

EXHIBIT B
BOISE COUNTY FINANCIAL POLICY

SUBJECT: ORDER OF SPENDING RESOURCES

PURPOSE: To outline in policy, the County's policy as it relates to the spending order of its resources. Should the County have no policy in place for spending resources, the default order of spending would be: 1) Restricted 2) Committed 3) Assigned and 4) Unassigned.

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

DEFINITIONS:

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

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

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

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

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

PREFERRED ORDER OF SPENDING:

- 1) RESTRICTED FUND BALANCE:
 - Excess Grant Revenue Over Expenditures
 - Enabling Legislation
- 2) COMMITTED FUND BALANCE:
 - Cash Basis
 - Minimum Fund Balance
- 3) ASSIGNED FUND BALANCE:
 - Capital Improvements
 - Replacement Programs
 - Special Revenue Funds
 - Subsequent Year's Expenditures
- 4) UNASSIGNED
 - Residual Net Resources