	<u>(384,816)</u>
Fund balance/net position, September 30, 2012 (as restated)	<u>\$ 75,202,059</u>	<u>\$ 17,811,326</u>

V. Stewardship, compliance and accountability

A. Excess of expenditures over appropriations

For the year ended September 30, 2013, expenditures exceeded appropriations in the County fair special revenue fund by \$60,123. The over expenditure was funded by available fund balance.

REQUIRED SUPPLEMENTARY INFORMATION



**STATE OF IDAHO
CANYON COUNTY
GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
REVENUES	Original	Final	Amounts	(Negative)
Property taxes	\$ 14,007,953	\$ 14,007,953	\$ 14,406,774	\$ 398,821
Licenses and permits	426,394	426,394	1,131,555	705,161
Intergovernmental	3,035,700	3,035,700	3,614,045	578,345
Charges for services	3,330,020	3,330,020	3,655,257	325,237
Unrealized loss on investments	-	-	(360,119)	(360,119)
Miscellaneous	704,650	704,650	552,617	(152,033)
Total general fund revenue	21,504,717	21,504,717	23,000,129	1,495,412
EXPENDITURES				
General government:				
Clerk:				
Personal services	1,189,970	1,189,970	939,886	250,084
Other charges and services	493,060	493,060	388,270	104,790
Capital outlay	-	-	10,640	(10,640)
Total Clerk	1,683,030	1,683,030	1,338,796	344,234
Commissioners:				
Personal services	318,419	451,419	450,693	726
Other charges and services	42,750	48,750	42,117	6,633
Total Commissioners	361,169	500,169	492,810	7,359
Treasurer:				
Personal services	493,423	493,423	432,342	61,081
Other charges and services	194,650	194,650	152,324	42,326
Total Treasurer	688,073	688,073	584,666	103,407
Motor Vehicle:				
Personal Services	570,941	594,941	593,569	1,372
Other charges and services	70,000	70,000	64,802	5,198
Total Motor Vehicle	640,941	664,941	658,371	6,570
Prosecuting Attorney:				
Personal services	4,829,295	4,866,295	4,864,725	1,570
Other charges and services	293,600	293,600	295,732	(2,132)
Capital outlay	25,000	25,000	7,016	17,984
Total Prosecuting Attorney	5,147,895	5,184,895	5,167,473	17,422
Coroner:				
Personal services	425,110	444,110	442,268	1,842
Other charges and services	33,250	33,250	32,431	819
Total coroner	\$ 458,360	\$ 477,360	\$ 474,699	\$ 2,661

Continued:

See Notes to Required Supplementary Information

**STATE OF IDAHO
CANYON COUNTY
GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
General:				
Other charges and services	\$ 1,680,946	\$ 1,403,946	\$ 584,367	\$ 819,579
Buildings and grounds:				
Personal services	1,262,478	1,280,478	1,277,074	3,404
Other charges and services	1,227,295	1,227,295	1,067,673	159,622
Capital outlay	225,000	265,000	418,149	(153,149)
Total Buildings and grounds	2,714,773	2,772,773	2,762,896	9,877
Development services:				
Personal services	944,246	941,246	918,150	23,096
Other charges and services	133,250	136,250	134,814	1,436
Total development services	1,077,496	1,077,496	1,052,964	24,532
Information technology:				
Personal services	1,694,797	1,694,797	1,622,220	72,577
Other charges and services	871,150	871,150	896,368	(25,218)
Capital outlay	453,000	453,000	261,854	191,146
Total information technology	3,018,947	3,018,947	2,780,442	238,505
County fleet:				
Personal services	255,709	259,709	258,454	1,255
Other charges and services	785,200	781,200	522,910	258,290
Capital outlay	345,600	345,600	109,456	236,144
Total county fleet	1,386,509	1,386,509	890,820	495,689
Insurance:				
Other charges and services	725,000	725,000	660,900	64,100
Human resources:				
Personal services	250,251	270,251	267,542	2,709
Other charges and services	161,561	141,561	86,193	55,368
Total human resources	411,812	411,812	353,735	58,077
Public information officer:				
Personal services	55,966	57,966	57,881	85
Other charges and services	5,100	3,100	2,764	336
Total public information officer	61,066	61,066	60,645	421
Total general government (including capital outlays)	20,056,017	20,056,017	17,863,584	2,192,433
Less: capital outlays	1,048,600	1,088,600	807,115	281,485
Total general government (excluding capital outlays)	\$ 19,007,417	\$ 18,967,417	\$ 17,056,469	\$ 1,910,948

Continued:

See Notes to Required Supplementary Information

**STATE OF IDAHO
CANYON COUNTY
GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Public Safety:				
Emergency management				
Personal services	\$ 88,042	\$ 91,042	\$ 90,091	\$ 951
Other charges and services	8,959	5,959	3,456	2,503
Total emergency management	97,001	97,001	93,547	3,454
Juvenile detention center:				
Personal services	1,912,489	1,912,489	1,743,232	169,257
Other charges and services	177,210	177,210	130,581	46,629
Total juvenile detention center	2,089,699	2,089,699	1,873,813	215,886
Total public safety	2,186,700	2,186,700	1,967,360	219,340
Public works:				
Animal shelter:				
Other charges and services	300,000	300,000	300,000	-
Debt service:				
Principal	138,752	138,752	138,752	-
Interest	14,953	14,953	14,953	-
Total debt service	153,705	153,705	153,705	-
Total general fund expenditures (excluding capital outlay)	21,647,822	21,607,822	19,477,534	2,130,288
Add: capital outlay	1,048,600	1,088,600	807,115	281,485
Total general fund expenditures (including capital outlay)	22,696,422	22,696,422	20,284,649	2,411,773
Excess (deficiency) of revenues over (under) expenditures	(1,191,705)	(1,191,705)	2,715,480	3,907,185
Other financing sources (uses):				
Transfers out	-	-	(5,524,808)	(5,524,808)
Total other financing sources (uses)	-	-	(5,524,808)	(5,524,808)
Net change in fund balance	<u>\$ (1,191,705)</u>	<u>\$ (1,191,705)</u>	(2,809,328)	<u>\$ (1,617,623)</u>
Fund balance - beginning, as restated			17,811,326	
Fund balance - ending			<u>\$ 15,001,998</u>	

See Notes to Required Supplementary Information

**STATE OF IDAHO
CANYON COUNTY
JUSTICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
REVENUES	Original	Final	Amounts	(Negative)
Property taxes	\$ 13,247,953	\$ 13,247,953	\$ 13,592,648	\$ 344,695
Licenses and permits	301,200	301,200	398,693	97,493
Intergovernmental	2,647,848	2,737,848	3,356,385	618,537
Charges for services	1,782,150	2,007,150	1,721,973	(285,177)
Fines and forfeits	-	-	113,116	113,116
Unrealized loss on investments	-	-	(215,492)	(215,492)
Miscellaneous	300,200	300,200	477,330	177,130
Total justice fund revenue	18,279,351	18,594,351	19,444,653	850,302
EXPENDITURES				
General Government:				
Public defender				
Other charges and services	2,079,354	2,279,354	2,272,578	6,776
Contingent				
Other charges and services	650,000	450,000	-	450,000
Total general government	2,729,354	2,729,354	2,272,578	456,776
Public Safety:				
Sheriff:				
Personal services	16,858,701	16,858,701	16,424,264	434,437
Other charges and services	2,040,661	2,265,661	2,120,118	145,543
Capital outlay	108,683	198,683	153,674	45,009
Total sheriff	19,008,045	19,323,045	18,698,056	624,989
CCNU:				
Other charges and services	102,400	102,400	84,904	17,496
Total public safety (including capital outlay)	19,110,445	19,425,445	18,782,960	642,485
Less: capital outlay	108,683	198,683	153,674	45,009
Total public safety (excluding capital outlay)	19,001,762	19,226,762	18,629,286	597,476
Total justice fund expenditures (excluding capital outlay)	21,731,116	21,956,116	20,901,864	1,054,252
Add: capital outlay	108,683	198,683	153,674	45,009
Total justice fund expenditures (including capital outlay)	21,839,799	22,154,799	21,055,538	1,099,261
Net change in fund balance	\$ (3,560,448)	\$ (3,560,448)	(1,610,885)	\$ 1,949,563
Fund balance - beginning			12,290,385	
Fund balance - ending			\$ 10,679,500	

See Notes to Required Supplementary Information

**STATE OF IDAHO
CANYON COUNTY
DISTRICT COURT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
REVENUES	Original	Final	Amounts	
Property taxes	\$ 3,055,661	\$ 3,055,661	\$ 3,087,356	\$ 31,695
Intergovernmental	2,747,376	2,747,376	3,123,172	375,796
Charges for services	684,551	684,551	561,446	(123,105)
Fines and forfeits	700,500	700,500	524,148	(176,352)
Miscellaneous	20,000	20,000	16,050	(3,950)
Total district court fund revenue	<u>7,208,088</u>	<u>7,208,088</u>	<u>7,312,172</u>	<u>104,084</u>
EXPENDITURES				
General government:				
Trial Court Administrator				
Personal services	1,352,489	1,352,489	1,297,794	54,695
Other charges and services	<u>594,630</u>	<u>594,630</u>	<u>571,686</u>	<u>22,944</u>
Total Trial Court Administrator	<u>1,947,119</u>	<u>1,947,119</u>	<u>1,869,480</u>	<u>77,639</u>
Clerk of the Court				
Personal services	2,725,487	2,725,487	2,693,657	31,830
Other charges and services	<u>55,600</u>	<u>55,600</u>	<u>51,862</u>	<u>3,738</u>
Total Clerk of the Court	<u>2,781,087</u>	<u>2,781,087</u>	<u>2,745,519</u>	<u>35,568</u>
Total general government	<u>4,728,206</u>	<u>4,728,206</u>	<u>4,614,999</u>	<u>113,207</u>
Public safety:				
Juvenile probation				
Personal services	1,619,742	1,619,742	1,421,964	197,778
Other charges and services	277,780	277,780	275,836	1,944
Capital outlay	<u>500,000</u>	<u>500,000</u>	<u>122,149</u>	<u>377,851</u>
Total juvenile probation	<u>2,397,522</u>	<u>2,397,522</u>	<u>1,819,949</u>	<u>577,573</u>
Total public safety				
(including capital outlay)	2,397,522	2,397,522	1,819,949	577,573
Less: capital outlay	<u>500,000</u>	<u>500,000</u>	<u>122,149</u>	<u>377,851</u>
Total public safety				
(excluding capital outlay)	<u>1,897,522</u>	<u>1,897,522</u>	<u>1,697,800</u>	<u>199,722</u>
Total district court fund expenditures				
(excluding capital outlay)	6,625,728	6,625,728	6,312,799	312,929
Add: capital outlay	<u>500,000</u>	<u>500,000</u>	<u>122,149</u>	<u>377,851</u>
Total district court fund expenditures	<u>7,125,728</u>	<u>7,125,728</u>	<u>6,434,948</u>	<u>690,780</u>
Net change in fund balance	<u>\$ 82,360</u>	<u>\$ 82,360</u>	877,224	<u>\$ 794,864</u>
Fund balance - beginning			<u>2,038,273</u>	
Fund balance - ending			<u>\$ 2,915,497</u>	

See Notes to Required Supplementary Information

STATE OF IDAHO
CANYON COUNTY
INDIGENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Property taxes	\$ 3,975,000	\$ 3,975,000	\$ 4,012,166	\$ 37,166
Medical review reimbursement	5,000	5,000	36,815	31,815
Hospital repayment	250,000	250,000	278,409	28,409
Miscellaneous	10,000	10,000	2,922	(7,078)
Total indigent fund revenue	<u>4,240,000</u>	<u>4,240,000</u>	<u>4,330,312</u>	<u>90,312</u>
EXPENDITURES				
Health and Welfare				
Indigent:				
Personal services	653,746	653,746	587,775	65,971
Other charges and services	<u>3,171,450</u>	<u>3,171,450</u>	<u>2,660,108</u>	<u>511,342</u>
Total indigent fund expenditures	<u>3,825,196</u>	<u>3,825,196</u>	<u>3,247,883</u>	<u>577,313</u>
Net change in fund balance	<u>\$ 414,804</u>	<u>\$ 414,804</u>	1,082,429	<u>\$ 667,625</u>
Fund balance - beginning			<u>885,656</u>	
Fund balance - ending			<u>\$ 1,968,085</u>	

See Notes to Required Supplementary Information

**STATE OF IDAHO
CANYON COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2013**

I. Stewardship, compliance, and accountability

A. Budgetary information

The County is required by State law to adopt annual appropriated budgets for general, special revenue, debt service and enterprise funds. All appropriated budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Enterprise fund budgets are adopted on a non-gaap budgetary basis. The annual appropriated budget covers a period from October 1 through September 30.

All appropriations other than appropriations for incomplete improvements in progress in construction lapse at the end of the fiscal year. Appropriation accounts remain open until the first Monday in November for payment of claims incurred against such appropriations prior to the close of the fiscal year. After the first Monday in November, the appropriations except for the incomplete improvements become null and void and any lawful claims presented thereafter against any subsequent appropriation will be provided for in the ensuing budget. All balances in any appropriation for incomplete improvements in progress in construction are carried forward and shown in the appropriated budget for the ensuing year.

All County department heads are required to submit their annual budget requests to the County Auditor. The County Auditor is the Budget Officer, and as such budget officer, it is his duty to compile and prepare a preliminary budget for consideration by the County Commissioners. The budget is prepared by fund, department, activity and object and includes expenditures for the prior two years, year to date, the prior year appropriated budget and requested appropriations for the next fiscal year. On or before the first Monday in August, the County Budget Officer submits the proposed budget to the County Commissioners for review and approval. When the tentative budget has been approved it must be published in a newspaper. On or before the Tuesday following the first Monday in September of each year, the Board of Commissioners shall meet and hold a public budget hearing at which time any taxpayer may appear and be heard upon any part or parts of said tentative budget. Such hearing may be continued from day to day until concluded, but not to exceed a total of five (5) days.

Upon the conclusion of such hearing, the County Commissioners shall fix and determine the amount of the appropriated budget for each department of the County, separately, which in no event shall be greater than the amount of the tentative budget and by resolution adopt the appropriated budget as the official minutes of the board.

During the fiscal year only the Board of County Commissioners may amend the annual appropriated budget by unanimous resolution, through the courts or by the budget hearing process. The appropriated budget can be adjusted to reflect receipt of unscheduled revenue, grants or donations from Federal, State or local governments or private sources, provided that previously budgeted funds are not increased and that there shall be no increase in anticipated property taxes. The legal level of budgetary control is at the object level (personal services and other charges and services; including capital outlay) within each department. During the fiscal year 2013, \$401,000 of appropriations was amended between departments and \$807,000 was added to appropriations through budget hearings.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized by Canyon County because it is at the present considered not necessary to assure effective budgetary control or facilitate effective cash planning control.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



Nonmajor Governmental Funds

Special Revenue Funds

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

Weed Control Fund - This fund was established by the authority of Idaho Code 22-2406, in order to control the spread of and to eradicate noxious weeds on lands in Canyon County. Funding is provided through property taxes, fees and grants.

Assessor's Reappraisal Fund - This fund was established by the authority of Idaho Code 63-221, in order to provide a continuing program of valuation of all properties and that all parcels of property under the Assessor's jurisdiction in Canyon County are appraised at current market value for assessment purposes. Property taxes and charges for services provide revenue for the fund.

Health District Fund - This fund was established by the authority of Idaho Code 31-862, to be expended solely and exclusively for preventive health services. Funding is provided by property tax dollars.

County Fair Fund - This fund was established by the authority of Idaho Code 31-823, for the purpose of collection, preparing and maintaining an exhibition of the products and industries of Canyon County at the County Fair. Funding is provided through property tax and user fees.

Parks and Recreation Fund - This fund was established by the authority of Idaho Code 63-908, for the use and purpose of public parks and public recreation facilities. Funding is provided by property taxes, grants and fees.

Historical Society Fund - This fund was established by the authority of Idaho Code 31-864, for the support of County or local historical societies. Funding is provided through property taxes.

Pest Control Fund - This fund was established by the authority of Idaho Code 25-2604, for the purpose of taking all steps the Board may deem necessary for the extermination of pests. Funding is provided by property taxes and charges for services.

Melba Gopher Fund - This fund was established by the authority of Idaho Code 25-2619, for the purpose of taking all steps the Board may deem necessary for the extermination of pests. Funding is provided by property taxes.

Court Device Fund - This fund was established by the authority of Idaho Code 18-8008,8010, to assist a defendant in paying for ignition interlock or electronic monitoring devices. Funding is provided by a surcharge collected on fines for persons violating the state law against driving a motor vehicle while under the influence of alcohol, drugs or other intoxicating substances.

Waterways Fund - This fund is used to account for the maintenance and improvements of the public waters of the State which are within the County and for law enforcement activities related to enforcement on public waterways. Funding is provided through boater registrations, licenses, fees and grants. The fund was established by the authority of Idaho Code 57-1501 and 67-7013.

Court Facilities Fund - This fund was established by the authority of Idaho Code 31-867 and shall be used for the expenditures for planning, remodeling and construction of court facilities. Revenue is provided by an administrative surcharge on civil cases.

Special Revenue Funds (Continued)

Emergency Communications - This fund is used to account for the purchases of 911 communications equipment and enhancements. Funding is provided by a telephone user fee and intergovernmental revenues including grants. The fund was established by the authority of Idaho Code 31-48.

Specialty Courts Fund - This fund is used to account for the operations of specialty courts including; Misdemeanor DUI Court, Mental Health Court, Veterans Court and Drug Court. Funding is provided by user fees and grants. The fund was established by the authority of Idaho Code 31-3201E.

Misdemeanor Probation Fund – This fund accounts for revenues and expenditures for adult misdemeanor probation functions. The fund was established by the authority of Idaho Code 31-3201D and is funded by cost of supervision fees.

Consolidated Elections Fund – This fund is utilized to account for the County Clerk's functions to administer elections for multiple county taxing districts. Funding is provided by the State of Idaho through an allocation of sales tax. The fund was established by the authority of Idaho Code 31-809A.

STATE OF IDAHO
CANYON COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2013

	Special Revenue				
	<u>Weed Control</u>	<u>Assessor's Reappraisal</u>	<u>Health District</u>	<u>County Fair</u>	<u>Parks and Recreation</u>
ASSETS					
Cash and investments	\$ 189,649	\$ 1,412,362	\$ 184,593	\$ 432,258	\$ 164,590
Accounts receivable	6,496	-	-	10,686	3,600
Interest receivable	-	-	-	419	-
Property tax receivable	113,025	1,725,623	878,594	633,935	606,568
Intergovernmental receivable	-	-	-	-	70,456
Prepaid items	-	19,919	-	-	-
Total assets	<u>\$ 309,170</u>	<u>\$ 3,157,904</u>	<u>\$ 1,063,187</u>	<u>\$ 1,077,298</u>	<u>\$ 845,214</u>
LIABILITIES					
Accounts payable	\$ 13,813	\$ 24,126	\$ -	\$ 31,696	\$ 41,100
Accrued wages payable	8,402	137,356	-	24,649	22,271
Deferred revenue	111,931	1,720,341	876,657	635,208	605,563
Total liabilities	<u>134,146</u>	<u>1,881,823</u>	<u>876,657</u>	<u>691,553</u>	<u>668,934</u>
FUND BALANCES					
Nonspendable	-	19,919	-	-	-
Assigned	175,024	1,256,162	186,530	385,745	176,280
Total fund balances	<u>175,024</u>	<u>1,276,081</u>	<u>186,530</u>	<u>385,745</u>	<u>176,280</u>
Total liabilities and fund balances	<u>\$ 309,170</u>	<u>\$ 3,157,904</u>	<u>\$ 1,063,187</u>	<u>\$ 1,077,298</u>	<u>\$ 845,214</u>

Continued:

**STATE OF IDAHO
CANYON COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2013**

	Special Revenue					
Continued:	Historical Society	Pest Control	Melba Gopher	Court Device	Waterways	Court Facilities
ASSETS						
Cash and investments	\$ 9,241	\$ 291,051	\$ 2,861	\$ 35,598	\$ 59,372	\$ 541,087
Accounts receivable	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Property tax receivable	95,469	239,943	10,679	-	-	-
Intergovernmental receivable	-	4,647	179	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 104,710</u>	<u>\$ 535,641</u>	<u>\$ 13,719</u>	<u>\$ 35,598</u>	<u>\$ 59,372</u>	<u>\$ 541,087</u>
LIABILITIES						
Accounts payable	\$ -	\$ 14,923	\$ -	\$ -	\$ 5,363	\$ -
Accrued wages payable	-	11,261	-	-	5,320	-
Deferred revenue	95,256	239,353	10,663	-	-	-
Total liabilities	<u>95,256</u>	<u>265,537</u>	<u>10,663</u>	<u>-</u>	<u>10,683</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Assigned	9,454	270,104	3,056	35,598	48,689	541,087
Total fund balances	<u>9,454</u>	<u>270,104</u>	<u>3,056</u>	<u>35,598</u>	<u>48,689</u>	<u>541,087</u>
Total liabilities and fund balances	<u>\$ 104,710</u>	<u>\$ 535,641</u>	<u>\$ 13,719</u>	<u>\$ 35,598</u>	<u>\$ 59,372</u>	<u>\$ 541,087</u>

Continued:

**STATE OF IDAHO
CANYON COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2013**

	Special Revenue				Total Nonmajor Governmental
	Emergency				
	Communications Center	Specialty Courts	Misdemeanor Probation	Consolidated Elections	
Continued:					
ASSETS					
Cash and investments	\$ 724,076	\$ 81,508	\$ 169,987	\$ 64,141	\$ 4,362,374
Accounts receivable	96,871	-	-	-	117,653
Interest receivable	-	-	-	-	419
Property tax receivable	-	-	-	-	4,303,836
Intergovernmental receivable	-	83,764	-	-	159,046
Prepaid items	22,001	-	-	10,514	52,434
Total assets	<u>\$ 842,948</u>	<u>\$ 165,272</u>	<u>\$ 169,987</u>	<u>\$ 74,655</u>	<u>\$ 8,995,762</u>
LIABILITIES					
Accounts payable	\$ 12,606	\$ 14,054	\$ 2,385	\$ 1,204	\$ 161,270
Accrued wages payable	12,638	23,486	42,770	18,585	306,738
Deferred revenue	-	-	-	-	4,294,972
Total liabilities	<u>25,244</u>	<u>37,540</u>	<u>45,155</u>	<u>19,789</u>	<u>4,762,980</u>
FUND BALANCES					
Nonspendable	22,001	-	-	10,514	52,434
Assigned	795,703	127,732	124,832	44,352	4,180,348
Total fund balances	<u>817,704</u>	<u>127,732</u>	<u>124,832</u>	<u>54,866</u>	<u>4,232,782</u>
Total liabilities and fund balances	<u>\$ 842,948</u>	<u>\$ 165,272</u>	<u>\$ 169,987</u>	<u>\$ 74,655</u>	<u>\$ 8,995,762</u>

**STATE OF IDAHO
CANYON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2013**

	Special Revenue				
	Weed Control	Assessor's Reappraisal	Health District	County Fair	Parks & Recreation
REVENUES					
Taxes	\$ 288,998	\$ 2,008,873	\$ 770,165	\$ 508,731	\$ 456,825
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	535,380
Charges for services	56,398	42,262	-	-	38,670
Miscellaneous	8,136	470	-	570,049	40,670
Total revenues	<u>353,532</u>	<u>2,051,605</u>	<u>770,165</u>	<u>1,078,780</u>	<u>1,071,545</u>
EXPENDITURES					
Current:					
General government	-	2,105,000	-	-	-
Public safety	-	-	-	-	-
Public works	202,509	-	-	-	-
Health	-	-	813,989	-	-
Culture and recreation	-	-	-	1,244,236	462,808
Capital outlay	50,041	-	-	-	605,743
Total expenditures	<u>252,550</u>	<u>2,105,000</u>	<u>813,989</u>	<u>1,244,236</u>	<u>1,068,551</u>
Net change in fund balances	100,982	(53,395)	(43,824)	(165,456)	2,994
Fund balances, October 1	<u>74,042</u>	<u>1,329,476</u>	<u>230,354</u>	<u>551,201</u>	<u>173,286</u>
Fund balances, September 30	<u>\$ 175,024</u>	<u>\$ 1,276,081</u>	<u>\$ 186,530</u>	<u>\$ 385,745</u>	<u>\$ 176,280</u>

Continued:

STATE OF IDAHO
CANYON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2013

	Special Revenue					
Continued:	Historical <u>Society</u>	<u>Pest Control</u>	Melba <u>Gopher</u>	Court <u>Device</u>	<u>Waterways</u>	Court <u>Facilities</u>
REVENUES						
Taxes	\$ 91,799	\$ 221,103	\$ 10,186	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	93,634	-
Intergovernmental	-	17,385	666	-	44,841	-
Charges for services	-	12,043	-	17,508	-	96,920
Miscellaneous	-	5,000	-	-	-	-
Total revenues	<u>91,799</u>	<u>255,531</u>	<u>10,852</u>	<u>17,508</u>	<u>138,475</u>	<u>96,920</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	1,708
Public safety	-	-	-	-	-	-
Public works	-	222,395	12,000	-	-	-
Health	-	-	-	-	-	-
Culture and recreation	90,241	-	-	-	124,974	-
Capital outlay	-	56,071	-	-	-	-
Total expenditures	<u>90,241</u>	<u>278,466</u>	<u>12,000</u>	<u>-</u>	<u>124,974</u>	<u>1,708</u>
Net change in fund balances	1,558	(22,935)	(1,148)	17,508	13,501	95,212
Fund balances, October 1	<u>7,896</u>	<u>293,039</u>	<u>4,204</u>	<u>18,090</u>	<u>35,188</u>	<u>445,875</u>
Fund balances, September 30	<u>\$ 9,454</u>	<u>\$ 270,104</u>	<u>\$ 3,056</u>	<u>\$ 35,598</u>	<u>\$ 48,689</u>	<u>\$ 541,087</u>

Continued:

**STATE OF IDAHO
CANYON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2013**

	Special Revenue				
	Emergency				
	Communications	Specialty	Misdemeanor	Consolidated	Total Nonmajor
Continued:	Center	Courts	Probation	Elections	Governmental
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,356,680
Licenses and permits	-	-	-	-	93,634
Intergovernmental	228,524	304,438	-	306,486	1,437,720
Charges for services	1,192,156	126,592	582,516	-	2,165,065
Miscellaneous	976	-	-	75	625,376
Total revenues	1,421,656	431,030	582,516	306,561	8,678,475
EXPENDITURES					
Current:					
General government	-	489,587	574,980	280,730	3,452,005
Public safety	816,968	-	-	-	816,968
Public works	-	-	-	-	436,904
Health	-	-	-	-	813,989
Culture and recreation	-	-	-	-	1,922,259
Capital outlay	227,647	-	-	-	939,502
Total expenditures	1,044,615	489,587	574,980	280,730	8,381,627
Net change in fund balances	377,041	(58,557)	7,536	25,831	296,848
Fund balances, October 1	440,663	186,289	117,296	29,035	3,935,934
Fund balances, September 30	\$ 817,704	\$ 127,732	\$ 124,832	\$ 54,866	\$ 4,232,782

STATE OF IDAHO
CANYON COUNTY
WEED CONTROL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 275,000	\$ 275,000	\$ 288,998	\$ 13,998
Charges for services	70,000	70,000	56,398	(13,602)
Miscellaneous	-	-	8,136	8,136
Total revenues	<u>345,000</u>	<u>345,000</u>	<u>353,532</u>	<u>8,532</u>
EXPENDITURES				
Current:				
Public works:				
Personal services	135,231	135,231	124,955	10,276
Other charges & services	72,025	72,025	77,554	(5,529)
Capital outlay	<u>58,000</u>	<u>58,000</u>	<u>50,041</u>	<u>7,959</u>
Total expenditures	<u>265,256</u>	<u>265,256</u>	<u>252,550</u>	<u>12,706</u>
Net change in fund balance	<u>\$ 79,744</u>	<u>\$ 79,744</u>	100,982	<u>\$ 21,238</u>
Fund balance - beginning			<u>74,042</u>	
Fund balance - ending			<u>\$ 175,024</u>	

**STATE OF IDAHO
CANYON COUNTY
ASSESSOR'S REAPPRAISAL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Taxes	\$ 1,950,000	\$ 1,950,000	\$ 2,008,873	\$ 58,873
Charges for Services	35,500	35,500	42,262	6,762
Miscellaneous	-	-	470	470
Total revenues	<u>1,985,500</u>	<u>1,985,500</u>	<u>2,051,605</u>	<u>66,105</u>
EXPENDITURES				
Current:				
General government:				
Personal services	2,257,937	2,257,937	1,822,213	435,724
Other charges & services	<u>292,400</u>	<u>292,400</u>	<u>282,787</u>	<u>9,613</u>
Total expenditures	<u>2,550,337</u>	<u>2,550,337</u>	<u>2,105,000</u>	<u>445,337</u>
Net change in fund balance	<u>\$ (564,837)</u>	<u>\$ (564,837)</u>	(53,395)	<u>\$ 511,442</u>
Fund balance - beginning			<u>1,329,476</u>	
Fund balance - ending			<u>\$ 1,276,081</u>	

STATE OF IDAHO
CANYON COUNTY
HEALTH DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 750,000	\$ 750,000	\$ 770,165	\$ 20,165
Total revenues	750,000	750,000	770,165	20,165
EXPENDITURES				
Current:				
Health:				
Other charges & services	813,989	813,989	813,989	-
Total expenditures	813,989	813,989	813,989	-
Net change in fund balance	<u>\$ (63,989)</u>	<u>\$ (63,989)</u>	(43,824)	<u>\$ 20,165</u>
Fund balance - beginning			230,354	
Fund balance - ending			<u>\$ 186,530</u>	

STATE OF IDAHO
CANYON COUNTY
COUNTY FAIR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Taxes	\$ 500,000	\$ 500,000	\$ 508,731	\$ 8,731
Miscellaneous	606,781	606,781	570,049	(36,732)
Total revenues	<u>1,106,781</u>	<u>1,106,781</u>	<u>1,078,780</u>	<u>(28,001)</u>
EXPENDITURES				
Current:				
Culture & recreation:				
Personal services	375,952	387,952	378,307	9,645
Other charges & services	796,161	796,161	865,929	(69,768)
Total expenditures	<u>1,172,113</u>	<u>1,184,113</u>	<u>1,244,236</u>	<u>(60,123)</u>
Net change in fund balance	<u>\$ (65,332)</u>	<u>\$ (77,332)</u>	(165,456)	<u>\$ (88,124)</u>
Fund balance - beginning			<u>551,201</u>	
Fund balance - ending			<u>\$ 385,745</u>	

STATE OF IDAHO
CANYON COUNTY
PARKS AND RECREATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Taxes	\$ 450,000	\$ 450,000	\$ 456,825	\$ 6,825
Intergovernmental	700,000	700,000	535,380	(164,620)
Charges for services	-	-	38,670	38,670
Miscellaneous	35,000	35,000	40,670	5,670
Total revenues	<u>1,185,000</u>	<u>1,185,000</u>	<u>1,071,545</u>	<u>(113,455)</u>
EXPENDITURES				
Current:				
Culture & recreation:				
Personal services	417,958	417,958	401,462	16,496
Other charges & services	109,750	109,750	61,346	48,404
Capital Outlay	<u>700,000</u>	<u>700,000</u>	<u>605,743</u>	<u>94,257</u>
Total expenditures	<u>1,227,708</u>	<u>1,227,708</u>	<u>1,068,551</u>	<u>159,157</u>
Net change in fund balance	<u>\$ (42,708)</u>	<u>\$ (42,708)</u>	2,994	<u>\$ 45,702</u>
Fund balance - beginning			<u>173,286</u>	
Fund balance - ending			<u>\$ 176,280</u>	

STATE OF IDAHO
CANYON COUNTY
HISTORICAL SOCIETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 90,000	\$ 90,000	\$ 91,799	\$ 1,799
Total revenues	90,000	90,000	91,799	1,799
EXPENDITURES				
Current:				
Culture & recreation				
Other charges & services	90,241	90,241	90,241	-
Total expenditures	90,241	90,241	90,241	-
Net change in fund balance	\$ (241)	\$ (241)	1,558	\$ 1,799
Fund balance - beginning			7,896	
Fund balance - ending			\$ 9,454	

STATE OF IDAHO
CANYON COUNTY
PEST CONTROL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Taxes	\$ 216,560	\$ 216,560	\$ 221,103	\$ 4,543
Intergovernmental	15,000	15,000	17,385	2,385
Charges for services	7,000	7,000	12,043	5,043
Miscellaneous	-	-	5,000	5,000
Total revenues	<u>238,560</u>	<u>238,560</u>	<u>255,531</u>	<u>16,971</u>
EXPENDITURES				
Current:				
Public works:				
Personal services	132,384	147,384	146,168	1,216
Other charges & services	157,955	142,955	76,227	66,728
Capital outlay	-	-	56,071	(56,071)
Total expenditures	<u>290,339</u>	<u>290,339</u>	<u>278,466</u>	<u>11,873</u>
Net change in fund balance	<u>\$ (51,779)</u>	<u>\$ (51,779)</u>	(22,935)	<u>\$ 28,844</u>
Fund balance - beginning			<u>293,039</u>	
Fund balance - ending			<u>\$ 270,104</u>	

STATE OF IDAHO
CANYON COUNTY
MELBA GOPHER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 10,140	\$ 10,140	\$ 10,186	\$ 46
Intergovernmental	600	600	666	66
Total revenues	10,740	10,740	10,852	112
EXPENDITURES				
Current:				
Public works:				
Other charges & services	12,000	12,000	12,000	-
Total expenditures	12,000	12,000	12,000	-
Net change in fund balance	\$ (1,260)	\$ (1,260)	(1,148)	\$ 112
Fund balance - beginning			4,204	
Fund balance - ending			\$ 3,056	

STATE OF IDAHO
CANYON COUNTY
COURT DEVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Charges for services	\$ 16,000	\$ 16,000	\$ 17,508	\$ 1,508
Total revenues	16,000	16,000	17,508	1,508
EXPENDITURES				
Current:				
Public safety:				
Other charges & services	16,000	16,000	-	16,000
Total expenditures	16,000	16,000	-	16,000
Net change in fund balance	\$ -	\$ -	17,508	\$ 17,508
Fund balance - beginning			18,090	
Fund balance - ending			\$ 35,598	

STATE OF IDAHO
CANYON COUNTY
WATERWAYS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Licenses and permits	\$ 70,000	\$ 90,000	\$ 93,634	\$ 3,634
Intergovernmental	50,000	50,000	44,841	(5,159)
Total revenues	120,000	140,000	138,475	(1,525)
EXPENDITURES				
Current:				
Culture & recreation:				
Personal services	101,073	121,073	113,577	7,496
Other charges & services	15,800	15,800	11,397	4,403
Capital outlay	3,000	3,000	-	3,000
Total expenditures	119,873	139,873	124,974	14,899
Net change in fund balance	\$ 127	\$ 127	13,501	\$ 13,374
Fund balance - beginning			35,188	
Fund balance - ending			\$ 48,689	

STATE OF IDAHO
CANYON COUNTY
COURT FACILITIES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Charges for services	\$ 100,000	\$ 100,000	\$ 96,920	\$ (3,080)
Total revenues	100,000	100,000	96,920	(3,080)
EXPENDITURES				
Current:				
General government:				
Other charges & services	500,000	500,000	1,708	498,292
Total expenditures	500,000	500,000	1,708	498,292
Net change in fund balance	\$ (400,000)	\$ (400,000)	95,212	\$ 495,212
Fund balance - beginning			445,875	
Fund balance - ending			\$ 541,087	

STATE OF IDAHO
CANYON COUNTY
EMERGENCY COMMUNICATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Charges for services	\$ 1,200,000	\$ 1,270,000	\$ 1,192,156	\$ (77,844)
Intergovernmental	-	230,000	228,524	(1,476)
Miscellaneous	5,000	5,000	976	(4,024)
Total revenues	1,205,000	1,505,000	1,421,656	(83,344)
EXPENDITURES				
Current:				
Public safety:				
Personal services	173,574	183,574	179,199	4,375
Other charges & services	800,000	800,000	637,769	162,231
Capital outlay	200,000	490,000	227,647	262,353
Total expenditures	1,173,574	1,473,574	1,044,615	428,959
Net change in fund balance	\$ 31,426	\$ 31,426	377,041	\$ 345,615
Fund balance - beginning			440,663	
Fund balance - ending			\$ 817,704	

STATE OF IDAHO
CANYON COUNTY
SPECIALTY COURTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Intergovernmental	\$ 249,449	\$ 374,449	\$ 304,438	\$ (70,011)
Charges for services	104,900	104,900	126,592	21,692
Total revenues	354,349	479,349	431,030	(48,319)
EXPENDITURES				
Current:				
General government:				
Personal services	186,038	311,038	294,844	16,194
Other charges & services	211,900	211,900	194,743	17,157
Total expenditures	397,938	522,938	489,587	33,351
Net change in fund balance	\$ (43,589)	\$ (43,589)	(58,557)	\$ (14,968)
Fund balance - beginning			186,289	
Fund balance - ending			\$ 127,732	

STATE OF IDAHO
CANYON COUNTY
MISDEMEANOR PROBATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Charges for services	\$ 629,180	\$ 629,180	\$ 582,516	\$ (46,664)
Total revenues	629,180	629,180	582,516	(46,664)
EXPENDITURES				
Current:				
General government:				
Personal services	527,957	562,957	554,735	8,222
Other charges & services	37,075	37,075	20,245	16,830
Total expenditures	565,032	600,032	574,980	25,052
Net change in fund balance	\$ 64,148	\$ 29,148	7,536	\$ (21,612)
Fund balance - beginning			117,296	
Fund balance - ending			\$ 124,832	

STATE OF IDAHO
CANYON COUNTY
CONSOLIDATED ELECTIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Intergovernmental	\$ 367,669	\$ 367,669	\$ 306,486	\$ (61,183)
Miscellaneous	-	-	75	75
Total revenues	367,669	367,669	306,561	(61,108)
EXPENDITURES				
Current:				
General government:				
Personal services	139,203	139,203	137,695	1,508
Other charges & services	228,466	228,466	143,035	85,431
Total expenditures	367,669	367,669	280,730	86,939
Net change in fund balance	\$ -	\$ -	25,831	\$ 25,831
Fund balance - beginning			29,035	
Fund balance - ending			\$ 54,866	

AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Agency Funds:

Taxing Districts - This fund is used to account for the collection of property tax and other revenues billed and collected by the County on taxing districts behalf.

Court Fund - This fund is used to account for the collection of fines and fees to be distributed to other agencies and private persons.

Sheriff Fund - This fund is used to account for the collection of monies to be distributed to other funds and private persons.

Motor Vehicle Fund - This fund is used to account for the collection of automobile licenses and fees to be distributed to other funds and agencies.

State Fund - This fund is used to account for the collection of monies to be paid to the State.

Unapportioned - Other Fund - This fund is used to account for the collection of taxes and other monies to be distributed to other funds.

CCNU (City-County Narcotics Unit) - This fund is used to account for drug forfeiture money to be distributed to other funds and private persons.

STATE OF IDAHO
CANYON COUNTY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2013

FUND	Balance 10/01/12	Additions	Deductions	Balance 09/30/13
<u>TAXING DISTRICTS</u>				
Assets				
Cash	\$ 365,591	\$ 119,770,579	\$ 119,546,527	\$ 589,643
Property tax receivable	<u>7,269,943</u>	<u>6,300,618</u>	<u>7,269,943</u>	<u>6,300,618</u>
Total Assets	<u>\$ 7,635,534</u>	<u>\$ 126,071,197</u>	<u>\$ 126,816,470</u>	<u>\$ 6,890,261</u>
Liabilities				
Due to other taxing districts	<u>\$ 7,635,534</u>	<u>\$ 126,071,197</u>	<u>\$ 126,816,470</u>	<u>\$ 6,890,261</u>
<u>COURT</u>				
Assets				
Cash	\$ 298,039	\$ 6,381,708	\$ 6,322,777	\$ 356,970
Accounts receivable	<u>9,100,442</u>	<u>11,398,064</u>	<u>9,100,442</u>	<u>11,398,064</u>
Total Assets	<u>\$ 9,398,481</u>	<u>\$ 17,779,772</u>	<u>\$ 15,423,219</u>	<u>\$ 11,755,034</u>
Liabilities				
Accounts payable	<u>\$ 9,398,481</u>	<u>\$ 17,779,772</u>	<u>\$ 15,423,219</u>	<u>\$ 11,755,034</u>
<u>SHERIFF</u>				
Assets				
Cash	<u>\$ 276,704</u>	<u>\$ 4,876,447</u>	<u>\$ 4,938,049</u>	<u>\$ 215,102</u>
Liabilities				
Accounts payable	<u>\$ 276,704</u>	<u>\$ 4,876,447</u>	<u>\$ 4,938,049</u>	<u>\$ 215,102</u>
<u>Motor Vehicle</u>				
Assets				
Cash	<u>\$ 170,040</u>	<u>\$ 13,420,466</u>	<u>\$ 13,377,566</u>	<u>\$ 212,940</u>
Liabilities				
Accounts payable	<u>\$ 170,040</u>	<u>\$ 13,420,466</u>	<u>\$ 13,377,566</u>	<u>\$ 212,940</u>
<u>State of Idaho</u>				
Assets				
Cash	<u>\$ 698,846</u>	<u>\$ 10,258,302</u>	<u>\$ 10,195,762</u>	<u>\$ 761,386</u>
Liabilities				
Due to other agencies	<u>\$ 698,846</u>	<u>\$ 10,258,302</u>	<u>\$ 10,195,762</u>	<u>\$ 761,386</u>

STATE OF IDAHO
CANYON COUNTY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2013

	<u>Balance</u> <u>10/01/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>09/30/13</u>
<u>Unapportioned - other</u>				
Assets				
Cash	\$ 849,927	\$ 7,471,403	\$ 7,614,392	\$ 706,938
Liabilities				
Accounts payable	\$ 849,927	\$ 7,471,403	\$ 7,614,392	\$ 706,938
<u>CCNU</u>				
Assets				
Cash	\$ 240,832	\$ 98,303	\$ 116,556	\$ 222,579
Liabilities				
Accounts payable	\$ 240,832	\$ 98,303	\$ 116,556	\$ 222,579
<u>TOTAL AGENCY FUNDS</u>				
Assets				
Cash	\$ 2,899,979	\$ 162,277,208	\$ 162,111,629	\$ 3,065,558
Property tax receivable	7,269,943	6,300,618	7,269,943	6,300,618
Accounts receivable	9,100,442	11,398,064	9,100,442	11,398,064
Total assets	\$ 19,270,364	\$ 179,975,890	\$ 178,482,014	\$ 20,764,240
Liabilities				
Accounts payable	\$ 10,935,984	\$ 43,646,391	\$ 41,469,782	\$ 13,112,593
Due to taxing districts	7,635,534	126,071,197	126,816,470	6,890,261
Due to other agencies	698,846	10,258,302	10,195,762	761,386
Total liabilities	\$ 19,270,364	\$ 179,975,890	\$ 178,482,014	\$ 20,764,240

STATISTICAL SECTION

This part of Canyon 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.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.	85
Revenue Capacity	
These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.	90
Debt Capacity	
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.	94
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.	97
Operating Information	
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.	99

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**STATE OF IDAHO
CANYON COUNTY
NET POSITION BY COMPONENT
Last Nine Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year								
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities									
Net investment in capital assets	\$ 36,533,132	\$ 37,383,686	\$ 38,469,585	\$ 38,291,934	\$ 35,096,290	\$ 29,752,579	\$ 28,487,805	\$ 22,872,844	\$ 21,823,084
Restricted	-	-	-	19,646	19,543	9,010,223	8,699,749	7,479,949	6,058,336
Unrestricted	<u>39,336,358</u>	<u>38,203,189</u>	<u>35,023,303</u>	<u>33,033,130</u>	<u>35,061,389</u>	<u>24,801,583</u>	<u>23,742,565</u>	<u>25,680,224</u>	<u>20,838,133</u>
Total governmental activities net position	<u>\$ 75,869,490</u>	<u>\$ 75,586,875</u>	<u>\$ 73,492,888</u>	<u>\$ 71,344,710</u>	<u>\$ 70,177,222</u>	<u>\$ 63,564,386</u>	<u>\$ 60,930,119</u>	<u>\$ 56,033,017</u>	<u>\$ 48,719,553</u>
Business-type activities									
Net investment in capital assets	\$ 9,679,506	\$ 9,956,687	\$ 10,217,081	\$ 9,116,762	\$ 9,109,534	\$ 9,153,741	\$ 5,413,412	\$ 5,611,790	\$ 4,515,626
Restricted	-	2,198,759	2,436,600	2,444,840	2,382,387	2,375,770	5,996,757	5,200,770	4,423,851
Unrestricted	<u>8,075,653</u>	<u>5,828,168</u>	<u>5,322,597</u>	<u>6,616,948</u>	<u>6,305,702</u>	<u>5,990,436</u>	<u>5,206,851</u>	<u>4,058,398</u>	<u>4,394,400</u>
Total business-type activities net position	<u>\$ 17,755,159</u>	<u>\$ 17,983,614</u>	<u>\$ 17,976,278</u>	<u>\$ 18,178,550</u>	<u>\$ 17,797,623</u>	<u>\$ 17,519,947</u>	<u>\$ 16,617,020</u>	<u>\$ 14,870,958</u>	<u>\$ 13,333,877</u>
Primary government									
Net investment in capital assets	\$ 46,212,638	\$ 47,340,373	\$ 48,686,666	\$ 47,408,696	\$ 44,205,824	\$ 38,906,320	\$ 33,901,217	\$ 28,484,634	\$ 26,338,710
Restricted	-	2,198,759	2,436,600	2,464,486	2,401,930	11,385,993	14,696,506	12,680,719	10,482,187
Unrestricted	<u>47,412,011</u>	<u>44,031,357</u>	<u>40,345,900</u>	<u>39,650,078</u>	<u>41,367,091</u>	<u>30,792,019</u>	<u>28,949,416</u>	<u>29,738,622</u>	<u>25,232,533</u>
Total primary government net position	<u>\$ 93,624,649</u>	<u>\$ 93,570,489</u>	<u>\$ 91,469,166</u>	<u>\$ 89,523,260</u>	<u>\$ 87,974,845</u>	<u>\$ 81,084,333</u>	<u>\$ 77,547,139</u>	<u>\$ 70,903,975</u>	<u>\$ 62,053,430</u>

**STATE OF IDAHO
CANYON COUNTY
CHANGES IN NET POSITION
Last Nine Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year								
Expenses	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:									
General government	\$ 33,685,089	\$ 32,565,283	\$ 31,381,459	\$ 31,250,266	\$ 28,700,368	\$ 30,628,992	\$ 28,485,593	\$ 25,097,052	\$ 19,980,040
Public safety	25,630,036	24,901,991	24,641,245	24,560,568	24,270,127	25,914,836	23,421,269	22,301,187	19,037,818
Public works	822,108	758,201	1,394,046	1,524,743	1,598,490	1,609,574	1,481,915	1,477,204	1,474,379
Health and welfare	4,052,197	3,815,217	3,649,490	3,404,811	3,307,658	2,843,036	2,635,085	2,121,511	3,525,675
Culture and recreation	2,001,598	1,939,529	1,942,736	1,757,661	1,796,288	1,860,171	1,637,167	1,475,421	1,344,837
Education	-	-	-	-	-	38,541	60,000	67,252	107,260
Interest on long-term debt	13,921	20,326	27,535	34,127	39,057	43,862	49,032	87,855	133,126
Total governmental activities expenses	<u>66,204,949</u>	<u>64,000,547</u>	<u>63,036,511</u>	<u>62,532,176</u>	<u>59,711,988</u>	<u>62,939,012</u>	<u>57,770,061</u>	<u>52,627,482</u>	<u>45,603,135</u>
Business-type activities:									
Sanitary landfill	<u>3,183,135</u>	<u>2,926,577</u>	<u>3,091,482</u>	<u>2,562,794</u>	<u>2,720,110</u>	<u>2,697,219</u>	<u>2,407,924</u>	<u>2,257,506</u>	<u>1,838,856</u>
Total business-type activities expenses	<u>3,183,135</u>	<u>2,926,577</u>	<u>3,091,482</u>	<u>2,562,794</u>	<u>2,720,110</u>	<u>2,697,219</u>	<u>2,407,924</u>	<u>2,257,506</u>	<u>1,838,856</u>
Total primary government expenses	<u>\$ 69,388,084</u>	<u>\$ 66,927,124</u>	<u>\$ 66,127,993</u>	<u>\$ 65,094,970</u>	<u>\$ 62,432,098</u>	<u>\$ 65,636,231</u>	<u>\$ 60,177,985</u>	<u>\$ 54,884,988</u>	<u>\$ 47,441,991</u>
Program revenues									
Governmental activities:									
Charges for services:									
General government	\$ 11,050,115	\$ 10,454,905	\$ 9,578,365	\$ 9,382,482	\$ 7,699,922	\$ 8,711,472	\$ 11,152,478	\$ 11,262,475	\$ 8,953,916
Public safety	3,851,059	4,070,343	3,913,160	3,607,161	4,413,874	4,991,949	5,022,278	4,559,619	4,235,090
Public works	68,777	91,278	421,854	484,709	440,117	452,285	452,954	409,144	650,613
Health and welfare	278,677	251,649	269,281	-	-	-	-	-	-
Culture and recreation	719,003	756,915	679,175	614,655	682,427	703,461	595,116	516,556	355,620
Operating grants and contributions	2,436,378	2,863,892	3,052,028	1,753,582	1,855,751	1,969,065	1,622,228	1,698,763	2,320,943
Capital grants and contributions	1,280,197	214,742	618,816	1,489,478	2,701,734	740,236	81,698	196,049	834,616
Total governmental activities program revenues	<u>19,684,206</u>	<u>18,703,724</u>	<u>18,532,679</u>	<u>17,332,067</u>	<u>17,793,825</u>	<u>17,568,468</u>	<u>18,926,752</u>	<u>18,642,606</u>	<u>17,350,798</u>
Business-type activities:									
Charges for services:									
Landfill fees	<u>2,985,577</u>	<u>2,753,555</u>	<u>2,622,142</u>	<u>2,747,526</u>	<u>2,716,487</u>	<u>3,136,680</u>	<u>3,387,569</u>	<u>3,433,846</u>	<u>2,955,004</u>
Total business-type activities program revenues	<u>2,985,577</u>	<u>2,753,555</u>	<u>2,622,142</u>	<u>2,747,526</u>	<u>2,716,487</u>	<u>3,136,680</u>	<u>3,387,569</u>	<u>3,433,846</u>	<u>2,955,004</u>
Total primary government program revenues	<u>\$ 22,669,783</u>	<u>\$ 21,457,279</u>	<u>\$ 21,154,821</u>	<u>\$ 20,079,593</u>	<u>\$ 20,510,312</u>	<u>\$ 20,705,148</u>	<u>\$ 22,314,321</u>	<u>\$ 22,076,452</u>	<u>\$ 20,305,802</u>
Net (expense)/Revenue									
Governmental activities	<u>\$ (46,520,743)</u>	<u>\$ (45,296,823)</u>	<u>\$ (44,503,832)</u>	<u>\$ (45,200,109)</u>	<u>\$ (41,918,163)</u>	<u>\$ (45,370,544)</u>	<u>\$ (38,843,309)</u>	<u>\$ (33,984,876)</u>	<u>\$ (28,252,337)</u>
Business-type activities	<u>(197,558)</u>	<u>(173,022)</u>	<u>(469,340)</u>	<u>184,732</u>	<u>(3,623)</u>	<u>439,461</u>	<u>979,645</u>	<u>1,176,340</u>	<u>1,116,148</u>
Total primary government net expense	<u>\$ (46,718,301)</u>	<u>\$ (45,469,845)</u>	<u>\$ (44,973,172)</u>	<u>\$ (45,015,377)</u>	<u>\$ (41,921,786)</u>	<u>\$ (44,931,083)</u>	<u>\$ (37,863,664)</u>	<u>\$ (32,808,536)</u>	<u>\$ (27,136,189)</u>

Continued:

Changes in net position continued:

**STATE OF IDAHO
CANYON COUNTY
CHANGES IN NET POSITION
Last Nine Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year								
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Revenues and Other Changes in Net Position									
Governmental activities:									
Property taxes	\$ 39,146,580	\$ 38,596,396	\$ 38,041,455	\$ 38,094,820	\$ 39,719,187	\$ 36,754,510	\$ 32,428,125	\$ 30,880,758	\$ 27,281,862
Intergovernmental	8,483,660	7,879,155	7,336,955	7,066,150	7,259,264	8,155,246	8,217,016	7,493,555	6,571,690
Interest earnings	165,007	439,761	359,466	378,518	766,455	1,441,447	2,405,064	1,942,876	845,672
Unrealized gain (loss) on investments	(677,869)	-	-	-	-	-	-	-	-
Miscellaneous	70,796	475,498	914,134	828,109	783,455	781,755	677,896	981,151	839,287
Gain/loss on sale of capital assets	-	-	-	-	2,638	871,853	12,310	-	-
Total governmental activities	<u>47,188,174</u>	<u>47,390,810</u>	<u>46,652,010</u>	<u>46,367,597</u>	<u>48,530,999</u>	<u>48,004,811</u>	<u>43,740,411</u>	<u>41,298,340</u>	<u>35,538,511</u>
Business-type activities:									
Intergovernmental	-	-	-	5,581	-	-	-	-	-
Interest earnings	143,601	178,041	264,194	185,694	281,259	440,351	645,907	330,431	325,606
Unrealized gain (loss) on investments	(180,088)	-	-	-	-	-	-	-	-
Gain or loss on sale of capital assets	-	-	-	-	-	(1,905)	117,371	-	762
Miscellaneous	5,590	2,317	2,874	4,920	40	25,020	3,139	30,310	-
Total business-type activities	<u>(30,897)</u>	<u>180,358</u>	<u>267,068</u>	<u>196,195</u>	<u>281,299</u>	<u>463,466</u>	<u>766,417</u>	<u>360,741</u>	<u>326,368</u>
Total primary government	<u>\$ 47,157,277</u>	<u>\$ 47,571,168</u>	<u>\$ 46,919,078</u>	<u>\$ 46,563,792</u>	<u>\$ 48,812,298</u>	<u>\$ 48,468,277</u>	<u>\$ 44,506,828</u>	<u>\$ 41,659,081</u>	<u>\$ 35,864,879</u>
Change in Net Position									
Governmental activities	\$ 667,431	\$ 2,093,987	\$ 2,148,178	\$ 1,167,488	\$ 6,612,836	\$ 2,634,267	\$ 4,897,102	\$ 7,313,464	\$ 7,286,174
Business-type activities	(228,455)	7,336	(202,272)	380,927	277,676	902,927	1,746,062	1,537,081	1,442,516
Total primary government	<u>\$ 438,976</u>	<u>\$ 2,101,323</u>	<u>\$ 1,945,906</u>	<u>\$ 1,548,415</u>	<u>\$ 6,890,512</u>	<u>\$ 3,537,194</u>	<u>\$ 6,643,164</u>	<u>\$ 8,850,545</u>	<u>\$ 8,728,690</u>

**STATE OF IDAHO
CANYON COUNTY
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified accrual basis of accounting)**

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General fund										
Nondisposable	\$ 227,088	\$ 463,078	\$ 347,178	\$ 222,263	\$ 185,207	\$ 123,117	\$ 90,325	\$ -	\$ -	\$ 455,916
Committed	-	5,524,808	-	-	-	-	-	-	-	-
Assigned	-	-	6,285,665	6,957,717	-	-	-	-	-	-
Unassigned	<u>14,774,910</u>	<u>11,823,440</u>	<u>9,768,722</u>	<u>9,857,199</u>	<u>18,336,978</u>	<u>19,123,918</u>	<u>13,854,912</u>	<u>14,872,747</u>	<u>10,427,607</u>	<u>7,711,967</u>
Total general fund	<u>\$ 15,001,998</u>	<u>\$ 17,811,326</u>	<u>\$ 16,401,565</u>	<u>\$ 17,037,179</u>	<u>\$ 18,522,185</u>	<u>\$ 19,247,035</u>	<u>\$ 13,945,237</u>	<u>\$ 14,872,747</u>	<u>\$ 10,427,607</u>	<u>\$ 8,167,883</u>
All other governmental funds										
Nondisposable	\$ 80,422	\$ 159,438	\$ 92,348	\$ 90,625	\$ 1,618,354	\$ 114,585	\$ 127,678	\$ 235,019	\$ 448,231	\$ 669,433
Restricted	-	-	-	19,646	-	-	-	-	-	-
Assigned, reported in										
Special revenue funds	<u>19,715,442</u>	<u>18,990,810</u>	<u>17,052,629</u>	<u>13,955,245</u>	<u>13,093,017</u>	<u>13,799,796</u>	<u>18,795,533</u>	<u>18,329,263</u>	<u>16,043,540</u>	<u>13,345,057</u>
Total all other government funds	<u>\$ 19,795,864</u>	<u>\$ 19,150,248</u>	<u>\$ 17,144,977</u>	<u>\$ 14,065,516</u>	<u>\$ 14,711,371</u>	<u>\$ 13,914,381</u>	<u>\$ 18,923,211</u>	<u>\$ 18,564,282</u>	<u>\$ 16,491,771</u>	<u>\$ 14,014,490</u>

STATE OF IDAHO
CANYON COUNTY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues										
Taxes	\$ 39,455,624	\$ 39,189,189	\$ 38,658,660	\$ 37,953,330	\$ 38,647,113	\$ 35,509,034	\$ 32,383,342	\$ 30,896,385	\$ 27,360,709	\$ 24,275,785
Licenses & permits	1,623,882	1,410,173	1,054,039	1,080,923	1,222,581	1,584,497	2,374,839	2,254,858	2,151,738	1,828,780
Intergovernmental	11,568,137	10,564,570	10,159,199	9,582,198	10,961,076	10,592,375	10,161,138	9,161,714	8,872,566	7,475,711
Charges for services	8,382,150	12,146,787	12,410,797	11,780,144	11,302,389	12,027,630	12,055,329	13,550,276	11,394,493	11,357,026
Fines and forfeits	637,264	619,701	614,127	802,858	794,335	725,589	627,657	707,235	611,086	614,136
Unrealized gain (loss) on investments	(575,611)	-	-	-	-	-	-	-	-	-
Miscellaneous	<u>1,674,295</u>	<u>2,422,491</u>	<u>2,019,038</u>	<u>1,646,531</u>	<u>2,045,002</u>	<u>2,639,344</u>	<u>3,426,750</u>	<u>3,181,361</u>	<u>1,742,949</u>	<u>1,549,402</u>
Total revenues	<u>62,765,741</u>	<u>66,352,911</u>	<u>64,915,860</u>	<u>62,845,984</u>	<u>64,972,496</u>	<u>63,078,469</u>	<u>61,029,055</u>	<u>59,751,829</u>	<u>52,133,541</u>	<u>47,100,840</u>
Expenditures										
General government	27,396,051	32,174,289	33,194,423	32,995,291	33,205,819	36,395,834	28,837,944	25,217,959	19,357,363	20,686,987
Public safety	23,111,414	23,948,561	22,140,085	23,518,304	24,948,713	23,522,185	20,228,112	20,803,128	18,539,757	15,904,856
Public works	736,904	741,771	1,388,498	1,476,729	1,528,496	1,588,589	1,413,775	1,413,873	1,406,436	1,305,093
Health and welfare	4,061,872	3,814,823	3,647,926	3,402,831	3,310,958	2,837,674	2,638,188	2,119,606	3,521,275	3,370,093
Culture & recreation	1,922,259	1,988,785	1,945,727	3,411,336	1,764,334	1,839,531	1,573,983	1,425,132	1,293,654	1,139,310
Education	-	-	-	-	-	38,541	60,000	67,252	107,260	60,000
Capital outlay	2,022,440	-	-	-	-	-	6,842,944	1,346,728	2,089,791	318,296
Debt service										
Principal	138,752	144,824	143,873	137,326	121,675	-	-	900,000	900,000	1,020,000
Interest	<u>14,953</u>	<u>21,646</u>	<u>28,481</u>	<u>35,028</u>	<u>39,886</u>	<u>-</u>	<u>-</u>	<u>40,500</u>	<u>81,000</u>	<u>124,602</u>
Total expenditures	<u>59,404,645</u>	<u>62,834,699</u>	<u>62,489,013</u>	<u>64,976,845</u>	<u>64,919,881</u>	<u>66,222,354</u>	<u>61,594,946</u>	<u>53,334,178</u>	<u>47,296,536</u>	<u>43,929,237</u>
Excess (deficiency) of revenues over(under)expenditures	<u>3,361,096</u>	<u>3,518,212</u>	<u>2,426,847</u>	<u>(2,130,861)</u>	<u>52,615</u>	<u>(3,143,885)</u>	<u>(565,891)</u>	<u>6,417,651</u>	<u>4,837,005</u>	<u>3,171,603</u>
Other financing sources(uses)										
Sale of capital assets	-	281,636	17,000	-	19,602	3,421,853	12,310	-	-	-
Transfers in	-	333,775	307,575	46,678	16,031	-	235,019	-	-	-
Transfers out	<u>(5,524,808)</u>	<u>(333,775)</u>	<u>(307,575)</u>	<u>(46,678)</u>	<u>(16,031)</u>	<u>-</u>	<u>(235,019)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources(uses)	<u>(5,524,808)</u>	<u>281,636</u>	<u>17,000</u>	<u>-</u>	<u>19,602</u>	<u>3,421,853</u>	<u>12,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,163,712)</u>	<u>\$ 3,799,848</u>	<u>\$ 2,443,847</u>	<u>\$ (2,130,861)</u>	<u>\$ 72,217</u>	<u>\$ 277,968</u>	<u>\$ (553,581)</u>	<u>\$ 6,417,651</u>	<u>\$ 4,837,005</u>	<u>\$ 3,171,603</u>
Debt service as a percentage of noncapital expenditures	0.27%	0.27%	0.28%	0.27%	0.25%	-	-	1.81%	2.17%	2.62%

**STATE OF IDAHO
CANYON COUNTY
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (1)
Last Ten Fiscal Years**

Fiscal Year	Real Property				Personal Property	Total	Total Direct Tax rate(2)
	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Manufacturing Property</u>	<u>Other(4)</u>			
2004	3,242,087,556	1,954,991,828	74,578,716	162,801,115	592,889,496	6,027,348,711	0.46
2005	3,636,952,601	2,031,244,322	73,582,156	164,773,380	584,516,273	6,491,068,732	0.47
2006	3,856,677,436	2,374,036,037	71,200,815	164,639,760	643,919,077	7,110,473,125	0.46
2007	6,251,694,646	2,153,792,734	- (3)	174,563,980	636,930,104	9,216,981,464	0.39
2008	6,839,158,426	2,414,985,985	- (3)	174,111,630	888,568,255	10,316,824,296	0.39
2009	5,695,753,778	2,021,774,944	- (3)	180,269,275	687,208,390	8,585,006,387	0.42
2010	4,347,501,102	1,990,911,693	- (3)	172,664,954	878,495,029	7,389,572,778	0.50
2011	3,874,629,380	2,121,924,061	- (3)	181,350,874	662,801,195	6,840,705,510	0.54
2012	3,637,129,304	1,956,921,449	- (3)	213,765,770	825,716,466	6,633,532,989	0.57
2013	4,175,782,507	1,985,102,710	- (3)	245,174,543	849,114,627	7,255,174,387	0.50

- Notes:
- (1) Assessed and actual values are the same
 - (2) Per \$1.00 of market value
 - (3) Manufactured property included with personal property
 - (4) Agricultural property

Source: Property values from Canyon County property tax rolls

STATE OF IDAHO
CANYON COUNTY
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years

	Year Taxes Are Payable									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
County Direct Rates										
Operating rate	0.50	0.57	0.54	0.50	0.42	0.39	0.39	0.46	0.46	0.45
Debt service rate	-	-	-	-	-	-	-	-	0.01	0.01
Total County Direct Rate	<u>0.50</u>	<u>0.57</u>	<u>0.54</u>	<u>0.50</u>	<u>0.42</u>	<u>0.39</u>	<u>0.39</u>	<u>0.46</u>	<u>0.47</u>	<u>0.46</u>
City Rates										
Caldwell	1.23	1.28	1.19	1.10	0.93	0.82	0.89	0.96	0.92	0.89
Nampa	1.10	1.16	1.11	1.02	0.83	0.71	0.72	0.80	0.87	0.86
Melba	0.77	0.74	0.64	0.60	0.44	0.38	0.41	0.45	0.47	0.45
Middleton	0.71	0.78	0.71	0.59	0.46	0.34	0.37	0.40	0.40	0.39
Notus	0.60	0.45	0.54	0.47	0.39	0.32	0.37	0.35	0.33	0.31
Parma	1.10	1.08	1.01	0.91	0.80	0.70	0.80	0.78	0.76	0.74
Wilder	1.63	1.37	0.90	0.90	0.86	0.80	0.81	0.79	0.82	0.80
Greenleaf	0.41	0.39	0.34	0.28	0.23	0.18	0.19	0.21	0.20	0.22
Star	0.30	0.35	0.36	0.32	0.27	0.20	0.00	0.00	0.00	0.00
School District Rates										
Meridian #2	0.46	0.46	0.34	0.35	0.35	0.36	0.37	0.39	0.67	0.63
Kuna #3	0.74	0.79	0.48	0.50	0.46	0.33	0.33	0.39	0.65	0.65
Nampa #131	0.39	0.39	0.35	0.38	0.33	0.37	0.34	0.40	0.68	0.72
Caldwell #132	0.49	0.49	0.55	0.53	0.37	0.40	0.45	0.45	0.68	0.68
Wilder #133	0.72	0.81	0.72	0.59	0.51	0.49	0.43	0.36	0.79	0.71
Middleton #134	0.53	0.49	0.49	0.44	0.44	0.44	0.44	0.44	0.72	0.74
Notus #135	0.48	0.20	0.47	0.48	0.40	0.22	0.28	0.35	0.74	0.79
Melba #136	0.28	0.45	0.55	0.50	0.49	0.53	0.53	0.54	0.67	0.68
Parma #137	0.61	0.59	0.59	0.53	0.53	0.53	0.56	0.64	0.79	0.79
Vallivue #139	0.57	0.55	0.52	0.51	0.51	0.52	0.52	0.53	0.79	0.81
Marsing #363	0.34	0.32	0.59	0.54	0.41	0.11	0.42	0.50	0.76	0.73
Homedale #370	0.45	0.45	0.41	0.52	0.42	0.31	0.29	0.37	0.67	0.68
Other District Rates	3.40	3.56	3.41	3.17	2.69	2.27	2.12	2.48	2.27	2.24

Note: Property tax rates are expressed as \$1.00 per market value.

Source: Canyon County property tax rolls

STATE OF IDAHO
CANYON COUNTY
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2013			Fiscal Year 2004		
	Taxable Assessed Value	Rank	Percentage of total Co Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of total Co Taxable Assessed Value
JR Simplot Co.	\$ 201,656,601	1	2.82%	\$ 91,974,466	1	1.53%
Idaho Power	100,813,498	2	1.41%	51,524,231	3	0.86%
Sorrento Lactalis	71,172,778	3	0.99%	46,197,462	4	0.77%
DDR Nampa LLC	62,092,550	4	0.87%	-	-	-
SSI Food Services	53,530,599	5	0.75%	41,555,191	5	0.69%
Amalgamated Sugar Co LLC	44,686,386	6	0.63%	39,352,363	7	0.65%
Micron Technology Inc	40,345,028	7	0.57%	62,490,009	2	1.04%
Union Pacific Railroad	38,539,779	8	0.54%	20,571,348	10	0
WAL-MART	34,714,665	9	0.49%	23,232,875	9	0.39%
CenturyLink	29,106,187	10	0.41%	40,616,270	6	0.67%
Nestle Food Company	-	-	-	31,244,223	8	0.52%
Total	<u>\$ 676,658,071</u>		<u>9.48%</u>	<u>\$ 448,758,438</u>		<u>7.46%</u>

Source: Canyon County Assessor's office

**STATE OF IDAHO
CANYON COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy for 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
2004	26,759,066	22,406,819	83.7%	892,035	23,298,854	87.1%
2005	29,651,996	25,191,194	85.0%	509,761	25,700,955	86.7%
2006	30,812,201	28,875,138	93.7%	704,339	29,579,477	96.0%
2007	32,745,792	30,292,790	92.5%	1,108,800	31,401,590	95.9%
2008	36,078,372	34,020,954	94.3%	1,754,766	35,775,720	99.2%
2009	38,618,191	36,086,011	93.4%	2,354,379	38,440,390	99.5%
2010	36,903,996	34,997,184	94.8%	1,726,636	36,723,820	99.5%
2011	36,944,702	35,440,938	95.9%	1,194,558	36,635,496	99.2%
2012	37,508,988	36,300,173	96.8%	638,867	36,939,040	98.5%
2013	38,267,103	37,269,055	97.4%	-	37,269,055	97.4%

Source: Canyon County property tax rolls

**STATE OF IDAHO
CANYON COUNTY
RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Restricted to Repaying Principal</u>	<u>Capital Leases</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of property</u>	<u>Total Debt Per Capita</u>	<u>Percentage of Total Debt to Personal Income</u> (1)
2004	1,800,000	669,433	1,258,833	2,389,400	0.04%	15.77	0.08%
2005	900,000	448,231	1,164,482	1,616,251	0.02%	9.67	0.05%
2006	-	-	1,065,472	1,065,472	0.01%	6.06	0.03%
2007	-	-	961,571	961,571	0.01%	5.47	0.03%
2008	-	-	852,537	852,537	0.01%	4.75	0.02%
2009	-	-	785,523	785,523	0.01%	4.27	0.02%
2010	-	-	648,197	648,197	0.01%	3.47	0.02%
2011	-	-	504,323	504,323	0.01%	2.67	0.01%
2012	-	-	359,833	359,833	0.01%	1.88	0.01%
2013	-	-	221,082	221,082	0.00%	1.14	0.00%

Note: Bond was paid off in August of 2006

Source: (1) Idaho department of commerce and labor

STATE OF IDAHO
CANYON COUNTY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Cities:			
Caldwell	\$ 1,970,001	15.07%	\$ 296,879
Nampa	24,565,000	44.15%	10,845,448
Total cities	26,535,001		11,142,327
Fire Districts:			
Wilder	763,714	2.88%	21,995
Kuna	135,000	0.64%	864
Middleton	860,000	7.53%	64,758
Total fire districts	1,758,714		87,617
School Districts:			
Meridian #2	150,010,000	1.76%	2,640,176
Kuna #3	42,115,000	1.84%	774,916
Nampa #131	112,465,000	43.49%	48,911,029
Caldwell #132	35,695,000	14.20%	5,068,690
Wilder #133	7,380,000	2.20%	162,360
Middleton #134	68,974,569	8.82%	6,083,557
Notus #135	736,612	0.93%	6,850
Melba #136	3,035,000	1.53%	46,436
Parma #137	7,710,000	2.85%	219,735
Vallivue #139	99,930,000	21.20%	21,185,160
Marsing #363	2,150,000	0.26%	5,590
Homedale #370	1,602,155	0.90%	14,419
Total school districts	531,803,336		85,118,918
Library districts:			
Kuna	420,000	1.84%	7,728
Lizard Butte Library	604,054	1.46%	8,819
Total library districts	1,024,054		16,547
Subtotal, overlapping debt	561,121,105		96,365,409
Canyon County Direct Indebtedness:			
Capital Lease	221,082	100.00%	221,082
Total direct and overlapping debt	\$ 561,342,187		\$ 96,586,491

Note: Percentage of overlap based on property market value
Source: Outstanding debt supplied by the governmental agencies

**STATE OF IDAHO
CANYON COUNTY
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Assessed value of property	<u>\$ 7,255,174,387</u>	<u>\$ 6,633,532,989</u>	<u>\$ 6,840,705,510</u>	<u>\$ 7,389,572,778</u>	<u>\$ 8,585,006,387</u>	<u>\$ 10,316,824,296</u>	<u>\$ 9,216,981,464</u>	<u>\$ 7,110,473,125</u>	<u>\$ 6,491,068,732</u>	<u>\$ 6,027,348,711</u>
Debt limit 2% of assessed value	<u>145,103,488</u>	<u>132,670,660</u>	<u>136,814,110</u>	<u>\$ 147,791,456</u>	<u>\$ 171,700,128</u>	<u>\$ 206,336,486</u>	<u>\$ 184,339,629</u>	<u>\$ 142,209,463</u>	<u>\$ 129,821,375</u>	<u>\$ 120,546,974</u>
Amount of debt applicable to limit										
General obligation Bonds	-	-	-	-	-	-	-	-	900,000	1,800,000
Less: Resources Restricted to paying Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(448,231)</u>	<u>(669,433)</u>
Total net debt Applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451,769</u>	<u>1,130,567</u>
Legal debt margin	<u>\$ 145,103,488</u>	<u>\$ 132,670,660</u>	<u>\$ 136,814,110</u>	<u>\$ 147,791,456</u>	<u>\$ 171,700,128</u>	<u>\$ 206,336,486</u>	<u>\$ 184,339,629</u>	<u>\$ 142,209,463</u>	<u>\$ 129,369,606</u>	<u>\$ 119,416,407</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%	0.35%	0.94%

Note: State law limits the county's outstanding general obligation long-term debt (less debt service reserves) to no more than 2 percent of the assessed value of property.
The legal debt margin is the difference between the debt limit and the county's net outstanding applicable to the limit, and represents the county's legal borrowing authority.

**STATE OF IDAHO
CANYON COUNTY
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per capita personal income</u>	<u>Unemployment rate</u>
	(1)	(2)	(2)	(1)
2004	151,508	2,944,104	19,432	6.1%
2005	167,141	3,247,884	19,432	4.3%
2006	175,781	3,415,776	19,432	3.5%
2007	175,781	3,464,165	20,397	3.6%
2008	179,381	3,690,863	21,511	9.1%
2009	183,939	3,980,637	22,278	11.8%
2010	186,615	4,266,614	23,173	11.9%
2011	188,923	4,257,624	22,815	10.3%
2012	191,694	4,519,099	23,575	7.5%
2013	193,888	4,786,707	24,688	6.5%

Sources:

(1) Idaho department of labor

(2) U.S. Department of Commerce

**STATE OF IDAHO
CANYON COUNTY
PRINCIPAL EMPLOYERS
Current Year and Nine Years ago**

	2013	Percentage to	2004	Percentage to
	<u>Employees</u>	<u>total</u>	<u>Employees</u>	<u>total</u>
	(1)	employees	(1)	employees
Nampa School District	1,575	16.80%	1,450	20.00%
J R Simplot Company	1,325	14.13%	1,450	20.00%
Wal-Mart Associates Inc	1,225	13.07%	875	12.07%
College of Western Idaho	925	9.87%	-	0.00%
Vallivue School District	875	9.33%	500	6.90%
Caldwell School District	725	7.73%	750	10.34%
St Alphonsus Medical Center	725	7.73%	650	8.97%
Canyon County	700	7.47%	600	8.28%
Northwest Nazarene University	675	7.20%	425	5.86%
City of Nampa	<u>625</u>	<u>6.67%</u>	<u>550</u>	<u>7.59%</u>
 Total	 <u>9,375</u>	 <u>100.00%</u>	 <u>7,250</u>	 <u>100.00%</u>

Notes: (1) Idaho Department of Labor - these are the top employers that have given us permission to release their employment data, the number of employees are given only as ranges i.e. 700-800

Sources: Idaho Department of Labor, Communications & Research

**STATE OF IDAHO
CANYON COUNTY
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years**

<u>Function/Program</u>	Full-time Equivalent Employees as of September 30									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Public Safety	342	342	339	348	342	361	347	333	323	292
Health and Welfare	13	13	10	10	10	10	9	8	7	7
Culture and Recreation	12	12	11	11	11	13	11	11	10	10
Public Works	6	6	25	25	25	26	26	26	25	24
General Government	<u>341</u>	<u>341</u>	<u>340</u>	<u>340</u>	<u>338</u>	<u>320</u>	<u>317</u>	<u>287</u>	<u>265</u>	<u>240</u>
Total Governmental Activities	<u>714</u>	<u>714</u>	<u>725</u>	<u>734</u>	<u>726</u>	<u>730</u>	<u>710</u>	<u>665</u>	<u>630</u>	<u>573</u>
Business Type Activities										
Sanitary Landfill	<u>21</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>18</u>	<u>16</u>	<u>16</u>
Grand Total	<u>735</u>	<u>734</u>	<u>745</u>	<u>754</u>	<u>746</u>	<u>750</u>	<u>730</u>	<u>683</u>	<u>646</u>	<u>589</u>

Source: County Auditor's office

**STATE OF IDAHO
CANYON COUNTY
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Public Safety										
Jail bookings	8,568	7,787	8,248	8,544	11,542	12,184	12,504	12,869	10,723	9,840
Average daily population (all facilities)	385	386	396	382	462	630	826	585	583	489
General Government										
Building permits issued	546	443	411	403	421	607	931	1192	1195	1031
Number of recorded documents	92,631	79,815	70,884	62,701	65,520	68,227	83,487	102,741	87,727	71,522
Culture and Recreation										
Annual boat stickers	3,957	4,079	3,978	4,003	4,163	4,050	4,071	4,077	3,927	3,777
Sanitation										
Refuse collected daily/tons	602	568	540	572	563	653	710	729	625	571
Refuse collected/annually tons	188,674	177,938	169,137	179,175	176,372	204,433	222,475	228,320	195,572	178,582

Sources: Individual County Departments

**STATE OF IDAHO
CANYON COUNTY
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Public Safety										
Patrol units	65	65	65	65	65	65	58	58	58	58
Detention centers	4	4	4	4	4	4	4	4	4	3
Culture and Recreation										
Number of county parks	5	5	5	5	5	5	4	4	4	4
Acreage of parks	1,579	1,579	1,579	1,579	1,579	1,579	759	759	759	759
Sanitation										
Number of trash compactors	2	2	2	2	2	2	2	2	2	2

Sources: County departments
County Auditor's office

SINGLE AUDIT SECTION



**STATE OF IDAHO
CANYON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2013**

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>US Department of Agriculture</u>		
Passed through Idaho Department of Education:		
School Breakfast Program	10.553	\$ 16,832
National School Lunch Program	10.555	26,139
		<u>42,971</u>
<u>US Department of Justice</u>		
Justice overtime - US Marshal Service	16.111	34,213
DEA overtime	16.111	12,503
Equitable sharing	16.922	6,526
State Criminal Alien Assistance (SCAAP)	16.606	44,710
US Marshals Service Sex Offender Investigations	16.Unknown	2,727
Passed through Idaho State Police:		
Edward Byrne Memorial Justice Assistance Grant	16.738	200,874
Passed through Idaho Department of Juvenile Corrections		
Juvenile Accountability Block Grant	16.523	25,403
Juvenile Justice and Delinquency Prevention	16.540	6,471
Passed through Idaho Attorney General		
Internet Crimes Against Children Deconfliction Program	16.543	<u>2,127</u>
		<u>335,554</u>
<u>US Department of Transportation</u>		
Passed through Idaho Transportation Department:		
Highway Planning and Construction	20.205	975
State & Community Highway Safety	20.600	5,665
Alcohol Traffic Safety & Drunk Driving Prevention	20.601	1,763
		<u>8,403</u>
<u>US Department of Homeland Security</u>		
Passed through Idaho Department of Parks and Recreation:		
Boating Safety Financial Assurance	97.012	44,841
Passed through Idaho Military Division:		
Emergency Management Performance Grant	97.042	131,739
Homeland Security Grant Program	97.067	427,524
		<u>604,104</u>
Total federal awards		<u>\$ 991,032</u>

STATE OF IDAHO
CANYON COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2013

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Canyon County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, federal financial reports and the state's single audit report and the basic financial statements.

2. Subrecipients

Of the federal expenditures presented in the schedule, Canyon County provided federal awards to subrecipients as follows:

CFDA # 97.067 Homeland Security Grant Program	\$59,428
---	----------



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

To the County Commissioners
Canyon County, Idaho

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Canyon County, Idaho, (the County) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 25, 2014. An explanatory paragraph was included in the auditor's report to emphasize a restatement for the correction of an error.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. 2013-A and 2013-B

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. 2013-C, 2013-D, and 2013-E

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*.

Canyon County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Boise, Idaho
February 25, 2014



Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance Required by OMB Circular A-133

To the County Commissioners
Canyon County, Idaho

Report on Compliance for Each Major Federal Program

We have audited Canyon County, Idaho's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended September 30, 2013. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended September 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-001. Our opinion on each federal program is not modified with respect to these matters.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-001 that we consider to be a significant deficiency.

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

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

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

Boise, Idaho
February 25, 2014

CANYON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
97.067	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

2013-A

Criteria: Management should have an internal control system in place designed to record and capture all year-end information necessary to close the fiscal year and to determine that all closing entries are recorded correctly and timely and the information is complete. The system should contain all activity related to the County in a single general ledger software.

Condition: Several adjustments were needed to get from the information presented in the trial balance to the information presented in the financial statements. This included bringing on additional information tracked outside of the system as well as performing cash to accrual adjustments.

Cause: Multiple transactions and cash to accrual items are not recorded in the general ledger software and are tracked separately.

Effect: Management made many adjustments to get from the trial balance to what is presented on the financial statements making it difficult to follow and ensure all information is correctly recorded.

Recommendation: Management and those charged with governance should make the decision whether to accept the degree of risk associated with this condition and whether consolidation of all the activity currently not recorded in the general ledger would be of benefit going forward.

Management Response: We agree with the finding.

Corrective Action Plan (CAP)

Action Planned in Response to Finding: The County is aware of the importance of recording all transactions in the general ledger software and has recently upgraded accounting software and is already recording all activity for the governmental funds in the general ledger. The process is underway for all proprietary and agency funds to have their activity recorded in the general ledger software.

Explanation of Disagreement: None

Official Responsible for Ensuring Corrective Action – Canyon County Controller

Planned Completion for Corrective Action: March 2014

Plan to Monitor Completion of Corrective Action: Year-end transaction entries will be prepared by financial personnel, reviewed and approved by the Controller and entered into the general ledger software.

2013-B

Criteria: Management should have an internal control system in place designed to record insurance claims payable as well as any amounts incurred but not reported (IBNR).

Condition: No liability was recorded for the claims payable. A prior period adjustment was required to record the total claims payable that was present at the end of the prior fiscal year to accurately present beginning fund balance and to ensure that the expenditures were recorded in the proper period.

Cause: The self-insurance activity was being tracked in the general fund which made it difficult to track and monitor claims activity and the IBNR. No adjustment was proposed to record the total estimated claims payable at year end in the prior year.

Effect: Expenditures associated with the claims were not reported in the correct period. Management had to record an adjusting journal entry for a prior period adjustment to accurately state beginning fund balance.

Recommendation: Management has implemented the recommendation in the current year financial statements to track and record the claims payable to ensure the expenses are recorded in the correct period.

Management Response: We agree with the finding.

Corrective Action Plan (CAP)

Action Planned in Response to Finding: Since its inception in January 2000 the activities of the self-funded health insurance fund have been combined on the financial statements with the general fund. Management was of the opinion that a better practice, to provide a more clearly segregated picture of both funds, would be to report them separately beginning with fiscal year 2013. This separation has occurred and the appropriate entry for claims payable and IBNR have been recorded.

Explanation of Disagreement: None

Official Responsible for Ensuring Corrective Action – Canyon County Controller

Planned Completion for Corrective Action: Already in place

Plan to Monitor Completion of Corrective Action: Controller will monitor claim activity throughout the year and prepare and record appropriate liability entries at year-end.

2013-C

Criteria: Management should have an internal control system in place designed to have a timely review of the bank reconciliations performed as well as documentation of that review for the County Fair.

Condition: Per review of the bank reconciliation for the County Fair, no documentation could be provided to show evidence of the review; thus we were unable to verify that the review was being performed.

Cause: There is no documentation on the reconciliations noting that the review was performed.

Effect: Upon review, we could not verify that the approval process is operating effectively and being performed.

Recommendation: Although we were advised that all bank reconciliations are approved by a responsible employee, no indication of such review was evident on the reconciliations selected for review. We recommend that the reconciliations be signed as an indication of approval. Doing so would take little additional time and might even prevent time from being wasted by inadvertent review of reconciliations that had already been reviewed. We also recommend that the reconciliations be signed and dated by employees preparing them. As a prompt to the preparer and reviewer/approver to sign the reconciliation, preprinted reconciliation forms could include a signature block with space for the signatures, or a stamp with a signature block could be applied to the reconciliations.

Management Response: We agree with the finding.

Corrective Action Plan (CAP)

Action Planned in Response to Finding: County Fair bank reconciliations will be prepared, reviewed and signed by a responsible employee on a monthly basis. The reconciliation will then be reviewed and approved by the Canyon County Fair Board.

Explanation of Disagreement: None

Official Responsible for Ensuring Corrective Action – Canyon County Fair Administrator

Planned Completion for Corrective Action: June 2014

Plan to Monitor Completion of Corrective Action: Controller will receive monthly documentation with the Fair Board's review and approval on the bank reconciliation.

2013-D

Criteria: An effective system of internal control depends on an adequate segregation of duties with respect to the execution and recording of transactions, as well as the custody of an entity's assets. Accordingly, an effective system of internal control will be designed such that these functions are performed by different employees, so that no one individual handles a transaction from its inception to its completion.

Condition: Per review of the processes at the department of motor vehicles, it was noted that one person has ability to review the cash counts, make cash deposits and make adjustments in the system.

Cause: Job duties are not properly segregated to prevent one person from having multiple responsibilities that could allow for misappropriation of assets.

Effect: The current segregation of duties could allow an opportunity for misappropriation of assets.

Recommendation: Although there was no indication that there was misappropriation of assets, management should evaluate the job responsibilities to see if any responsibilities can be shifted to other employees to protect everyone involved should an error be made.

Management Response: We agree with the finding.

Corrective Action Plan (CAP)

Action Planned in Response to Finding: Cash handling duties including daily reconciliation and depositing will be segregated between different employees.

Explanation of Disagreement: None

Official Responsible for Ensuring Corrective Action – Canyon County Assessor

Planned Completion for Corrective Action: June 2014

Plan to Monitor Completion of Corrective Action: Controller will meet with Assessor in August 2014 and verify that segregation of duties is occurring.

2013-E

Criteria: Management should have an internal control system in place designed to have a timely review of the journal entries performed as well as documentation of that review.

Condition: During our testing of journal entries posted during the year, it was noted that there was no documentation of the review performed.

Cause: There is no documentation on the journal entries noting that the review was performed.

Effect: Lack of review could allow for a misstatement of the financial statements and entries being made that are not correct.

Recommendation: Although we were advised that all journal entries are approved by a responsible employee, no indication of such review was evident on the journal entries selected for review. We recommend that the journal entries be signed as an indication of approval. Doing so would take little additional time and might even prevent time from being wasted by inadvertent review of journal entries that had already been reviewed. We also recommend that the journal entries be signed and dated by employees preparing them. As a prompt to the preparer and reviewer/approver to sign the journal entry, preprinted journal entry forms could include a signature block with space for the signatures, or a stamp with a signature block could be applied to the journal entry.

Management Response: We agree with the finding.

Corrective Action Plan (CAP)

Action Planned in Response to Finding: Journal entries have always been prepared and entered by a responsible, trained employee under the direction of Auditing leadership. A more formal process will be implemented with journal entries signed and dated by the responsible employee and then reviewed by the Controller.

Explanation of Disagreement: None

Official Responsible for Ensuring Corrective Action – Canyon County Controller

Planned Completion for Corrective Action: March 2014

Plan to Monitor Completion of Corrective Action: Controller will review all journal entries on a monthly basis to ensure that journal entries are signed and dated.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2013-001

Criteria: Compliance section L – Reporting requires that the County submit quarterly Federal Financial Reports Form SF-425 until the grant ends regardless of grant activity.

Condition: During our testing of the Homeland Security Grant Program (CFDA# 97.067) it was noted that Canyon County did not submit all the quarterly reports for the grant awards from this program. For the three awards applicable to this program, 2 of the 12 reports were not submitted. It was also noted that the information submitted on one of the reports was not correct.

Questioned costs: N/A

Effect: The County did not submit the required reports to the granting agency or the information submitted was not accurate.

Cause: Canyon County does not have a process and control in place to ensure that all reports are properly submitted timely and accurately.

Recommendation: It is recommended that Canyon County initiate a control to ensure that all reporting requirements are accurately and timely performed

Management's response: We agree with the finding 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: Quarterly reports for the Homeland Security Grant Program will be accurately completed every quarter whether or not grant activity occurred during the quarter.

Explanation of Disagreement: We concur with the finding.

Official Responsible for Ensuring Corrective Action – Canyon County Sheriff and Canyon County Controller

Planned Completion for Corrective Action: It will be an on-going process beginning January 2014.

Plan to Monitor Completion of Corrective Action: Auditor's office will be copied on quarterly grant reporting correspondence and will monitor accuracy and timeliness of submission.