

**MINIDOKA COUNTY
RUPERT, IDAHO**

**BASIC FINANCIAL STATEMENTS
With Supplemental Information**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS
MINIDOKA COUNTY
Fiscal Year Ended September 30, 2016

The Governmental Accounting Standards Board issued its Statement No. 34 in 1999 which provided for a number of significant changes in the manner in which the County's Audit Report is presented. This report is intended to present **“an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions.”**

Some of the financial information presented in the Audit Report is re-stated here in a more personal format and, rather than duplicate the Auditor's statements, there will also be references to their findings in this report.

The three-member Board of County Commissioners (Board) is blessed with the ultimate responsibility of managing the County's finances in a sound and efficient manner. The challenge of this task is being able to satisfy the needs of 101 full time employees (which includes six fellow elected officials and five appointed department heads), 50 part time employees, and provide the necessary services to the public without placing an unbearable burden on the property tax payer. Hopefully, this report will illustrate the many demands impacting the County's financial condition and what the County is doing to provide the best service to the public within the confines of a restricted budget.

OVERVIEW OF THE FINANCIAL ACTIVITIES

The Comparison of Expenditures, which follows, gives a detailed picture of activities for the three basic categories of the County's funds: Current Expense (General) Fund; Justice Fund; and Other Special Revenue Funds. While the Board approves each department's budget annually, their control of actual expenditures during the year is limited to an approval process only. Each elected official and department head has the authority to spend funds within their approved budget without the Board's involvement. However, the Board does have the authority to make budget reductions during the year in response to revenue shortfalls.

Minidoka County
2015-2016
Comparison of
Expenditures

	Actual Expenditures 2015	Actual Expenditures 2016	Difference Between 2015-2016
ASSESSOR	\$ 205,238.23	\$ 216,703.38	\$ 11,465.15
AUDITOR	207,626.11	202,700.12	(4,925.99)
BUILDING & GROUNDS	207,602.15	221,224.36	13,622.21
COMMISSIONERS	110,659.67	113,390.00	2,730.33
CORONER	27,940.00	29,744.59	1,804.59
COUNTY AGENT	106,553.56	120,995.85	14,442.29
ELECTIONS	12,876.18	46,709.76	33,833.58
EMERGENCY MANAGEMENT	17,112.52	5,000.00	(12,112.52)
GENERAL ITEMS	575,258.63	376,635.44	(198,623.19)
JANITOR	72,318.57	73,440.00	1,121.43
TREASURER	202,018.22	211,868.67	9,850.45
VETERANS	11,649.96	12,166.40	516.44
ZONING & BUILDING	196,692.98	225,941.13	29,248.15
INFORMATION TECHNOLOGY	136,916.48	136,224.67	(691.81)
GENERAL RESERVE	<u>21,449.05</u>	<u>20,946.80</u>	<u>(502.25)</u>
TOTAL CURRENT EXPENSE	<u>2,111,912.31</u>	<u>2,013,691.17</u>	<u>(98,221.14)</u>
DISTRICT COURT SALARIES	335,017.13	347,007.20	11,990.07
JAIL	667,778.00	638,702.00	(29,076.00)
LAW ENF-COMMUNICATIONS	266,172.49	271,216.63	5,044.14
PROSECUTING ATTORNEY	470,299.44	496,904.95	26,605.51
SHERIFF	1,361,425.01	1,472,422.11	110,997.10
PUBLIC DEFENDER	326,535.06	346,198.90	19,663.84
JUVENILE DETENTION	840,340.56	878,288.89	37,948.33
JUVENILE PROBATION	604,885.34	635,415.57	30,530.23
MISD PROBATION	57,976.00	54,005.50	(3,970.50)
GENERAL RESERVE	20,415.02	-	(20,415.02)
JOINT COUNTY OPERATIONS	-	-	-
TOTAL JUSTICE FUND	<u>4,950,844.05</u>	<u>5,140,161.75</u>	<u>189,317.70</u>
HOSPITAL	164,000.00	164,000.00	-
DISTRICT COURT	356,439.89	382,307.74	25,867.85
E911 SYSTEM	220,879.03	317,445.24	96,566.21
HEALTH	103,292.04	105,654.96	2,362.92
JR COLLEGE	186,482.50	196,700.00	10,217.50
PARKS & RECREATION	48,429.16	30,790.34	(17,638.82)
PEST	2,000.00	2,400.00	400.00
ELECTION CONSOLIDATION	51,962.06	80,958.03	28,995.97
PUBLIC ASSISTANCE	316,213.06	231,701.82	(84,511.24)
REVALUATION	350,081.20	370,092.81	20,011.61
SANITARY LANDFILL	622,244.84	672,010.40	49,765.56
WEEDS	82,267.14	84,406.16	2,139.02
CID FUND	2,422.99	-	(2,422.99)
WATERWAY FUND	<u>16,015.70</u>	<u>24,956.57</u>	<u>8,940.87</u>
TOTAL	<u>2,522,729.61</u>	<u>2,663,424.07</u>	<u>140,694.46</u>
TOTAL OPERATING BUDGET	<u>\$ 9,585,485.97</u>	<u>\$ 9,817,276.99</u>	<u>\$ 231,791.02</u>

The Board of Commissioners once again approved a \$.50 per hour raise for all hourly employees in FY2016. Elected officials and department heads were given a raise equivalent to the \$.50 per hour or \$975 per year. There were 27 payroll periods in FY2016 instead of the normal 26. This caused an increase to the budget, paying for one extra payroll period. This happens once every 11 years. The contribution rates to PERSI, the State retirement program that the County belongs to, remained at 11.32% for general members and 11.66% for police officers.

ELECTIONS – During the 2012 Presidential Primary Election, a caucus was held to determine the State’s preference for presidential candidates. Change once again occurred in 2016 for the Primary election. A primary election to determine the Presidential candidate, only, was held in March. The Republican Party was the only Party that chose to participate. The increase in the election costs from 2015 to 2016 was in part due to this extra election, along with the regular Primary and General Elections held in May and November respectfully. The State did provide funding for the March Primary.

EMERGENCY MANAGEMENT – In FY2016, the balance of Emergency Management funds were transferred to a Trust Fund, as the revenue and expenses are managed jointly by the different emergency factions within the County. It is not the “County’s” money, but rather that of the joint board. The County does contribute \$5,000 towards the program to help obtain grant funding for the program.

GENERAL ITEMS - The Minidoka County Fire Protection District was awarded a grant to construct a new fire station for the East End Fire Department. The majority of the project was completed in FY2015.

BUILDING AND ZONING – The increase in the FY2016 budget is due to the increase in salaries and the 27th payroll period. The department did purchase a newer vehicle in 2016.

JAIL- The Mini-Cassia Criminal Justice Center is a jointly operated jail facility between Minidoka and Cassia Counties. Each year the budgets are approved jointly and then they are split between the two counties depending on the population of inmates from each county. The decrease in the budget this year was due to the reduced inmate population from Minidoka County.

SHERIFF –The increase in the expenses of the Sheriff’s office is due to the increase in salary and the 27th payroll period, along with the addition of one staff member and a vehicle for the Drug Task Force.

PROSECUTING ATTORNEY – The increase in the expenses for the Prosecuting Attorney is due to the increase in payroll with a part time secretary going to full time along with the 27th payroll period.

JUVENILE DETENTION – The Juvenile Detention Fund is a Joint-Powers Agreement fund between Minidoka and Cassia County to cover expenses for the Juvenile Detention facility. The increase in expenses from the Juvenile Detention facility is mainly due to the increase in payroll expenses due to raises and for the 27th payroll period. The department did purchase a newer vehicle for transportation. Minidoka County’s percentage of juveniles housed was also lower than FY2015, which resulted in a lower cost to Minidoka County.

JUVENILE PROBATION – The Juvenile Probation Fund is a Joint-Powers Agreement fund between Minidoka and Cassia County to cover the expenses of the Juvenile Probation Program. It relies heavily on grant and lottery monies from the State of Idaho. Once again, the 27th payroll comes into play for the expenses of this department, along with the addition of a newer vehicle.

GENERAL RESERVE – The County did not have any unanticipated expenses this year that required the use of their Justice Fund General Reserve.

DISTRICT COURT – For security purposes, the District Court expenses were increased to provide a bailiff stationed at the entry door at all times. This along with the 27th payroll increased expenses for FY2016.

E911 – The installation of GEN 7 dispatch equipment was responsible for the increase of expenses in the E911 fund. This fund does not use taxpayers’ dollars, but is funded by an additional charge on telephone and cell phone lines that is remitted to the County, along with grant funding.

PARKS & RECREATION – With the retirement of the caretaker at Emerald Lake, the County has chosen not to have a full time caretaker residing at the park. This has reduced the expenses for this fund.

ELECTION CONSOLIDATION – The County is responsible for all elections that are held as outlined in statute. Every other year the County is responsible for holding the elections of the cities within the County. The cities elections were held in November of 2015, causing the increase of expenses from FY2015 to FY2016.

PUBLIC ASSISTANCE – With ever-changing legislation and the Affordable Health Care Act, the Public Assistance (Indigent) fund saw a decrease in expenses for FY2016. The County is still very cautious on decreasing this fund, as mental health cases are on the rise. The uncertainty of the AHCA program is also a factor when budgeting this fund.

SANITARY LANDFILL – The increase in the expenses for FY16 for the Sanitary Landfill was due to an increase in the landfills budget requests. The County is just one of the seven (7) members of the Regional Solid Waste District.

BUDGETARY ANALYSIS

Each year the County Budget is approved with the knowledge that part of the funding, for all but one of the County’s Funds, may come from the previous year’s carryover (aka Beginning Fund Balance). In past years the actual revenues exceeded the actual expenditures and the carryover was not used.

The Statement of Revenues, Expenditures, and Changes in Fund Balances, on page 19, shows increases in revenue negated the need to use the carryover funds budgeted, except in the Sanitary Landfill fund. In the Justice Fund \$213,000 was budgeted as Carryover, but was not needed as the expenses were less than budgeted. The Current Expense Fund also did not use the budgeted carryover of \$201,475. The department heads within the County are very mindful of their budgets and the costs to taxpayers. The increase of Sales Tax revenue and additional amount of PILT (Payment in Lieu of Taxes) payments from what was budgeted, accounts for the some of the increase in fund balances.

The Indigent Fund did not use the \$150,000 that was budgeted as carryover.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As a prerequisite to discussing the overall financial position of Minidoka County, we believe it would be beneficial to consider some of the components that had or could have a significant impact on the County’s financial activities.

The only source of significant revenue that the Board has control over is the property tax assessments, which accounted for 41.28% of the total revenue. Another 18.71% came from the state and federal governments with state sales tax, being the largest single component of that amount. A total of \$1,277,090 was received from sales tax distributions. The excess amount and revenue sharing portion of the sales tax has increased slightly this year with \$794,450 received in FY16 compared with \$735,124 received in FY15. PILT (Payment in Lieu of

Taxes) is received from the federal government for federally owned lands within Minidoka County. Although the County received \$420,036 in FY15 for PILT payments, FY16 saw an increase of payment to \$500,008. We believe the FY17 payments will be paid; however it is unclear for how much and for how long the County will continue to receive the payment. It is an ongoing concern during the budget process.

Even with the increase of revenue from Interest on Investments from \$17,482 in FY15 to \$26,832 for FY16, it is nowhere near the interest earned in 2008 which was \$138,000. As you can see, economic factors (some local, some statewide, and some federal) as well as legislative influences, play a big part in shaping the County's financial picture. Contending with a reduction in revenues that are beyond our control is even more challenging. The current law limits the budget to a 3% increase in property tax dollars levied. There are also limits on the levy for each fund. The counties and other taxing districts are allowed to increase budgets based on new construction within the county each year, except in urban renewal revenue allocation areas. Any new construction in an urban renewal revenue allocation area is not included in any allowable budget increase. The County and other taxing districts will absorb the cost of providing county services to the area, but will not be allowed to increase the budget due to new construction. The departmental requests along with the Budget Officer's recommendations are presented to the Board. It is then up to the Board to decide which requests they can afford to include in the budget and which ones are to be considered in another year.

The Board is using a long-range plan to address the building needs that have not received enough attention in the past. We have been able to modify the office space, at a minimal expense, for the use of the: County Coroner; Mini-Cassia Veterans' Service Officer; and the Juvenile Probation Department. The Board is also very aware of the need to raise the rate of pay for our employees in order to keep a qualified workforce. With the addition on new industries coming to the area, trying to stay competitive with the wage scale is and will continue to be a high priority for the Board.

At the end of the current fiscal year, Minidoka County is able to report at the government wide level an increase in Net Position for FY2016. The same situation held true for the prior fiscal year as is shown in the statement below:

Minidoka County's Change in Net Position

	General Government	
	<u>2015</u>	<u>2016</u>
Revenues:		
Charges for Services	\$ 1,730,378	\$ 1,682,299
Operating Grant & Contributions	1,781,114	1,501,143
General Revenues:		
Property Tax	4,962,742	5,131,138
Program revenue not restricted	1,852,443	2,179,068
Other	<u>48,792</u>	<u>73,213</u>
Total Revenue	\$10,375,469	\$10,566,861
Expenses:		
General Government	\$ 3,521,198	\$ 3,557,940
Public Safety	5,229,553	5,591,954
Agricultural	87,489	90,988
Health & Welfare	562,759	502,347
Education	188,326	198,269
Culture and Recreation	<u>31,153</u>	<u>47,437</u>
Total Expenses	\$ 9,620,838	\$ 9,988,935
Change in Net Position	754,631	577,926
Net Position – Beginning as restated	<u>4,470,281</u>	<u>5,434,067</u>
	<u>\$ 5,494,912</u>	<u>\$ 6,011,993</u>

A Comparison of Minidoka County's Assets, Liabilities, and Net Assets:

ASSETS	<u>2014-2015</u>	<u>2015-2016</u>
Current and Other Assets	\$ 5,755,318	\$ 6,672,190
Capital Assets	<u>1,966,361</u>	<u>1,904,670</u>
Total Assets	<u>7,721,679</u>	<u>8,576,860</u>
 Deferred Outflow of Resources	 750,160	 1,226,863
 LIABILITIES		
Long-term Liabilities	1,789,349	2,517,803
Other Liabilities	<u>133,747</u>	<u>403,736</u>
Total Liabilities	<u>1,923,096</u>	<u>2,921,539</u>
 Deferred Inflows of Resources	 \$ 1,053,833	 \$ 870,192
 NET POSITION		
Invested in Capital Assets, Net of Debt	\$ 1,966,361	\$ 1,904,670
Restricted for Debt Service	0	0
Unrestricted	<u>3,528,551</u>	<u>4,107,323</u>
Total Net Position	<u>\$ 5,494,912</u>	<u>\$ 6,011,992</u>

This brief comparison of the County's assets and liabilities reflects several points. Compensated absences, net pension liability, and OPEB liability are the only long term debts that the County has at this time.

This year as a result of GASB68 reporting, the County's pension liabilities with PERSI must be addressed. The deferred inflows of resources and the deferred outflow of resources reflect the liability of the County for PERSI retirement.

Net position must be maintained by the County to insure against the unexpected. Not wanting to incur long term debt, the Board has slowed courthouse remodeling but is aware of the need to maintain and upgrade the facility that has been neglected for too long. This concern is ongoing and at some point may require the building of new facilities to allow for the needed office space due to both growth and obsolescence of the current facilities.

Legislation was passed in 2013 exempting the first \$100,000 of personal property value from the tax rolls. Although the state replaced the money to the counties, there is the loss of any future increase in taxes from personal property. No further increase will be sent to the counties and the value, as of 2013, is all that will be recouped. The threat of further reduction of the personal property taxes, that the state cannot afford to replace, looms over the County's budget process again this year as there are rumors of new legislation, once again this year, exempting the first \$250,000 of personal property value, if not exempting it totally. Every year the Board faces the challenge of providing for the ever-increasing demands without over-burdening the County's taxpayers and this must be done in a way that does not negatively impact the County's financial condition. Listed below are the property tax levies which, when compared to the maximum levy allowed, reflects the importance that the County Commissioners place on the taxpayers' desire to not increase the dollar amount of property taxes levied for the County Government operation. All of the County's fund levies are less than the statutory limits.

<u>GOVERNMENTAL FUND</u>	<u>FY 2015-2016</u>	<u>STATUTORY MAXIMUM</u>
General (Current Expense)	0.001172	0.00200
Justice	0.001990	0.00200
Hospital	0.000087	0.00020
District Court	0.000207	0.00040
Health	0.000082	0.00040
Parks & Recreation	0.000027	0.00010
Community College	0.000136	0.00060
Pest	0.000002	0.00020
Indigent	0.000229	0.00100
Revaluation	0.000311	0.00040
Noxious Weeds	0.000038	0.00060
Historical Society	0.000035	0.00012
Fair Operations	0.000060	0.00010
Fair Buildings	0.000058	0.00020

ANALYSIS OF INDIVIDUAL FUNDS

The Governmental Funds listed above are all Special Revenue Funds, each serving a specific purpose, with the exception of the General (Current Expense) Fund and the Justice Fund. Within those two funds you will find the budgets of many departments that provide a variety of services. Some of the larger departments in the General Fund are the Assessor, Treasurer, Zoning/Building, Elections, and the Clerk/Auditor/Recorder. All of the Public Safety/Law Enforcement functions are provided for in the Justice Fund.

The soundness of each individual fund can be measured two ways: 1) comparison of fund balance to prior year; and 2) comparing the fund balance to that fund's budget—more specifically, its ability to cover the first three months' expenses of the following year. The following statistics depict these two comparisons:

	<u>BEGINNING FUND BALANCE</u>	<u>ENDING FUND BALANCE</u>	<u>ESTIMATED EXPENSES OF FOLLOWING QUARTER</u>
General Fund	\$ 1,356,482	\$ 1,400,932	\$ 550,000
Justice Fund	\$ 1,918,243	\$ 2,464,904	\$ 1,050,000
All Other Funds	\$ 2,158,550	\$ 2,327,936	\$ 400,000

The above figures show that the year-end fund balance in the Justice Fund is improving, and all other fund balances are very healthy. The General Fund and the Justice Fund have enough cushion that more of our discretionary revenue, sales tax, and PILT, can be re-allocated.

The combined year-end fund balances of the General Fund and the Justice Fund are up over the previous year's total. However, uncertainty in the federal and the state's economic conditions cause the County to be cautious and conservative in the budgeting process. The need to upgrade the buildings that the County owns is also a concern. The variation from year to year of the County's portion of the very expensive Joint Jail and Juvenile Detention budgets, and the desire to increase pay to maintain the qualified staff of the County weigh into the decisions of the Board.

ECONOMIC FACTS AND NEXT YEAR'S BUDGET

The economic downturn has yet to have any significant adverse affect on the property values in Minidoka County. Increasing the levies that generate the property taxes is a decision that rests with the Board, but they must be mindful of any statutory levy restrictions that might come into play. At the present time the cumulative amount of property taxes available to be levied is not in any danger, however, the 3% statutory limit for the overall County property tax dollar increase barely offsets the decrease in other revenues, if major repairs are needed.

The other effect that a slow economy has on the property tax revenues deals with the collection of taxes after they are assessed. The County experienced no reduction in tax collections for the first half payments due December 20, 2016.

The FY 2017 Budget will continue to be impacted by the sales tax revenue from the State, as well as a continued in interest earnings on the County's investments. The Joint Powers Boards are mindful of the effect of drastic percentage changes in the budgets of the counties due to population changes in the jail and detention center. A recent decision by both Boards of County Commissioners will use a 5 year look back for determining budgets. The average will be used thereby reducing the constant up and down of budget percentages for both counties. The ever increasing demand on the Justice Fund is also a concern for the County. The costs associated for public defenders with the ACLU lawsuit, mental health commitments, individuals in detention or on probation, both adult and juvenile, are just a few of mandated services that continue to rise. Whether it is the economy that is causing such increases or just a sign of the times, the County is mandated to cover costs associated with these services. These increases will place greater importance on the County's ability to increase efficiency as well as containing expenses.

The possibility of further exemptions for personal property tax assessments hangs over the County and will be closely monitored during the next legislative session. It does not appear that this issue is going away. This possible further reduction in taxable assessed value could cause a tax shift and the hard budgeting decisions would have to be made by the Board of Commissioners. Most of the County's expenses are due to mandated services required by the State, and this is where a further reduction in the personal property tax exemption would cause major concern for County Commissions across the state as to whether they would shift the taxes to the real property taxpayers or reduce services. The expenditure side of the scales to be balanced is where the Board's control weighs supreme. The County budgeting process provides for departmental requests, which are based on needs/wants to be submitted to the County Auditor who then prepares a budget recommendation to the Board based on available revenues. As stated above, the need to upgrade the facilities along with needed upgrades to the technological systems are paramount. Increases in expenses for employee wages is also a concern the Board has in order to retain a qualified staff. The role and rules that govern the County are not learned overnight. A knowledgeable staff is paramount in the success of the County.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you should have questions about this report or desire additional information, please contact Patty Temple, Minidoka County Clerk, P.O. Box 368, Rupert, ID 83350. She may also be reached at 208-436-7111 or by email at ptemple@co.minidoka.id.us.

BASIC FINANCIAL STATEMENTS



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"Making life less taxing since 1978"

INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
Minidoka County, State of Idaho

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Minidoka County, Idaho as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Minidoka County, Idaho, as of September 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–12 and 41–44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial

statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

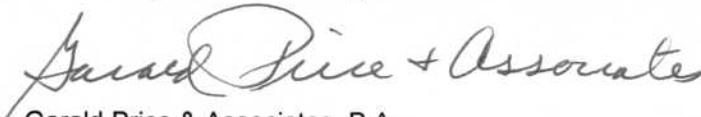
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Minidoka County, Idaho's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2017 on our consideration of Minidoka County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit conducted in accordance with *Government Auditing Standards* in considering Minidoka County's internal control over financial reporting and compliance.



Garald Price & Associates, P.A.
Burley, Idaho
January 19, 2017

Minidoka County
Rupert, Idaho

Statement of Net Position
September 30, 2016

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Unit Fair Board</u>
ASSETS:		
Cash and cash equivalents	\$ 4,717,252	\$ 256,068
Investments	1,398,331	
Taxes receivable	155,706	3,935
Intergovernmental receivables	363,521	250
Assessment receivable	37,381	
Capital assets:		
Nondepreciable	116,531	40,861
Depreciable, Net	1,788,139	185,988
Total assets	<u>8,576,860</u>	<u>487,102</u>
DEFERRED OUTFLOW OF RESOURCES:		
Deferred outflows - pensions	<u>1,226,864</u>	
Total deferred outflows of resources	<u>1,226,864</u>	
	<u>\$ 9,803,724</u>	<u>\$ 487,102</u>
LIABILITIES:		
Warrants payable	\$ 99,664	\$
Accounts payable	140,188	3,582
Long term liabilities:		
Portion due within one year:		
Compensated Absences	163,884	
Portion due or payable after one year:		
Other Post Employmnt Benefits liability	77,570	
Net pension liability	2,440,233	
Total liabilities	<u>2,921,539</u>	<u>3,582</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows - prepaid state revenue	72,087	
Deferred inflows - pensions	<u>798,105</u>	
Total deferred inflows of resources	<u>870,192</u>	
NET POSITION:		
Net investment in capital assets	1,904,670	226,849
Restricted		200,000
Unrestricted	<u>4,107,323</u>	<u>56,671</u>
TOTAL NET POSITION	<u>\$ 6,011,992</u>	<u>\$ 483,520</u>

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

GARALD PRICE & ASSOCIATES, P.A.

Minidoka County
Rupert, Idaho

STATEMENT OF ACTIVITIES
For the year ended September 30, 2016

Functions/Programs	PROGRAM REVENUES			Net (Expense)Revenue and Changes in Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	Component Unit Fair Board
Primary Government					
Governmental activities:					
General Government	\$ 3,557,940	\$ 365,657	\$ 794,939	\$ (2,397,344)	
Public Safety	5,591,954	1,249,242	580,166	(3,762,547)	
Agricultural	90,988	520	20,000	(70,468)	
Health and Welfare	502,347	66,881	72,839	(362,628)	
Education	198,269		33,200	(165,069)	
Culture Recreation	47,437			(47,437)	
Total governmental activities	<u>9,988,936</u>	<u>1,682,299</u>	<u>1,501,143</u>	<u>(6,805,493)</u>	
Total primary government	<u>\$ 9,988,936</u>	<u>\$ 1,682,299</u>	<u>\$ 1,501,143</u>	<u>(6,805,493)</u>	
Component unit					
Fair Board	<u>\$ 254,052</u>	<u>\$ 80,678</u>	<u>\$</u>		<u>\$ (173,374)</u>
General Revenue:					
Taxes:					
Property tax				5,131,138	141,567
Program revenue not restricted to specific purposes				2,179,068	
Investment earnings				26,832	
Gain or (Loss) on disposal of Capital Assets				38,145	
Miscellaneous				8,236	21,150
Total general revenues				<u>7,383,419</u>	<u>162,717</u>
Change in Net position				577,925	(10,657)
Net position beginning - Restated (See note 16)				<u>5,434,067</u>	<u>494,177</u>
Net position ending				<u>\$ 6,011,993</u>	<u>\$ 483,520</u>

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

Minidoka County
Rupert, Idaho

Balance Sheet
Governmental Funds
September 30, 2016

	Major				Non-Major	Total Governmental Funds
	General Fund	Justice Fund	Sanitary Landfill Fund	Indigent Fund	Other Government Funds	
ASSETS:						
Cash and cash equivalents	\$ 960,362	\$ 1,314,881	\$ 136,273	\$ 778,304	\$ 1,527,432	\$ 4,717,252
Investments	500,000	898,331				1,398,331
Property tax receivable	42,129	71,996		8,639	32,942	155,706
Intergovernmental receivables		351,965			11,556	363,521
Special assessment receivable			37,075		305	37,381
TOTAL ASSETS	\$ 1,502,491	\$ 2,637,172	\$ 173,348	\$ 786,944	\$ 1,572,235	\$ 6,672,190
LIABILITIES:						
Warrants payable	\$ 17,897	\$ 59,437	\$ -	\$ 633	\$ 21,697	\$ 99,664
Accounts payable	46,921	50,117		12,902	30,248	140,188
Total Liabilities	64,818	109,554		13,535	51,945	239,852
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue-pre-payment for 2017				72,087		72,087
Unavailable revenue-property tax	36,741	62,715		7,480	28,971	135,907
Unavailable revenue-special assessment			30,573			30,573
Total deferred inflows of resources	36,741	62,715	30,573	79,567.30	28,971	238,568
FUND BALANCES:						
Committed for:						
Budgeted use of funds in FY17	186,000	328,945		208,000	325,650	1,048,595
Assigned for:						
General Government			142,775		521,933	664,708
Public Safety		2,135,958			40,399	2,176,358
Agricultural					92,003	92,003
Health and Welfare				485,842	261,218	747,060
Education					225,850	225,850
Culture and Recreation					24,266	24,266
Unassigned	1,214,932					1,214,932
Total Fund Balances	1,400,932	2,464,903	142,775	693,842	1,491,319	6,193,771
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,502,491	\$ 2,637,172	\$ 173,348	\$ 786,944	\$ 1,572,235	

Amount 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	1,904,670
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property taxes and special assessments	166,481
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds	
Other Post Employment Benefit Liability	(77,570)
Net Pension Liability	(2,440,233)
Accrued Compensated Absences	(163,884)
Deferred outflows and inflows or resources related to pension are applicable to future periods and, therefore, not reported in	
Deferred outflows of resources related to pension expense	1,118,199
Deferred outflows of 2016 employer contributions related to pensions	108,664
Deferred inflows of resources related to pensions	(798,106)
Net Position of Governmental Activities	\$ 6,011,992

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

GARALD PRICE & ASSOCIATES, P.A.

Minidoka County
Rupert, Idaho

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Governmental Funds
September 30, 2016

	Major				Non-Major	Total Governmental Funds
	General Fund	Justice Fund	Sanitary Landfill Fund	Indigent Fund	Other Government Funds	
Revenues:						
Taxes	\$ 1,398,592	\$ 2,373,883	\$ -	\$ 274,735	\$ 1,062,312	\$ 5,109,522
Intergovernmental	2,741	1,940,048		23,539	350,627	2,316,955
Charges for Services		1,046,651			7,718	1,054,369
Special Assessments			580,406			580,406
Other	652,616	326,241		66,881	425,925	1,471,662
Total Revenues	2,053,947	5,686,822	580,406	365,154	1,846,583	10,532,914
Expenditures:						
General Government	2,009,682		626,400		832,950	3,469,031
Public Safety		5,140,162			347,567	5,487,729
Agricultural					86,806	86,806
Health and Welfare				231,702	269,655	501,357
Education					196,700	196,700
Culture Recreation					30,790	30,790
Total Expenditures	2,009,682	5,140,162	626,400	231,702	1,764,468	9,772,413
Excess (Deficiency) of Revenues over Expenditures	44,265	546,661	(45,993)	133,453	82,116	760,501
Other Financing Sources (Uses):						
Transfers In	183					183
Transfers Out					183	183
Net Change in Fund Balances	44,449	546,661	(45,993)	133,453	81,933	760,501
Fund Balances, beginning	1,356,482	1,918,243	188,769	560,389	1,409,388	5,433,271
Fund Balances, ending	\$ 1,400,931	\$ 2,464,903	\$ 142,776	\$ 693,842	\$ 1,491,320	\$ 6,193,772

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

Minidoka County
Rupert, Idaho

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2016

Net Change in Fund Balances - Governmental Funds		\$	760,501
<p>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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period :</p>			
Capital Outlay		\$	160,218
Depreciation expense			<u>(260,017)</u>
			(99,799)
<p>Because governmental funds report capital outlays as expenditures, when capital assets are sold the proceeds are recorded as revenue. In the statement of activities, a gain or loss on sale of the asset is reported based on net proceeds and adjusted basis of the asset.</p>			
			38,106
<p>Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues in the governmental funds.</p>			
Property taxes			(21,819)
<p>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 the governmental funds. Some expenditures reported in the governmental funds either increase or decrease long-term liabilities reported in the Statement of Net Position. In the current year these consisted of :</p>			
Increase in compensated absences			(8,351)
<p>Other Post Employment Benefits (OPEB) are not recorded in the fund balance but are included the government-wide change in net position due to governmental activities.</p>			
			(16,725)
<p>Governmental funds report County pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is a reported as pension expense.</p>			
			(73,988)
Change in Net Position - Governmental Activities		\$	<u>577,925</u>

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

GARALD PRICE &²⁰ASSOCIATES, P.A.

Minidoka County
Rupert, Idaho

Statement of Fiduciary Net Position
September 30, 2016

	Claims Administration Trust Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS:		
Cash and cash equivalents	\$ 278,046	\$ 437,158
Investments		
Taxes receivable		249,361
Interest receivable		
Intergovernmental receivables		
Assessment receivable		22,479
Capital assets:		
Nondepreciable		
Depreciable, Net		
 TOTAL ASSETS	 <u>\$ 278,046</u>	 <u>\$ 708,998</u>
LIABILITIES, EQUITY AND OTHER CREDITS		
LIABILITIES:		
Warrants payable	\$ 90,636	\$ 66,629
Account payable		-
Due to other Governments		642,369
Noncurrent liabilities		
Total liabilities	<u>90,636</u>	<u>708,998</u>
 NET POSITION		
Restricted	<u>187,410</u>	<u> </u>
 Total net position	 <u>\$ 187,410</u>	 <u>\$ -</u>

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

Minidoka County
Rupert, Idaho

Claims Administration Trust Fund
Statement of Changes in Fiduciary Net Position
For the year ended September 30, 2016

	Claims Administration Trust Fund
Additions:	
Employee contributions	\$ 166,146
Employer contributions	941,509
Other additions	<u>16,242</u>
Total Revenues	<u>1,123,897</u>
Deductions:	
Insurance premiums	1,050,670
Insurance buy down	49,929
Employee refund/misc.	<u>1,058</u>
Total Deductions	<u>1,101,657</u>
Change in Net Position	<u>22,240</u>
Net Position, beginning	<u>165,170</u>
Net Position, ending	<u>\$ 187,410</u>

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

Minidoka County
Rupert, Idaho

Claims Administration Trust Fund
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
For the year ended
September 30, 2016

Revenues:		
Employee contributions	\$	166,146
Employer contributions		941,509
Other revenues		<u>16,242</u>
Total Revenues		<u>1,123,897</u>
Expenses:		
Insurance premiums		1,050,670
Insurance buy down		49,929
Employee refund/misc.		<u>1,058</u>
Total Expenses		<u>1,101,657</u>
Excess (Deficiency) of Revenues over Expenses		<u>22,240</u>
Other Financing Sources (Uses):		
Transfers In		
Transfers Out		<u></u>
Total other financing sources (uses)		<u></u>
Excess (Deficiency) of Revenues Over Expenses After Other Financing Sources (Uses)		22,240
Fund Balances, October 1		<u>165,170</u>
Fund Balances, September 30	\$	<u><u>187,410</u></u>

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

GARALD PRICE & ASSOCIATES, P.A.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

The accompanying financial statements of Minidoka County, Rupert, Idaho, have been prepared in conformity with the generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the standard-setting body for governmental accounting and financial reporting principles. The following notes to financial statements are an integral part of the County's General Purpose Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included in the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific burdens on the County. Organizations for which the County is not financially accountable are also included when doing so is necessary in order to prevent the County's financial statements from being misleading. The County has one discretely presented component unit and no blended component units.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component unit

Discretely Presented Component Unit

Minidoka County Fair Board

The Minidoka County Fair Board is a separate entity responsible for approving the budget, establishing spending limitations, funding deficits and borrowing funds and/or issuing bonds to finance fair operation and construction. The governing body is appointed by the Minidoka County board of Commissioners.

The County contributes to the multi-employer Public Employee Retirement System of Idaho (PERSI) and the Idaho Counties Risk Management Program (ICRMP). PERSI is administered by the State of Idaho and ICRMP is administered by the Idaho Association of Counties. Since the County does not administer or is not dominate in either plan, the financial statements of these plans are not included in this report. A copy of the PERSI report can be obtained from the Public Employee Retirement System of Idaho office in Boise, Idaho. A copy of the ICRMP report can be obtained from the Idaho Counties Risk Management Program also in Boise, Idaho.

B. Basis of Presentation, Basis of Accounting

Government-Wide Financial Statements

The County's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities. The County has no Business Type Activities. Fiduciary activities of the County are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The County has presented all major funds that met those qualifications. In addition, the County has presented the Sanitary Landfill fund as a major fund because the County believes the financial position and activities of this fund is significant to the County as a whole.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The County's fiduciary funds consist of the Claims Administration fund and Agency Funds. The Claims Administration fund is reported on the accrual basis of accounting. The Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting.

The County reports the following major governmental funds:

General Fund (Current Expense Fund): 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.

Justice Fund: The Justice Fund accounts for operation and maintenance of the Sheriff's department, juvenile and adult detention facilities.

Sanitary Landfill Fund: This fund accounts for the County's share of the cost to operate the Southern Idaho Regional Solid Waste District.

Indigent Fund: This fund accounts for the County's cost of the indigent medical claims of the County's indigent residents.

The County reports the following fiduciary fund types:

Agency Fund: Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County collects and holds on behalf of others and for taxing districts to account for the property taxes that are billed and collected by the County for various municipalities and special districts within the County.

Claims Administration Trust Fund: This fund accounts for medical health insurance premiums and claims for the County employees. The revenue is restricted for medical insurance and medical claims of the County's employees. The accrual basis of accounting is utilized by the fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deposits and Investments

The County pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to the particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested as allowed by Idaho Code. 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.

Investments are stated at cost and fair value is disclosed in the notes. Interest income is recorded in the general fund of the County unless otherwise specified by law or Commission agreement.

Receivables

All receivables are reported at their gross value and, when deemed uncollectable, reduced by the uncollectable portion. Estimated unbilled revenues are recognized at the end of each fiscal year on a pro rata basis.

Property Tax Calendar

Property taxes are assessed and collected each fiscal year according to the following property tax calendar

Lien Date:	January 1
Levy Date:	October 26, 2016
Due Dates:	December 20, 1st installment, June 20, 2nd installment
Delinquent Dates	December 21, 1st installment, June 21, 2nd installment

The County bills and collects its own property tax and also collects taxes for other taxing districts within its boundaries. The County accrues as receivable all property taxes received during the first sixty days of the new fiscal year. The County assesses a delinquency penalty of 2%. If the taxes become delinquent the County tax collector may sell the property to collect taxes due plus 1.0% per month interest.

Due To and Due From Other Funds

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed.

Use of Estimates

The preparation of 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 the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Encumbrance Accounting

Encumbrance accounting methods were not used in the preparation of the County's general purpose financial statements. Uncommitted appropriations lapse at year-end and commitments are re-appropriated in the next year's budget.

Restricted Resources

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The County has one item that qualify for reporting in this category: the pension obligation. The pension obligation results from changes in assumptions or other inputs in actuarial calculation of the County's net pension liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category: the employer pension assumption. The employer pension assumption results from differences between the expected and actual experience and the net difference between projected and actual earnings on pension plan investments derived from the actuarial calculation of the County's net pension liability. On the fund level financial statements, the County has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category: unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available.

Capital assets

Capital assets, which include property, plant and equipment and infrastructure assets used in governmental fund type operations are accounted for in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of over one year. All material fixed assets are valued at historical cost. Property, plant, and equipment are stated at cost. Where cost could not be determined from available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer. When an asset is disposed of, cost and related accumulated depreciation are removed, and any gain or loss arising from its disposal is credited or charged to operations. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Since the County is a Phase 3 government according to GASB 34, the County can be exempt from retroactively capitalizing general infrastructure assets according to GASB 34 paragraphs 148 through 151. As such, the County chose not to retroactively capitalize infrastructure assets.

Depreciation of all exhaustible fixed assets is charged as an expense against operations. Capital assets are reported net of accumulated depreciation on the statement of net assets. Depreciation has been provided over the estimated useful lives as determined by the County using the straight-line method.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation, sick pay, and compensatory time benefits. All such benefit pay is accrued when incurred in the government-wide 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.

Fund Equity

In the governmental fund financial statements; fund balances are classified as non spendable, restricted, or unrestricted (committed, assigned, or unassigned). Unassigned fund balances are spent before assigned and committed fund balances. Also, unrestricted fund balances are spent before restricted fund balances.

Non-spendable- The portion of fund balance that cannot be spent because it is not in spendable form or is legally or contractually required to be maintained intact.

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

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

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned- The portion of fund balance where a limitation results from intended uses either by: 1) highest level of decision-making or 2) body designated for that purpose, or 3) official designated for that purpose and would occur in conjunction with the close of the fiscal year. These limitations are approved by the Board of County Commissioners.

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

The County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Pensions

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

2. CASH AND INVESTMENTS

Deposits

On September 30, 2016, the carrying amount of the County's deposits was \$6,827,213 (not including petty cash of \$3,965) and the bank balance was \$6,870,678. The difference in the amounts was attributable to transactions in transit not yet recorded at the bank.

	<u>Amount</u>
Petty Cash	\$ 3,965
Cash held by bank	4,713,287
Balance Sheet Cash Balance	<u>4,717,252</u>
Held for Fiduciary, Agency & Taxing District	715,595
Investments	<u>1,398,331</u>
Total Government's Cash and Investment Balance	<u>\$ 6,831,178</u>

Legal Provisions Governing Cash Deposits with Financial Institutions

For cash depositories with deposits in excess of federal insurance, State code requires the County obtain an annual affidavit showing the amount of the financial institution's capital stock and surplus. The County's deposit may not exceed the depository's capital stock and surplus.

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County does not have a deposit policy for custodial credit risk.

As of September 30, 2016 the County's cash bank balance of \$6,870,678 of which \$708,912 subject to custodial credit risk.

Deposits insured by FDIC	\$ 1,555,464
Deposits collateralized by a Letter of Credit	1,594,597
Deposits collateralized by a Depository Pledge Agreement	2,111,607
Deposits in by Repurchase Agreement	900,098
Uninsured & Uncollateralized Investments	<u>708,912</u>
Bank Value of Deposits	<u>\$ 6,870,678</u>

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

2. CASH AND INVESTMENTS (continued)

Investments

The County Treasurer invests idle monies in accordance with State statutes. As stated in the Summary of Significant Accounting Policies, Idaho Code allows idle monies to be invested 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, debenture or other similar obligations of the United States Government and the Farm Credit System and repurchase agreements.

State law requires investments in corporate bonds to have, at the time of purchase, an A rating or higher by a commonly known rating service. At year end the County had the following investments and maturities:

Investment Type	Investment Maturities			Cost	Rating
	Fair Value	Less than 1 year	1 Year to 10 Years		
Certificates of Deposit	\$ 695,858	\$ 100,025	\$ 595,833	\$ 690,000	FDIC Insured
Federal Farm Cr. Bonds	100,574		100,574	100,000	AAA & AA+
Federal Home Loan Bonds	100,006		100,006	100,000	AAA & AA+
Idaho Investment Pool	508,331	508,331		508,331	Unrated
	<u>\$ 1,404,769</u>	<u>\$ 608,356</u>	<u>\$ 796,413</u>	<u>\$ 1,398,331</u>	

Custodial Credit Risk-Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. To address custodial credit risk, the County's policy is to invest in investments which are allowable under Idaho statutes found in Title 67, chapter 12. The County Treasurer may invest in authorized securities through offices or branches of nationally recognized, reputable firms which are registered and licensed to conduct business within the State of Idaho, as well as, local banks and savings and loan institutions.

Investment Pool

The elected State Treasurer, following Idaho Code, is authorized to sponsor an investment pool in which the County voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body, oversight of the pool is with the State Treasurer, and Idaho Code defines allowable investments. The fair value of the County's position in the external investment pool is the same as the value of the pool shares. The external investment pool is unrated

Interest Rate Risk

Interest Rate Risk is the risk that changes in interest rates will adversely affect the value of an investment. In accordance with investment policy, the County manages its exposure to declines in fair value by investing in securities with maturities that are consistent with needs and use of the County. The County has no policy addressing interest rate risk and exposure to declines in fair values. The segmented time distribution method has been used to disclose interest rate risk.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

2. CASH AND INVESTMENTS - (continued)

Concentration of Credit Risk

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Exclusive of the investment guaranteed by the U.S. Government, the County's investment in any one issuer does not represent a concentration risk.

Investment Type	Fair Value	Percent of Portfolio Investment
Certificates of Deposit	\$ 695,858	50%
Federal Farm Cr. Bonds	100,574	7%
Federal Home Loan Bonds	100,006	7%
Idaho Investment Pool	508,331	36%
	\$ 1,404,769	100%

3. TAXES RECEIVABLE

Property taxes levied for fiscal year 2016 are recorded as receivables. Under Idaho law, property taxes levied can be used as security for tax anticipation notes, therefore providing the County with the ability to borrow against the tax levy. The County has the right to take tax deeds on property for the collection of real property taxes. The County issues Warrants of Distrainment to the Sheriff on delinquent personal property which gives him the authority to seize and sale for the collection of personal property taxes.

As stated above, the County has the right to take tax deeds and Warrants of Distrainment for the collection of taxes and therefore the County does not consider it necessary to establish any allowance for uncollectible taxes receivable. The taxable value upon which the 2015 levy was based on was \$1,183,492,609.

Taxes are due in two equal installments on December 20 and June 20 following the levy date. Property taxes levied are recorded as receivables if uncollected and a deferred revenue amount is recorded to the extent of taxes not collected within 60 days of the end of the accounting period.

4. INTERGOVERNMENTAL RECEIVABLES

The amount due from other governments that is owed to the County consists of the following:

State of Idaho	
Liquor Apportionment	\$ 11,556
Sales Tax Base	120,660
Sales Tax Excess	52,568
Sales Tax-Revenue Sharing	178,737
Total due from the State of Idaho	\$ 363,521

5. CAPITAL ASSETS

Capital assets used in governmental fund type operations are accounted for in the applicable governmental activities columns in the government-wide financial statements. All purchased Capital assets are valued at cost when historical records are available and at an estimated historical cost where no historical records exist. Donated Capital assets are valued at their estimated fair market value on the date received. When an asset is disposed of, cost and related accumulated depreciation are removed, and any gain or loss arising from its disposal is credited or charged to operations. 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.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

5. CAPITAL ASSETS (continued)

Depreciation of all exhaustible fixed assets is charged as an expense against operations. Capital assets are reported net of accumulated depreciation on the Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	20-40 years
Improvements	10-30 years
Equipment	5-15 years
Vehicles	5-10 years

A summary of changes in capital assets is as follows:

	Balance 9/30/15	Increases	Decreases	Balance 9/30/16
Capital assets nondepreciable				
Land	\$ 116,531			\$ 116,531
Total nondepreciable assets	<u>116,531</u>			<u>116,531</u>
Capital assets being depreciated:				
Buildings	5,948,618		16,948	5,931,670
Other improvements	530,024			530,024
Equipment	694,603	10,880		705,483
Vehicles	863,057	225,341	147,553	940,845
Total depreciable capital assets	<u>8,036,302</u>	<u>236,221</u>	<u>164,501</u>	<u>8,108,022</u>
Less accumulated depreciation for:				
Buildings	4,647,839	46,021	13,005	4,680,855
Other improvements	444,687	21,440		466,127
Equipment	528,697	72,841		601,538
Vehicles	565,250	119,714	113,601	571,363
Total accumulated depreciation	<u>6,186,473</u>	<u>\$ 260,016</u>	<u>\$ 126,606</u>	<u>6,319,883</u>
Total capital assets being depreciated, net	<u>1,849,829</u>			<u>1,788,139</u>
Governmental activity capital assets, net	<u>\$ 1,966,360</u>			<u>\$ 1,904,670</u>

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

General government	\$ 74,318
Agriculture	2,200
Public safety	166,852
Culture & recreational	16,646
Total depreciation expense	<u>\$ 260,016</u>

6. LONG-TERM DEBT

During the year ended September 30, 2016, the following changes occurred in liabilities reported in long-term debt:

	Balance 10/1/2015	Additions	Reductions	Balance 9/30/2016	Due Within One Year
Net Pension Liability	\$ 1,633,813	806,420		2,440,233	\$
Other Post-Employment Benefit Obligations	60,845	19,559	2,834	77,570	
Compensated Absences	155,533	380,848	372,496	163,885	163,885
Totals	<u>\$ 1,850,191</u>	<u>1,206,827</u>	<u>375,330</u>	<u>2,681,688</u>	<u>\$ 163,885</u>

The amount of long-term debt that is considered the current portion (due within the next fiscal year) is \$163,887. The amount due in the following fiscal year is \$0, with nothing due afterwards.

There is no Treasurer's cash available in the debt service fund to service the long-term debt.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

7. DEFINED BENEFIT PENSION PLAN

Plan Description

The Minidoka County contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with a least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board

Pension Benefits

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

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

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2016 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% general employees and 11.66% for police and firefighters. The Minidoka County's contributions were \$417,850 for the year ended September 30, 2016.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

7. DEFINED BENEFIT PENSION PLAN (continued)

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

At September 30, 2016, Minidoka County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Minidoka County's proportion of the net pension liability was based on the Minidoka County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2016, the Minidoka County proportion was .001203773 percent.

For the year ended September 30, the Minidoka County recognized pension expense (revenue) of \$73,988. At June 30, 2016 Minidoka County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Changes in assumptions or other inputs	\$ (5,256)	
Net difference between projected and actual earnings on pension plan investments		\$ 857,974
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		195,859
Employer contributions subsequent to the measurement date	<u>108,664</u>	
Total	<u><u>103,408</u></u>	<u><u>1,053,833</u></u>

\$108,664 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2015 the beginning of the measurement period ended June 30, 2016 is 4.9 years and 5.5 for the measurement period June 30, 2015.

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

Year ended June 30, 2016:	
2017	2,480
2018	2,480
2019	283,108
2020	155,782

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

7. DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25-10.00%
Salary inflation	3.75%
Investment rate of return	7.10% net, of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2015 is based on the results of an actuarial valuation date of July 1, 2016.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

7. DEFINED BENEFIT PENSION PLAN (continued)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2016.

Capital Market Assumptions

Asset Class	Expected Return	Expected Risk	Strategic Normal	Strategic Ranges
Equities			70.00%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55.00%	50% - 65%
International	9.25%	20.20%	15.00%	10% - 20%
Fixed Income	3.05%	3.75%	30.00%	23% - 33%
Cash	2.25%	90.00%	0.00%	0% - 5%
			Expected Real	Expected Risk
Total Fund	Expected Return	Expected Inflation	Return	Risk
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

* Expected arithmetic return net of fees and expenses

Actuarial Assumptions

Assumed Inflation - Standard Deviation	3.25%
Portfolio Arithmetic Mean Return	2.00%
	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

Minidoka County
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

7. DEFINED BENEFIT PENSION PLAN (continued)

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 4,786,871	\$ 2,440,233	\$ 488,744

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the pension plan

At September 30, 2016, Minidoka County reported no payables to the defined benefit pension plan of for legally required employer contributions and nothing for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

8. 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.

9. LANDFILL

Pursuant to an inter-local agreement authorized by state statutes, Minidoka County joined Cassia, Blaine, Jerome, Gooding, and Lincoln counties to establish and operate Southern Idaho Regional Solid Waste District, a sanitary landfill operation for the mutual advantage of the governments. In 1999, Twin Falls County joined the District. One member of the board of directors for the District is appointed by each county.

On February 1, 2013, the County entered into an agreement with Southern Idaho Regional Solid Waste District, an independent public body corporate and politic. The agreement provides for the acceptance and disposal of solid waste by the District from Minidoka County.

The operating and capital budgets are funded by disposal charges to each county based on proportionate amount of solid waste received by each county over the total solid waste received. The County agreed to pay its pro rata share of direct costs and expenses, a reasonable overhead factor, a reasonable profit factor, management fees (if a manager is engaged), and a reasonable capital component.

The County shall pay one-half of projected solid waste disposal charges for such disposal period semi-annually on the fourth Monday in October during such disposal period and the remaining one-half of said projected county solid waste disposal charges on the fourth Monday in April immediately following such disposal period. The agreement shall be effective through January 31, 2033.

There were no additional estimated costs of closure at September 30, 2016, including final cover or seeding costs for the County's prior landfill. The County believes it is exempt for post closure care costs regarding the prior landfill because they believe it was closed within the required exemption period.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

10. RISK MANAGEMENT/INSURANCE COVERAGE

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of asset; errors and omissions; employee injuries, employee health, and natural disaster. Risks of loss are insured by the purchase of commercial insurance through participation in the Idaho Counties Risk Management Program. Under the terms of the ICRMP policy, Minidoka County's liability is limited to the amount of annual financial membership contributions plus \$1,000 per occurrence deductible.

The County's insurance coverage is as follows:

<u>General Liability</u>	
General Liability	3,000,000
Law enforcement liability	3,000,000
<u>Automobile</u>	
Automobile liability	3,000,000
Automobile medical (per person)	5,000
Automobile medical (per accident)	100,000
Uninsured motorist (per person)	100,000
Uninsured motorist (per accident)	300,000
Errors & Omissions	3,000,000
Crime	500,000
<u>Property Damage</u>	
Damaged property (up to)	
Off Premise Property Damage	100,000
Data or Media (property)	1,000,000
Data or Media (Bus. Income & Extra Expense)	5,000,000
Expediting expenses	2,500,000
Spoilage damage	1,000,000
Utility interruption	2,500,000
Newly acquired premises	5,000,000
Ordinance or law	5,000,000
Errors and omissions	10,000,000

Beginning May 1, 2004, Minidoka County became a member of the Government Employees Medical Plan (Gem Plan). This legal entity was created by state of Idaho political subdivisions under Idaho Code 67-2326 through 67-2333 to provide a partially self-funded employee health benefits pooling program. Each member's rate of contribution to the plan is determined annually. The County's Gem Plan has a deductible of \$2,000 per year, per covered individual. The employee of the County has a deductible of \$400 plus 20% of \$1,600 (\$2,000-\$400) per year, per covered individual. The County is self-insured for the 80% of the \$1,600 (\$1,440) per year, per covered individual.

11. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

12. FUND EQUITY

Minidoka County's financial policies outline the following classifications of fund balance that are reported on the governmental funds' balance sheet.

Committed- The amount of current fund balance that has been re-budgeted as a funding source for the County's FY2017 budget.

These commitments were adopted by the Board of County Commissioners via resolution prior to the end of the reporting period.

Assigned- If the County had any special revenue funds that did not meet the definition of a special revenue fund they would be combined with the General Fund and their total fund balance would be considered "assigned" for their fund. Currently, all special revenue funds meet the definition and stand alone.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2016

12. FUND EQUITY (continued)

Unassigned- The General Fund is the only fund that reflects a positive "unassigned" since any surplus within a special revenue fund is automatically "assigned" to that fund per the definition of a special revenue fund. Any negative "unassigned" amounts reflect 'deficits' where there is an excess of other classifications over total fund balance.

13 INTERFUND TRANSFERS

Operating fund transfers In/Out to Other Funds consists of the following:

Fund	Transfers In	Transfers Out
General	183	
Judgement HB470 Fund		183

Transfers are used to move revenues from the fund that is required to collect them to the fund that is required or allowed to spend them.

14 POST RETIREMENT BENEFITS

The County provides a single employer post employment benefit plan which allows all eligible active employees and elected officials to participate in the retiree medical plan upon retirement. To be eligible for the County's retiree group medical plan, a employee retiree must be at least 55 years of age and completed at least 20 years of service for the County. An eligible elected official must complete five years of service, there is no minimum age requirement for elected officials.

The retirees must pay the full monthly premium as a condition of enrollment. Coverage in the Plan ends once a covered retiree becomes eligible for Medicare. Once a retiree becomes eligible for Medicare, the spouse can continue coverage until the spouse is eligible for Medicare. Surviving spouses are eligible for medical benefits until they qualify for Medicare and dependents are eligible for medical benefits until age 26.

The post retirement benefits are determined on an actuarial basis. Actuarial valuations of the post retirement benefits were done October 1, 2015 and are determined on a prospective basis. The unfunded actuarially accrued liability (UAAL) is 154,028- this is 4.6% of covered payroll. The liability is considered unfunded due to the decision of the County to not place the funds in a trust. the annual required contribution (ARC) for fiscal year 2016 is \$20,681. The ARC is made up of benefits earned in the current period and an amount of the unfunded AAL on a straight line amortization method. Since these funds were not placed in a trust, the expense and offsetting liability are reflected in the financial statements. The table below summarizes the Other Postemployment Benefits (OPEB) costs.

Annual required contribution (ARC)	20,681
Intetrest on OPEB obligation	2,130
ARC Adjustment	<u>(3,252)</u>
Annual OPEB cost	\$ 19,559
Contributions made and adjustments	<u>(2,834)</u>
Change in OPEB obiligation	16,725
Increase in net OPEB obligation	
Net OPEB obligation - beginning of year	<u>60,845</u>
Net OPEB obligation- end of year	<u>\$ 77,570</u>

Minidoka County
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NOTES TO FINANCIAL STATEMENTS
Rupert, Idaho

14 POST RETIREMENT BENEFITS (continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 and the two preceding valuation dates were as follows:

Summary of Annual OPEB Costs

Fiscal year ended	Annual Sponsor Contributions	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2010	\$ 693	\$ 10,413	6.70%	\$ 9,720
9/30/2013	696	12,751	5.50%	38,707
9/30/2016	\$ 2,834	\$ 19,559	14.50%	\$ 77,570

Funded Status and Funding Progress

Fiscal year ended	Actuarial Accrued Liability (AAL)	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ration	Covered Payroll	UAAL as of % of Covered Payroll
9/30/2010	\$ 71,435	0	\$ 71,435	0.00%	\$ 3,109,832	2.30%
9/30/2013	95,161	0	95,161	0.00%	3,201,654	3.00%
9/30/2016	\$ 154,028	0	\$ 154,028	0.00%	\$ 3,369,534	4.60%

The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period as of September 30, 2016 is 30 years.

The significant actuarial assumptions used to determine funding requirements are: a) a discount rate of 3.50%, b) the percentage of eligible retirees electing spousal health coverage is 25%, c) an inflation rate of 2.50% utilized.

As of September 30, 2016, there are 98 active plan participants, On that date, the County had no retirees, no spouses and no dependents receiving health insurance benefits.

PRIOR PERIOD ADJUSTMENT

Net Position as of September 30, 2015 has been adjusted to recognize an Other Post Employment Benefit Liability. The County was made aware of a OPEB liability arising from an retiree health insurance plan from an actuary report received during the year. The long term liability of \$60,845 was added to the Statement of Net Position as of September 30, 2015. The cumulative effect decreases beginning Net Position for 2016 by \$60,845.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Minidoka, County
Rupert, Idaho
Major Government Funds
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended September 30, 2016

GENERAL FUND				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Taxes	\$ 1,372,900	\$ 1,372,900	\$ 1,398,592	\$ 25,692
Other	1,112,560	1,112,560	655,357	(457,203)
TOTAL REVENUES	2,485,460	2,485,460	2,053,947	(431,513)
EXPENDITURES:				
Salaries	757,415	761,915	737,706	24,209
Other	1,904,020	1,925,020	1,271,976	653,044
TOTAL EXPENDITURES	2,661,435	2,686,935	2,009,682	677,253
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(175,975)	(201,475)	44,265	245,740
OTHER FINANCING SOURCES (USES):				
Transfers in			183	183
Transfers out				
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES AFTER OTHER FINANCING SOURCES (USES)	(175,975)	(201,475)	44,449	245,924
FUND BALANCE - beginning	1,356,482	1,356,482	1,356,482	
FUND BALANCE - ending	\$ 1,180,507	\$ 1,155,007	\$ 1,400,932	\$ 245,925

The notes to the required supplementary information are an integral part of this statement.

Minidoka, County
Rupert, Idaho
Major Government Funds
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended September 30, 2016

JUSTICE FUND				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Taxes	\$ 2,329,728	\$ 2,329,728	\$ 2,373,883	\$ 44,155
Other	3,078,812	3,078,812	3,312,939	234,127
TOTAL REVENUES	5,408,540	5,408,540	5,686,822	278,282
EXPENDITURES:				
Salaries	2,649,765	2,649,765	2,432,208	217,557
Other	2,971,775	2,971,775	2,707,954	263,821
TOTAL EXPENDITURES	5,621,540	5,621,540	5,140,162	481,378
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(213,000)	(213,000)	546,662	759,661
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out				
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES AFTER OTHER FINANCING SOURCES (USES)	(213,000)	(213,000)	546,662	759,661
FUND BALANCE - beginning	1,918,243	1,918,243	1,918,243	-
FUND BALANCE - ending	\$ 1,705,243	\$ 1,705,243	\$ 2,464,904	\$ 759,661

The notes to the required supplementary information are an integral part of this statement.

Minidoka, County
Rupert, Idaho
Major Government Funds
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended September 30, 2016

SANITARY LANDFILL FUND

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Taxes	\$ -	\$ -	\$ -	-
Other	608,300	608,300	580,406	(27,894)
TOTAL REVENUES	608,300	608,300	580,406	(27,894)
EXPENDITURES:				
Salaries				
Other	680,625	680,625	626,400	54,225
TOTAL EXPENDITURES	680,625	680,625	626,400	54,225
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(72,325)	(72,325)	(45,993)	26,331
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out				
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES AFTER OTHER FINANCING SOURCES (USES)	(72,325)	(72,325)	(45,993)	26,331
FUND BALANCE - beginning	188,769	188,769	188,769	-
FUND BALANCE - ending	\$ 116,444	\$ 116,444	\$ 142,776	\$ 26,331

The notes to the required supplementary information are an integral part of this statement.

Minidoka, County
Rupert, Idaho
Major Government Funds
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended September 30, 2016

INDIGENT				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Taxes	\$ 268,340	\$ 268,340	\$ 274,735	\$ 6,395
Other	73,200	73,200	90,419	17,219
TOTAL REVENUES	341,540	341,540	365,154	17,219
EXPENDITURES:				
Salaries	35,500	35,500	32,819	2,681
Other	456,040	456,040	198,882	257,158
TOTAL EXPENDITURES	491,540	491,540	231,702	259,838
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(150,000)	(150,000)	133,452	277,057
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out			-	
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES AFTER OTHER FINANCING SOURCES (USES)	(150,000)	(150,000)	133,452	277,057
FUND BALANCE - beginning	560,389	560,389	560,389	-
FUND BALANCE - ending	\$ 410,389	\$ 410,389	\$ 693,841	\$ 283,452

The notes to the required supplementary information are an integral part of this statement.

Minidoka County
Rupert, Idaho

Schedule of Employer's Share of Net Pension Liability
For the Year Ended September 30, 2016
PERSI-Base Plan
Last 10 - Fiscal Years*

	<u>2016</u>	<u>2015</u>
Employer's portion of the net pension liability	0.1203773%	0.1240710%
Employee's proportionate share of the net pension liability	1,585,173	1,633,813
Employer's covered-employee payroll	3,655,363	3,190,676
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	43.37%	51.21%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	91.38%

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

Data reported is measured as of June 30, 2016 (PERSI Year End).

The notes to the required supplementary information are an integral part of this statement.

Minidoka County
Rupert, Idaho

Schedule of Employer's Contributions
For the Year Ended September 30, 2016
PERSI - Base Plan
Last 10 - Fiscal Years*

	<u>2016</u>	<u>2015</u>
Statutorily required contribution	417,850	392,910
Contributions in relation to the statutorily required contribution	417,850	392,910
Contributions (deficiency) excess	-	-
Employer's covered- employee payroll	3,655,363	3,190,677
Contributions as a percentage of the covered-employee payroll	11.43%	12.31%

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

The notes to the required supplementary information are an integral part of this statement.

Minidoka County
Rupert, Idaho

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2016

1. BUDGETARY DATA

Formal budgetary accounting is employed as a management control for general and special revenue funds of the County. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund, Special Revenue Funds, and Debt Service Funds. The same basis of accounting is used to reflect actual revenues and expenditures recognized on a generally accepted accounting principles basis. Budgets for certain special revenue funds and capital project funds are made on a project basis, spanning more than one fiscal year. Budgetary control is exercised at the departmental level or by projects.

Except as provided in Idaho Code Section 31.1608, expenditures may not legally exceed budgeted appropriations at the activity level. The level at which expenditures may not legally exceed appropriations for each budget is as follows:

General (Current Expense)		\$ 2,661,460
Special Revenue:		
District Court		449,800
Preventive Health		106,000
E911 System		805,260
Junior College		300,000
Parks & Recreation		40,900
Pest Control		2,500
Indigent		491,540
Revaluation		396,045
Sanitary Landfill		680,625
Noxious Weed		110,930
Justice		5,621,540
CID		12,000
Waterways		116,350
Election Consolidation		114,710
Judgement HB 470		
Hospital		164,000
Total		\$ 12,073,660

Minidoka County

Rupert, Idaho

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2016

2. LEGAL COMPLIANCE - BUDGETS

On or before the third Monday in May of each year, all agencies of the government submit their requests for appropriation to the budget officer so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past two years, current year estimates, and requested appropriations for the next fiscal year.

In July, the proposed budget is presented to the government's commissioners for review. Following their approval, a proposed budget is published in the official newspaper of the County by the third week of August along with a Notice of Public Hearing. At the conclusion of the Public Hearing the commissioners may adopt the published budget or one with reduced amounts. In no case are the commissioners allowed to increase the published budget or the property tax revenue portion thereof.

The County Commissioners meet on or before the Tuesday following the first Monday in September in the courthouse for the purpose of considering and fixing a final budget and making appropriations to each office, department, as well as the General fund (Current Expense) and Special Revenue Funds. The budget can be amended during the year by a court order through the District Judge or by advertising and holding a public hearing, preceding the County Commissioners' approval.

3. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

No individual funds had excess of actual expenditures over budget.

**COMBINING & INDIVIDUAL
NON-MAJOR FUND
FINANCIAL STATEMENTS**

Minidoka County
Rupert, Idaho

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2016

	District Court Fund	Court Interlock Device	E-911 Fund	Health District Fund	Election Consolidation Fund
ASSETS:					
Cash	\$ 320,905	\$ 23,683	\$ 318,825	\$ 26,853	\$ 166,721
Investments					
Taxes receivable	6,727			3,004	
Intergovernmental receivables					
Special assessment receivable					
TOTAL ASSETS	\$ 327,632	\$ 23,683	\$ 318,825	\$ 29,857	\$ 166,721
LIABILITIES:					
Warrants payable	\$ 8,766	\$ -	\$ 1,885	\$ -	\$ 661
Account payable	12,813		2,673		3,566
Total Liabilities	21,579		4,558		4,227
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue-property tax	5,895			2,615	
Total deferred inflows of resources	5,895			2,615	
FUND BALANCES:					
Committed for:					
Budgeted use of funds in FY17	60,000	10,000	86,650		46,700
Assigned for:					
General Government	240,159				115,795
Public Safety		13,683			
Agricultural					
Health and Welfare			227,617	27,242	
Education					
Culture and Recreation					
Unassigned					
Total Fund Balances	300,159	23,683	314,267	27,242	162,495
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 327,632	\$ 23,683	\$ 318,825	\$ 29,857	\$ 166,721

Minidoka County
Rupert, Idaho

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2016

	Debt Service Fund	Junior College Fund	Parks & Recreation Fund	Pest Control Fund	Revaluation Fund
ASSETS:					
Cash	\$ -	\$ 272,168	\$ 28,234	\$ 1,832	\$ 187,544
Investments					
Taxes receivable		5,721	1,221	73	11,232
Intergovernmental receivables		11,556			
Special assessment receivable					
TOTAL ASSETS	\$ -	\$ 289,446	\$ 29,455	\$ 1,905	\$ 198,777
LIABILITIES:					
Warrants payable	\$ -	\$ -	\$ -	\$ -	\$ 5,035
Account payable		3,650	3,134		4,047
Total Liabilities		3,650	3,134		9,082
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue-property tax		4,946	1,056	64	9,785
Total deferred inflows of resources		4,946	1,056	64	9,785
FUND BALANCES:					
Committed for:					
Budgeted use of funds in FY17		55,000	1,000		13,950
Assigned for:					
General Government					165,959
Public Safety					
Agricultural				1,841	
Health and Welfare					
Education		225,850			
Culture and Recreation			24,266		
Unassigned					
Total Fund Balances		280,850	25,266	1,841	179,909
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 289,446	\$ 29,455	\$ 1,905	\$ 198,777

Minidoka County
Rupert, Idaho

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2016

	Noxious Weeds Fund	Waterways Fund	Judgement Hb470 Fund	Hospital Fund	Court Facility Fund
ASSETS:					
Cash	\$ 128,011	\$ 26,731	\$ -	\$ 5,942	\$ 19,982
Investments					
Taxes receivable	1,564		185	3,214	
Intergovernmental receivables					
Special assessment receivable	305				
TOTAL ASSETS	\$ 129,880	\$ 26,731	\$ 185	\$ 9,155	\$ 19,982
LIABILITIES:					
Warrants payable	\$ 1,928	\$ 2	\$ -	\$ -	\$ 3,420
Account payable	141	224			
Total Liabilities	2,069	226			3,420
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue-property tax	1,649		164	2,796	
Total deferred inflows of resources	1,649		164	2,796	
FUND BALANCES:					
Committed for:					
Budgeted use of funds in FY17	36,000	16,350			
Assigned for:					
General Government			21		
Public Safety		10,155			16,562
Agricultural	90,162				
Health and Welfare				6,359	
Education					
Culture and Recreation					
Unassigned					
Total Fund Balances	126,162	26,505	21	6,359	16,562
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 129,880	\$ 26,731	\$ 185	\$ 9,155	\$ 19,982

Minidoka County
Rupert, Idaho

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2016

	Nonmajor Governmental Funds
	<u> </u>
ASSETS:	
Cash	\$ 1,527,432
Investments	-
Taxes receivable	32,942
Intergovernmental receivables	11,556
Special assessment receivable	<u>305</u>
TOTAL ASSETS	<u>\$ 1,572,235</u>
LIABILITIES:	
Warrants payable	\$ 21,697
Account payable	<u>30,248</u>
Total Liabilities	<u>51,945</u>
DEFERRED INFLOWS OF RESOURCES:	
Unavailable revenue-property tax	<u>28,971</u>
Total deferred inflows of resources	28,971
FUND BALANCES:	
Committed for:	
Budgeted use of funds in FY17	325,650
Assigned for:	
General Government	521,933
Public Safety	40,399
Agricultural	92,003
Health and Welfare	261,218
Education	225,850
Culture and Recreation	24,266
Unassigned	
Total Fund Balances	<u>1,491,319</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,572,235</u>

Minidoka County
Rupert, Idaho
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
For the year ended September 30, 2016

	Court Interlock Device	District Court Fund	E911 Fund	Health District Fund	Election Consolidation Fund
Revenues:					
Taxes	\$ -	\$ 245,739	\$ -	\$ 97,682	\$ -
Intergovernmental		58,160			78,371
Charges for Services	2,484				
Special Assessments					
Other		109,165	246,720	9,963	
Total Revenues	2,484	413,064	246,720	107,646	78,371
Expenditures:					
General Government		381,899			80,958
Public Safety			317,445		
Agricultural					
Health and Welfare				105,655	
Education					
Culture Recreation					
Total Expenditures		381,899	317,445	105,655	80,958
Excess (Deficiency) of Revenues over Expenditures	2,484	31,165	(70,725)	1,991	(2,587)
Other Financing Sources (Uses):					
Transfers In					
Transfers Out					
Net Change in Fund Balances	2,484	31,165	(70,725)	1,991	(2,587)
Fund Balances, beginning	21,199	268,994	384,992	25,251	165,081
Fund Balances, ending	\$ 23,683	\$ 300,159	\$ 314,267	\$ 27,242	\$ 162,495

Minidoka County
Rupert, Idaho
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
For the year ended September 30, 2016

	Junior College Fund	Parks & Recreation Fund	Pest Control Fund	Revaluation Fund	Noxious Weeds Fund
Revenues:					
Taxes	\$ 162,754	\$ 32,364	\$ 2,509	\$ 371,292	\$ 45,905
Intergovernmental	67,869			22,906	41,316
Charges for Services					520
Special Assessments					
Other	42,892	3,536	19		6,010
Total Revenues	273,515	35,901	2,528	394,198	93,750
Expenditures:					
General Government				370,093	
Public Safety					
Agricultural			2,400		84,406
Health and Welfare					
Education	196,700				
Culture Recreation		30,790			
Total Expenditures	196,700	30,790	2,400	370,093	84,406
Excess (Deficiency) of Revenues over Expenditures	76,815	5,110	128	24,105	9,344
Other Financing Sources (Uses):					
Transfers In					
Transfers Out					
Net Change in Fund Balances	76,815	5,110	128	24,105	9,344
Fund Balances, beginning	204,035	20,155	1,713	155,804	116,818
Fund Balances, ending	\$ 280,850	\$ 25,266	\$ 1,841	\$ 179,909	\$ 126,162

Minidoka County
Rupert, Idaho
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
For the year ended September 30, 2016

	Waterways Fund	Debt Service Fund	Judgement Hb470 Fund	Hospital Fund	Court Facility Fund	Total Nonmajor Governmental Funds
Revenues:						
Taxes	\$ -	\$ -	\$ 170	\$ 103,897	\$ -	\$ 1,062,312
Intergovernmental	24,560			57,446		350,627
Charges for Services				4,715		7,718
Special Assessments						
Other					7,620	425,925
Total Revenues	24,560		170	166,058	7,620	1,846,584
Expenditures:						
General Government						832,950
Public Safety	24,957				5,166	347,567
Agricultural						86,806
Health and Welfare				164,000		269,655
Education						196,700
Culture Recreation						30,790
Total Expenditures	24,957			164,000	5,166	1,764,468
Excess (Deficiency) of Revenues over Expenditures	(397)		170	2,058	2,454	82,114
Other Financing Sources (Uses):						
Transfers In						
Transfers Out			183			183
Net Change in Fund Balances	(397)		(14)	2,058	2,454	81,931
Fund Balances, beginning	26,902		35	4,301	14,108	1,409,388
Fund Balances, ending	\$ 26,505	\$ -	\$ 21	\$ 6,359	\$ 16,562	\$ 1,491,320

Minidoka County
Rupert, Idaho

Combining Balance Sheet
Agency Funds
September 30, 2016

	Assessor Trust Fund	Trial Court Administrative Trust	Tax Anticipation Trust Fund	Court Trust Fund	Sales Tax Trust Fund
ASSETS:					
Cash	\$ 35,195	\$ 8,367	\$ 48,958	\$ 39,249	\$ 143
Investments					
Taxes receivable					
Intergovernmental receivables					
Special assessment receivable					
TOTAL ASSETS	\$ 35,195	\$ 8,367	\$ 48,958	\$ 39,249	\$ 143
LIABILITIES:					
Warrants payable	35,195			6,031	
Account payable					
Intergovernmental payable		8,367	48,958	33,218	143
TOTAL LIABILITIES	\$ 35,195	\$ 8,367	\$ 48,958	\$ 39,249	\$ 143

Minidoka County
Rupert, Idaho

Combining Balance Sheet
Agency Funds
September 30, 2016

	Sheriff's Civil Trust Fund	Sheriff Youth Plates	Unclaimed Property Fund	State Fund	Sheriff Forfeiture Fund	Extension Educator Fund	Emergency Management Trust	Drug Restitution Prosecutor
ASSETS:								
Cash	\$ 4,174	\$ 655	\$ -	\$ 159,775	\$ 45,965	\$ 15,839	\$ 2,053	\$ 3,985
Investments								
Taxes receivable								
Intergovernmental receivables								
Special assessment receivable								
TOTAL ASSETS	\$ 4,174	\$ 655	\$ -	\$ 159,775	\$ 45,965	\$ 15,839	\$ 2,053	\$ 3,985
LIABILITIES:								
Warrants payable	4,125				20,366	199	713	
Account payable								
Intergovernmental payable	49	655		159,775	25,599	15,640	1,339	3,985
TOTAL LIABILITIES	\$ 4,174	\$ 655	\$ -	\$ 159,775	\$ 45,965	\$ 15,839	\$ 2,053	\$ 3,985

Minidoka County
Rupert, Idaho

Combining Balance Sheet
Agency Funds
September 30, 2016

	K-9 Training Fund	Prosecuting Attorney Forfeiture Fund	Catastrophic Insurance Trust Fund	Distribution Trust Fund	Taxing Districts	Total Agency Funds
ASSETS:						
Cash	\$ 4,082	\$ 15,424	\$ 12,630	\$ 287	\$ 40,378	\$ 437,158
Investments						
Taxes receivable					249,361	249,361
Intergovernmental receivables						
Special assessment receivable					22,479	22,479
TOTAL ASSETS	\$ 4,082	\$ 15,424	\$ 12,630	\$ 287	\$ 312,218	\$ 708,998
LIABILITIES:						
Warrants payable						66,629
Account payable						
Intergovernmental payable	4,082	15,424	12,630	287	312,218	642,369
TOTAL LIABILITIES	\$ 4,082	\$ 15,424	\$ 12,630	\$ 287	\$ 312,218	\$ 708,998

Minidoka, County
Rupert, Idaho

Special Taxing Districts Combining Balance Sheet
September 30, 2016

	Minidoka Historical Society Fund	Wayside Sewer District Fund	Minidoka County Hospital Fund	West End Fire District Fund	Minidoka Fire District Fund
ASSETS:					
Cash	\$ 86	\$ -	\$ -	\$ 626	\$ 1,391
Taxes receivable	976	32		4,953	15,495
Intergovernmental receivables					
Interfund receivable					
Assessment receivable					
TOTAL ASSETS	\$ 1,061	\$ 32	\$ -	\$ 5,579	\$ 16,887
LIABILITIES:					
Warrants payable					
Intergovernmental payable	1,061	32		5,579	16,887
TOTAL LIABILITIES	\$ 1,061	\$ 32	\$ -	\$ 5,579	\$ 16,887

Minidoka, County
Rupert, Idaho

Special Taxing Districts Combining Balance Sheet
September 30, 2016

	City of Rupert Fund	City of Heyburn Fund	City of Paul Fund	City of Acequia Fund	City of Burley Fund	City of Minidoka Fund
ASSETS:						
Cash	\$ 5,210	\$ 3,166	\$ 534	\$ -	\$ 576.25	\$ -
Taxes receivable	42,570	36,422	4,097		8,913	1,468
Intergovernmental receivables						
Interfund receivable						
Assessment receivable						
TOTAL ASSETS	\$ 47,780	\$ 39,588	\$ 4,632	\$ -	\$ 9,489	\$ 1,468
LIABILITIES:						
Warrants payable						
Intergovernmental payable	47,780	39,588	4,632		9,489	1,468
TOTAL LIABILITIES	\$ 47,780	\$ 39,588	\$ 4,632	\$ -	\$ 9,489	\$ 1,468

Minidoka, County
Rupert, Idaho

Special Taxing Districts Combining Balance Sheet
September 30, 2016

	Minidoka Highway District Fund	Cemetery District No. 1 Fund	Cemetery District No. 2 Fund	Cemetery District No. 3 Fund	Minidoka County Fair Board Fund
ASSETS:					
Cash	\$ 2,980	\$ 546	\$ 147	\$ 55	\$ 322
Taxes receivable	35,115	4,701	1,169	1,493	3,725
Intergovernmental receivables					
Interfund receivable					
Assessment receivable					
TOTAL ASSETS	\$ 38,095	\$ 5,247	\$ 1,316	\$ 1,549	\$ 4,047
LIABILITIES:					
Warrants payable					
Intergovernmental payable	38,095	5,247	1,316	1,549	4,047
TOTAL LIABILITIES	\$ 38,095	\$ 5,247	\$ 1,316	\$ 1,549	\$ 4,047

Minidoka, County
Rupert, Idaho

Special Taxing Districts Combining Balance Sheet
September 30, 2016

	School District #331 Fund	M V Groundwater District Fund	Total Special Taxing Districts
ASSETS:			
Cash	\$ 17,924	\$ 6,814	\$ 40,378
Taxes receivable	88,231		249,361
Intergovernmental receivables			
Interfund receivable			
Assessment receivable		22,478	22,479
TOTAL ASSETS	<u>\$ 106,155</u>	<u>\$ 29,292</u>	<u>\$ 312,218</u>
LIABILITIES:			
Warrants payable			
Intergovernmental payable	106,155	29,292	312,218
TOTAL LIABILITIES	<u>\$ 106,155</u>	<u>\$ 29,292</u>	<u>\$ 312,218</u>

Minidoka County
Rupert, Idaho

SPECIAL REVENUE FUNDS COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BUDGETED ACTUAL - ALL SPECIAL REVENUE FUNDS
For the year ended September 30, 2016

	<u>District Court Fund</u>			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 242,120	\$ 242,120	\$ 245,739	\$ 3,619
Other	184,680	184,680	167,325	(17,355)
Total Revenues	426,800	426,800	413,064	(13,736)
Expenditures				
Salaries	237,000	237,000	208,621	28,379
Other	212,800	212,800	173,278	39,522
Total Expenditures	449,800	449,800	381,899	67,901
Excess (Deficiency) of Revenues over Expenditures	(23,000)	(23,000)	31,165	54,165
Other Financing Sources (Uses): Transfers In Transfers Out				
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)	(23,000)	(23,000)	31,165	54,165
Fund Balances, beginning	268,994	268,994	268,994	
Fund Balances, ending	\$ 245,994	\$ 245,994	\$ 300,160	\$ 54,165

Minidoka County
Rupert, Idaho

SPECIAL REVENUE FUNDS COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BUDGETED ACTUAL - ALL SPECIAL REVENUE FUNDS
For the year ended September 30, 2016

	<u>Court Interlock Device</u>				<u>E-911 Fund</u>			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	2,000	2,000	2,484	484	785,000	785,000	246,720	(538,280)
Total Revenues	2,000	2,000	2,484	484	785,000	785,000	246,720	(538,280)
Expenditures								
Salaries					86,500	86,500	80,744	5,756
Other	12,000	12,000		12,000	718,760	810,260	236,701	482,059
Total Expenditures	12,000	12,000		12,000	805,260	896,760	317,445	487,815
Excess (Deficiency) of Revenues over Expenditures	(10,000)	(10,000)	2,484	12,484	(20,260)	(111,760)	(70,725)	(50,465)
Other Financing Sources (Uses):								
Transfers In								
Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)	(10,000)	(10,000)	2,484	12,484	(20,260)	(111,760)	(70,725)	(50,465)
Fund Balances, beginning	21,199	21,199	21,199		384,992	384,992	384,992	
Fund Balances, ending	\$ 11,199	\$ 11,199	\$ 23,683	\$ 12,484	\$ 364,732	\$ 273,232	\$ 314,267	\$ (50,465)

Minidoka County
Rupert, Idaho

SPECIAL REVENUE FUNDS COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BUDGETED ACTUAL - ALL SPECIAL REVENUE FUNDS
For the year ended September 30, 2016

	<u>Health District Fund</u>				<u>Election Consolidation Fund</u>			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Taxes	\$ 95,800	\$ 95,800	\$ 97,682	\$ 1,882	\$ -	\$ -	\$ -	\$ -
Other	10,200	10,200	9,963	(237)	77,600	77,600	78,371	771
Total Revenues	106,000	106,000	107,646	1,646	77,600	77,600	78,371	771
Expenditures								
Salaries					38,500	38,500	35,304	3,196
Other	106,000	106,000	105,655	345	76,210	76,210	45,654	30,556
Total Expenditures	106,000	106,000	105,655	345	114,710	114,710	80,958	33,752
Excess (Deficiency) of Revenues over Expenditures			1,991	1,991	(37,110)	(37,110)	(2,587)	34,523
Other Financing Sources (Uses): Transfers In Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)			1,991	1,991	(37,110)	(37,110)	(2,587)	34,523
Fund Balances, beginning	25,251	25,251	25,251		165,081	165,081	165,081	
Fund Balances, ending	\$ 25,251	\$ 25,251	\$ 27,242	\$ 1,991	\$ 127,971	\$ 127,971	\$ 162,495	\$ 34,523

Minidoka County
Rupert, Idaho

SPECIAL REVENUE FUNDS COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BUDGETED ACTUAL - ALL SPECIAL REVENUE FUNDS
For the year ended September 30, 2016

	<u>Junior College Fund</u>				<u>Parks & Recreation Fund</u>			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Taxes	\$ 159,820	\$ 159,820	\$ 162,754	\$ 2,934	\$ 31,430	\$ 31,430	\$ 32,364	\$ 934
Other	90,180	90,180	110,761	20,581	3,970	3,970	3,536	(434)
Total Revenues	250,000	250,000	273,515	23,515	35,400	35,400	35,901	501
Expenditures								
Salaries								
Other	300,000	300,000	196,700	103,300	40,900	48,400	30,790	17,610
Total Expenditures	300,000	300,000	196,700	103,300	40,900	48,400	30,790	17,610
Excess (Deficiency) of Revenues over Expenditures	(50,000)	(50,000)	76,815	126,815	(5,500)	(13,000)	5,110	18,110
Other Financing Sources (Uses):								
Transfers In								
Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)	(50,000)	(50,000)	76,815	126,815	(5,500)	(13,000)	5,110	18,110
Fund Balances, beginning	204,035	204,035	204,035		20,155	20,155	20,155	
Fund Balances, ending	\$ 154,035	\$ 154,035	\$ 280,850	\$ 126,815	\$ 14,655	\$ 7,155	\$ 25,267	\$ 18,110

Minidoka County
Rupert, Idaho

SPECIAL REVENUE FUNDS COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BUDGETED ACTUAL - ALL SPECIAL REVENUE FUNDS
For the year ended September 30, 2016

	<u>Pest Control Fund</u>				<u>Revaluation Fund</u>			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Taxes	\$ 2,468	\$ 2,468	\$ 2,509	\$ 41	\$ 364,333	\$ 364,333	\$ 371,292	\$ 6,959
Other	32	32	19	(13)	21,712	21,712	22,906	1,194
Total Revenues	2,500	2,500	2,528	28	386,045	386,045	394,198	8,153
Expenditures								
Salaries					205,500	205,500	201,713	3,787
Other	2,500	2,500	2,400	100	190,545	190,545	168,380	22,165
Total Expenditures	2,500	2,500	2,400	100	396,045	396,045	370,093	25,952
Excess (Deficiency) of Revenues over Expenditures			128	128	(10,000)	(10,000)	24,105	34,105
Other Financing Sources (Uses):								
Transfers In								
Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)			128	128	(10,000)	(10,000)	24,105	34,105
Fund Balances, beginning	1,713	1,713	1,713		155,804	155,804	155,804	
Fund Balances, ending	\$ 1,713	\$ 1,713	\$ 1,841	\$ 128	\$ 145,804	\$ 145,804	\$ 179,910	\$ 34,105

Minidoka County
Rupert, Idaho

SPECIAL REVENUE FUNDS COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BUDGETED ACTUAL - ALL SPECIAL REVENUE FUNDS
For the year ended September 30, 2016

	<u>Noxious Weed Fund</u>				<u>Waterways Fund</u>			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Taxes	\$ 44,799	\$ 44,799	\$ 45,905	\$ 1,106	\$ -	\$ -		\$ -
Other	46,131	46,131	47,845	1,714	100,000	100,000	24,560	(75,440)
Total Revenues	90,930	90,930	93,750	2,820	100,000	100,000	24,560	(75,440)
Expenditures								
Salaries	54,450	54,450	49,561	4,889	31,000	31,000	4,462	26,538
Other	56,480	56,480	34,846	21,634	85,350	85,350	20,495	64,855
Total Expenditures	110,930	110,930	84,406	26,524	116,350	116,350	24,957	91,393
Excess (Deficiency) of Revenues over Expenditures	(20,000)	(20,000)	9,344	29,344	(16,350)	(16,350)	(397)	15,953
Other Financing Sources (Uses): Transfers In Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)	(20,000)	(20,000)	9,344	29,344	(16,350)	(16,350)	(397)	15,953
Fund Balances, beginning	116,818	116,818	116,818		26,902	26,902	26,902	
Fund Balances, ending	\$ 96,818	\$ 96,818	\$ 126,162	\$ 29,344	\$ 10,552	\$ 10,552	\$ 26,505	\$ 15,953

Minidoka County
Rupert, Idaho

SPECIAL REVENUE FUNDS COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BUDGETED ACTUAL - ALL SPECIAL REVENUE FUNDS
For the year ended September 30, 2016

	<u>Hospital Fund</u>				<u>Judgement HB470 Fund</u>			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Taxes	\$ 101,815	\$ 101,815	\$ 103,897	\$ 2,082	\$ -	\$ -	\$ 170	\$ 170
Other	62,185	62,185	62,161	(24)				
Total Revenues	164,000	164,000	166,058	2,058			170	170
Expenditures								
Salaries								
Other	164,000	164,000	164,000					
Total Expenditures	164,000	164,000	164,000					
Excess (Deficiency) of Revenues over Expenditures			2,058	2,058			170	170
Other Financing Sources (Uses):								
Transfers In								
Transfers Out							183	(183)
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)			2,058	2,058			(14)	(14)
Fund Balances, beginning	4,301	4,301	4,301		35	35	35	
Fund Balances, ending	\$ 4,301	\$ 4,301	\$ 6,359	\$ 2,058	\$ -	\$ -	\$ 21	\$ (14)

Minidoka County
Rupert, Idaho

SPECIAL REVENUE FUNDS COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BUDGETED ACTUAL - ALL SPECIAL REVENUE FUNDS
For the year ended September 30, 2016

	<u>Court Facility Fund</u>				<u>Total</u>			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,042,585	\$ 1,042,585	\$ 1,062,312	\$ 19,727
Other			7,620	7,620	1,383,690	1,383,690	784,271	(599,419)
Total Revenues			7,620	7,620	2,426,275	2,426,275	1,846,583	(579,692)
Expenditures								
Salaries					652,950	652,950	580,404	72,546
Other			5,166	(5,166)	1,965,545	2,064,545	1,184,065	880,480
Total Expenditures			5,166	(5,166)	2,230,935	2,717,495	1,764,469	953,026
Excess (Deficiency) of Revenues over Expenditures			2,454	2,454	(146,260)	(237,760)	82,114	319,874
Other Financing Sources (Uses):								
Transfers In								
Transfers Out							183	(183)
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)			2,454	2,454	(175,870)	(274,870)	81,931	356,801
Fund Balances, beginning	14,108	14,108	14,108		1,240,006	1,240,006	1,409,388	169,383
Fund Balances, ending			\$ 16,562	\$ 2,454	\$ 1,064,136	\$ 965,136	\$ 1,491,319	\$ 526,183

Minidoka County
Rupert, Idaho

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETED AND ACTUAL
For the year ended September 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Other				
Total Revenues				
Expenditures:				
Salaries				
Other				
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures				
Other Financing Sources (Uses):				
Transfers In				
Transfers Out				
Total other financing sources (uses)				
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)				
Fund Balances, beginning				
Fund Balances, ending	\$ -	\$ -	\$ -	\$ -

COMPLIANCE SECTION



Gerald Price & Associates, P.A.

Certified Public Accountants

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"Making life less taxing since 1978"

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
Minidoka County, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Minidoka County, Idaho, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Minidoka County, Idaho's basic financial statements and have issued our report thereon dated January 19, 2017.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, 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. (2016-01).

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 accompany schedule of findings and questioned costs to be significant deficiencies. (2016-01).

Compliance and Other Matters

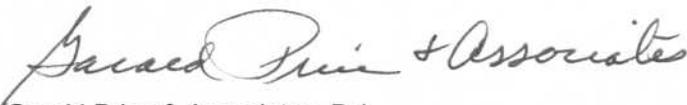
As part of obtaining reasonable assurance about whether the Minidoka County, Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Minidoka County's Response to Findings

Minidoka County, Idaho's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Minidoka County, Idaho's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Garald Price & Associates, P.A.

Burley, Idaho

January 19, 2017

Minidoka County
Rupert, Idaho
SCHEDULE OF FINDING AND RESPONSE
For the year ended September 30, 2016

Finding 2016-1:

Condition: The County does not have the skills and competencies necessary to prepare their financial statement in accordance with generally accepted accounting principles or to prevent, detect, and correct material misstatements in a financial statement prepared for them.

Criteria: The County issues an annual financial statement and therefore the management is responsible for the financial statement.

Effect: The County's management would be unable to prevent, detect and correct material misstatements in a financial statement prepared for them.

Recommendation: Minidoka County retain the services of someone who is competent in these matters or elevate the skill of a current employee to level needed.

Response: Minidoka County has traditionally engaged an associate of Garald Price & Associates to prepare the annual financial statement. Garald Price & Associates has consciously not allowed the preparer of the financial statement to be on the audit team. Although this is not the perfect solution it is most likely the most economical. Also, through experience management is becoming more competent in these matters.

STATISTICAL SECTION

Minidoka County
Rupert, Idaho
Statement of 2015 Tax Assessment - Minidoka County
September 30, 2016

County Taxes

<u>County Funds</u>	<u>Amount</u>
Current Expense	\$ 1,372,900
Indigent	268,340
Hospital	101,815
District Court	242,120
Pest	2,468
Weed	44,799
Fair Board	137,860
Historical Society	40,555
Jr. College Tuition	159,820
Revaluation	364,333
Justice	2,329,728
Health	95,800
Parks & Recreation	<u>31,430</u>
Total	<u><u>\$ 5,191,968</u></u>

Minidoka County
Rupert, Idaho
Statement of 2015 Tax Rolls
September 30, 2016

Category	Quantity	Abstract Value	Market
1 Irrigated Agriculture Land	190,107	200,708,084	831,059,896
2 Irrigated Pasture Land	1,474	634,022	1,616,758
3 Non-Irrigated Agricultural Land	1,235	114,702	401,458
5 Dry Grazing Land	4,367	146,947	587,788
10 Homesite Value/Rural Invest. Land	754	15,099,714	19,707,900
12 Rural Residential Tracts	5,061	54,906,183	75,012,085
13 Rural Commercial Tracts	555	7,129,414	7,129,414
14 Rural Industrial Tracts	679	5,130,881	5,130,881
15 Rural Subdivision - Residential Lots/Acreages	833	18,820,276	24,306,280
16 Rural Subdivision - Commercial Lots/Acreages	46	668,640	668,640
17 Rural Subdivision - Industrial Lots/Acreages	22	516,382	516,382
18 Other Land	11,617	13,646,751	13,650,389
19 Waste	5,803		
20 Residential Lots/Acreages (Inside City)	1,300	36,591,892	54,188,043
21 Commercial Lots/Acreages (Inside City)	568	31,133,936	31,537,197
22 Industrial Lots/Acreages (Inside City)	65	1,702,994	2,149,387
25 Common Areas			
30 Non-Residential Bldg.		36,266	36,266
31 Rural residential buildings		39,698,672	57,438,053
32 Rural improvements on ag.		8,188,240	8,188,240
34 Building residential tracts		114,619,679	185,976,532
35 Building commercial tracts		22,885,465	22,885,465
36 Building industrial tracts		13,898,902	13,898,902
37 Building residential subdivision		45,671,948	68,521,984
38 Building commercial subdivision		2,077,284	2,077,284
40 Other rural buildings		32,716,030	32,716,030
41 Residential improvements		152,626,512	244,099,215
42 Commercial improvements		69,039,685	73,233,871
43 Industrial improvements		30,851,411	42,325,049
45 Utility Systems		4,204,223	4,781,743
46 Manufactured Housing		6,296,636	9,006,669
47 Improvements - Manufactured Housing		1,406,631	2,162,732
48 Manufactured Housing with SID		13,269,845	23,428,724
50 Residential improvements/leased land		38,432	76,865
51 Commercial improvements/leased land		3,336,026	3,343,852
Exempt land	166		
Total Real Property		<u>947,812,705</u>	<u>1,861,859,974</u>
Airplanes/Boats		12,879	12,879
56 Const. Machinery, Tools and Equipment		0	3,983
59 Furniture & Fixtures		2,032,857	3,873,312
Logging equipment		0	2,908
68 Other Misc. Machinery, Tools, and Equipment		153,971,734	173,612,166
69 Recreational Vehicles			
70 Reservations & Easements		8,265	8,265
71 Signs & Signboards		381,296	906,064
72 Tanks, Cylinders, and Vessels		335,958	899,384
Total Personal Property		<u>156,742,989</u>	<u>179,318,961</u>
Total Assessed Market Value		<u>\$1,104,555,694</u>	<u>\$2,041,178,935</u>