

**MINIDOKA COUNTY
RUPERT, IDAHO**

**BASIC FINANCIAL STATEMENTS
With Supplemental Information**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS
MINIDOKA COUNTY
Fiscal Year Ended September 30, 2019

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 110 full time employees (which includes six elected officials and five appointed department heads), 46 part time employees, and provide the necessary services to the public without placing an unbearable burden on the property taxpayer. 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 have 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
2018-2019
Comparison of Expenditures

	Actual Expenditures 2018	Actual Expenditures 2019	Difference Between 2018-2019
AUDITOR	221,589.42	229,564.49	7,975.07
ASSESSOR	231,271.11	237,184.19	5,913.08
TREASURER	223,220.41	223,174.96	(45.45)
COMMISSIONERS	122,205.01	128,361.52	6,156.51
CORONER	40,096.67	52,926.18	12,829.51
BUILDING & GROUNDS	259,021.13	367,766.38	108,745.25
EMERGENCY MANAGEMENT	5,000.00	5,000.00	-
COUNTY AGENT	128,316.15	131,458.40	3,142.25
INFORMATION TECHNOLOGY	169,770.08	183,823.22	14,053.14
ELECTIONS	97,167.11	52,760.30	(44,406.81)
GENERAL ITEMS	674,656.62	690,888.84	16,232.22
ZONING & BUILDING	226,365.85	238,329.29	11,963.44
GENERAL RESERVE	17,583.19	4,668.13	(12,915.06)
VETERANS	14,067.70	18,557.94	4,490.24
JANITOR	71,709.75	73,759.68	2,049.93
TOTAL CURRENT EXPENSE	<u>2,502,040.20</u>	<u>2,638,223.52</u>	<u>136,183.32</u>
DISTRICT COURT SALARIES	347,427.56	360,656.98	13,229.42
SHERIFF	1,590,115.96	1,650,317.70	60,201.74
PROSECUTING ATTORNEY	581,166.14	625,544.60	44,378.46
JUVENILE DETENTION	943,989.12	962,905.13	18,916.01
MISD PROBATION	81,913.56	155,662.50	73,748.94
JAIL	753,886.00	709,280.00	(44,606.00)
JUVENILE PROBATION	658,465.91	695,279.75	36,813.84
LAW ENF-COMMUNICATIONS	323,667.58	351,928.91	28,261.33
GENERAL RESERVE	9,891.44	6,003.48	(3,887.96)
TOTAL JUSTICE FUND	<u>5,290,523.27</u>	<u>5,517,579.05</u>	<u>227,055.78</u>
DISTRICT COURT	422,092.98	465,096.64	43,003.66
MAGISTRATE COURT OPERATIONS	-	8,802.20	8,802.20
CID FUND	-	3,420.00	3,420.00
E911 SYSTEM	211,794.73	239,963.46	28,168.73
HEALTH	110,663.03	113,735.04	3,072.01
ELECTION CONSOLIDATION	120,794.93	81,780.57	(39,014.36)
PUBLIC ASSISTANCE	646,519.98	749,011.52	102,491.54
JR COLLEGE	259,900.00	173,750.00	(86,150.00)
PARKS & RECREATION	28,742.81	24,887.84	(3,854.97)
PEST	2,000.00	-	(2,000.00)
REVALUATION	322,639.43	331,350.73	8,711.30
SANITARY LANDFILL	758,804.40	829,610.40	70,806.00
WATERWAY FUND	50,862.48	28,729.38	(22,133.10)
WEEDS	74,634.86	81,606.44	6,971.58
HOSPITAL	164,000.00	158,031.51	(5,968.49)
TOTAL	<u>3,173,449.63</u>	<u>3,289,775.73</u>	<u>116,326.10</u>
TOTAL OPERATING BUDGET	<u>10,966,013.10</u>	<u>11,445,578.30</u>	<u>479,565.20</u>

The Board of Commissioners approved a raise for all employees and elected officials in FY2019. There were 26 payroll periods in FY2019. The contribution rates to PERSI, the State retirement program that the County belongs to, increased to 11.94% for general members and 12.28% for police officers. The State Insurance Fund, our liability insurance, and our health insurance will show an increase for FY2020.

For the continuation of your reading, the numbers have rounded to the closest fives, tens, or thousands, for ease of reading. To help define the four different parts of a budget: the salary and wage actual and estimated costs are referred to as the 'A budget'; the retirement, Social Security, life and medical insurance, and worker's compensation actual and estimated costs are referred to as the 'D budget'; maintenance and operation actual and estimated costs are referred to as the 'B budget'; and capital expenditure actual and estimated costs are referred to as the 'C budget'.

AUDITOR, ASSESSOR, TREASURER, COMMISSIONERS, COUNTY AGENT, and REVALUATION -
The increase in the FY2019 budget is due to the increase in salaries, as there was a reduction in each of the department's B Budget expenses. Although, the Commissioner budget paid for their office upgrades in technology and a desk.

CORONER - This budget was an overall increase due to salary and wage increases along with increase number of deaths and autopsies combined with the need for a vehicle capable of transporting a body to Boise for an autopsy. Our Coroner was able to keep under budget and only increase less than \$13,000 over last year's expenditures.

BUILDINGS & GROUNDS - Due to our older buildings and landscape, the cost of maintenance is ever increasing. During FY2018 this account saw a drastic increase in repairs and maintenance, mostly of our juvenile probation building, and finished the remodel in FY2019. With the FY2018 band-aid repair to the building that the Assessor's department is housed in - we did not expend much in FY2019. However, we will need to build or purchase a new assessor building to house our increased employee population soon. We were able to update the electrical, windows, and insulation in three offices of the main courthouse along with other minor repairs. We were also able to finish the sidewalk replacement and add another accessible approach from the east side of the grounds. We did spend just shy of \$24,000 on a tractor and carpenter equipment to help ease the cost of contracting for services.

EMERGENCY MANAGEMENT - In FY2017, the balance of Emergency Management funds was 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 a joint board. The County does contribute \$5,000 annually towards the program to help obtain grant funding for the program.

INFORMATION TECHNOLOGY - For the FY2018 and FY2019 comparison, the vast majority of the increase was due to hiring a second IT person. B Budget expenditures increase slightly and due to the explanation to follow, the capital budget decreased by \$23,000 as we did not purchase computers. On September 23, 2019, Minidoka County was devastated by malware. This malware attack looked and acted like ransomware but luckily, we were not ransomed. There was an investigation into if personal information was stolen or not. The outcome indicated that no personal information was stolen but many files were corrupted. The malware caused: indigent images to become corrupted; the land records to become corrupted, but restored with the help of Title One; our remote access to still be inaccessible five month later; servers to be corrupted; our tax receipting program to not allow a receipt to be printed; and a host of other issues. This malware affected many departments but we survived. However, we have to become up to date with technology, and I believe taxpayer money will be well spent out of the FY2020 budget.

ELECTIONS and 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 and taxing districts within the County. Each year the State helps counties fund election consolidation. Since FY2016, we have been receiving a little over \$78,000. In FY2018, we purchased 12 DS200 machines and 12 Express Vote machines with a cost of almost \$5,000 each. Because we are saving up again for our next big election equipment purchase, FY2019's expenditures were down by a little over \$83,420.

GENERAL ITEMS - For the second year running another fire truck was able to be purchased with a grant, this time for Minidoka County Fire Protection District. We expect a third fire truck in FY2020 to once again be paid for with a grant. Due to the grants that are ran through our financial team, we are over the limit of received federal funding and

therefore are required to have a single financial audit for grants, separate from our regular audit. This extra audit along with increased costs for unemployment insurance, workman's compensation insurance, sick day pay, and liability insurance caused an overall expenditure increase of \$15,000. Thankfully, the remaining expenditures decreased.

ZONING & BUILDING increased their overall budget due to wages, trainings, electronics, and computer software by just shy of \$12,000.

GENERAL RESERVE – We paid down some overtime/compensation earned out of this reserve.

VETERANS and JANITOR – Our Veteran Service Officer contract had increased due to the proven effort, time, and passion of Mr. Driscoll. The Board agreed that this is money well spent as Mr. Driscoll is well known to the veterans in our area. The janitor cost had also increased due to employees request for our janitors to render more services.

DISTRICT COURT SALARIES – In FY2019, the courts were fully operational with the exception of being down a part-time clerk. With the salary increase, the expense increased only \$13,000 overall. This is not necessarily good from an employee standpoint as this indicates less than an 85-cent increase in pay and benefits per hour, across the board for eight people, when parts of the private sector are paying more per hour than county government is paying.

SHERIFF – Along with salaries and benefits increasing by almost \$50,000, B Budget expenses increased by a little over \$10,000, and Capital budget slightly decreased. Some of the B Budget increase was due to the purchase of body cameras and software along with patrol officer supplies.

PROSECUTING ATTORNEY and LAW ENFORCEMENT COMMUNICATIONS – Both of these departmental increases were due to an increase in salaries and a minor increase in the B Budget expense.

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 bulk of the increase is due to paying for the second half of a new roof and new HVAC system. FY2018 paid for most of the product and FY2019 paid for the labor and remainder of product.

MISD PROBATION – Due to the increase in probationers, Misdemeanor Probation did not do so well at collecting revenue to help fund itself. However, this partial self-funded department depends upon cost of supervision revenue which will indefinitely fluctuate with the economy as well as a changeup in the laws and programs instituted by legislation, which was and is expected to happen anytime between FY2018 and FY2019. With the implementation of Odyssey, the court tracking program, and the priority of payments, misdemeanor probation was expected to be down in revenue. What was not expected was the shifting of inmates to probation and the pretrial release program, which seems to be the underlying cause of the doubling of the expense.

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 good management, renting out vacant bed space to paying agencies, and the shifting of inmates to probation.

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. This budget increased overall by almost \$37,000, \$19,000 of which was in the B Budget, and \$18,000 for salaries and benefits. Of the \$19,000 increase in the B Budget, \$15,400 is grant funded expenditures through the County Incentive Project.

JUSTICE GENERAL RESERVE – This expenditure was for a settlement in lieu of a potential liability insurance premium increases due to the cost of a potential claim against the County.

DISTRICT COURT – In FY2019, salaries and benefits increased by about \$26,000 due to the hiring of a 2nd full-time bailiff, giving us 2 full-time and 1 part-time. However, this is not the major cause of the budget increase. The new

statewide court program, Odyssey, now allows for adult misdemeanor probation, drug court, and problem-solving court funding to pass through the District Court fund giving a budget line increase of \$49,000, alone. The remainder of the fund was under budget thereby resulting in an overall \$43,000 budget increase.

MAGISTRATE COURT OPERATIONS – This fund is a sub-fund of the District Court fund. It was created due to legislation moving funds from cities to help fund the Magistrate Division. This is a dedicated fund with its first monies being received in FY2019, in the amount of \$47,430.74, from court distribution and the liquor fund. The expenditures for this fund will slowly increase as the realized revenue builds up. As Magistrate increases, the District Court and the District Court Salaries should decrease in expenditures.

COURT INTERLOCK DEVICE (CID) – This fund is a dedicated fund as well. The only way monies from this fund can be expended is with a court order. \$3,420 was spent on SCRAM units and an alcohol monitoring device.

E911 – 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. Though wages were increased, the overall salary and benefits expenditure slightly increased due to employment changes within the department. For FY2018 there was an expected dramatic decrease due to the GEN 7 dispatch equipment being paid out of FY2016 and FY2017, which held true. For FY2019 we saw an increase in expense compared to that of FY2018 due to a change in the type of maintenance plan we intend to use for the GEN 7 equipment. We were also able to bring in an extra \$4,800 in grant revenue.

HEALTH – South Central Public Health District increased their financial request totaling \$113,735, this year.

PUBLIC ASSISTANCE and PUBLIC DEFENDER– Due to the Justice Fund being very close to its maximum levy, the Public Defense fund was moved into the Indigent Fund in FY2016. The \$102,500 increase is due to an increase in medical costs of \$23,300; public defense of \$25,000; protective holds of \$36,000; \$3,300 for burials; \$6,200 for salaries and wages; \$8,600 for Capital Defense (which is paid every other year); and the remainder was due to overall administration costs.

JUNIOR COLLEGE – For FY2017 seeing the Jr. College fund expenditures increase is absolutely wonderful. This means that more of our county students are attending college via pre-graduate or post-graduate high school. It is a good feeling that we as a community are financially helping to allow our children a higher education. Each student, pre-high school graduate (dual credit), is allotted \$ 4,125, reimbursed to the county by the State Dept. of Education. Each post-high school graduate student, that has resided in our county for a consecutive twelve months prior to the first day of the community college semester, is allotted a \$ 3,000 lifetime maximum. Currently, each student of this county could potentially receive \$ 7,125 towards the payment of community college credits. For FY2019, the SDE had implemented that they will pay pre-high school graduate credits directly to the college, bypassing the county. This means that the county will no longer spend, nor be reimbursed, for funds spent on pre-graduate credits for high school students that are taking college courses. Thereby causing a reduction of expenditures in the amount of \$86,150.

PARKS & RECREATION – Once again the City of Rupert did not request recreation funding and the cost for maintenance at Emerald Lake has reduced, thereby causing a reduction in expenditures.

PEST – The same holds true for the Pest fund as funding was not requested last fiscal year thereby showing a reduction in expenditures.

SANITARY LANDFILL – The continued increase in the expenses for the Sanitary Landfill was seen once again in FY2019 due to an increase in Southern Idaho Solid Waste facilities budget request along with the pass through of dumping fees. The County is just one of the seven (7) members of the Regional Solid Waste District.

WATERWAY FUND – The decrease in this fund was due to grant funds being realized in FY2018 for the dock system at Lake Walcott vs. no grant revenue in FY2019. Salary expenditures were also down which causes me to believe that our waterways team was not called out onto the river as often as they had been in the past. This is a good thing as our community seems to be practicing safer water habits on our Snake River and reservoir.

WEED – This fund increased due to a trade-in of an ATV along with salaries and benefits.

HOSPITAL – For many years’ past, we have dedicated \$164,000 to Minidoka Memorial Hospital to help offset the costs of running an ambulance, in lieu of creating an ambulance district. In FY2019, the property taxes designated to this fund fell short by almost \$6,000.

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, page 20, shows increases in revenue in the General Fund and in the Landfill Fund negating the need to use the carryover funds budgeted. In the Justice Fund \$300,000 was budgeted as carryover and somewhat used as expenses exceeded revenue. The Current Expense Fund did not use the budgeted carryover of \$200,000. 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.

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 40.07% of the total revenue of our \$14,195,175 budget. Another 26.6% came from other revenue sources being that of fees for services and special assessments; and 17.6% came from the state and federal governments (Intergovernmental) with state sales tax, being the largest single component of that amount. PILT (Payment in Lieu of Taxes) is received from the federal government for federally owned lands within Minidoka County. PILT is not guaranteed revenue and is addressed at the federal level every year.

Although the increase of revenue from Interest on Investments from \$35,819 for FY2017, and \$ 100,981 for FY2018, to \$154,107 for FY2019, is a large gain of revenue, 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 changes 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. For FY2020, legislators are looking at a budget freeze; what this entails is still undecided.

The Board is aware of our buildings needs that have not received attention in the past. 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 FY2019. The same situation held true for the prior fiscal year as is shown in the statement below. Please note that for prior to FY2018 sales tax and PILT were combined in with ag tax replacement monies, liquor allocation, gross earnings tax, and some other revenue for a total under Program revenue not restricted to specific purposes.

Minidoka County's Change in Net Position
General Government

	2017	2018	2019
Revenues:			
Charges for Services	\$ 1,621,568	\$ 1,883,457	\$ 1,951,186
Operating Grants & Contributions	1,625,577	2,015,756	1,799,372
Capital Grants & Contributions			39,688
General Revenues:			
Property Tax	5,317,248	5,552,279	5,790,209
Sales Tax	combined below	1,431,330	1,494,228
PILT (Payment in lieu of taxes)	combined below	484,472	495,218
Program revenue not restricted to specific purposes	2,149,559	468,681	323,538
Other	81,398	147,523	212,718
Total Revenue	\$ 10,795,350	\$ 11,983,498	\$ 12,106,157
Expenses:			
General Government	3,427,304	4,085,971	4,264,257
Public Safety	5,299,475	5,537,201	5,811,305
Agricultural	83,722	75,890	79,089
Health & Welfare	862,670	917,495	1,020,277
Education	237,213	260,661	174,152
Culture and Recreation	39,643	33,673	29,713
Total Expenses	\$ 9,950,027	\$ 10,910,891	\$ 11,378,793
Change in Net Position	845,323	1,072,607	727,364
Net Position – Beginning as restated	6,006,599	6,762,530	7,875,736
Net Position Ending	\$ 6,851,922	\$ 7,835,137	\$ 8,603,100

On the next page is a brief comparison of the County's assets and liabilities which reflects several points. Compensated absences, net pension liability, and OPEB (other post-employment benefits) liability are the only long-term debts that the County has at this time.

As a result of GASB 68 reporting, the County's pension liabilities with PERSI (Public Employee Retirement System of Idaho) must be addressed; the deferred inflows of resources and the deferred outflow of resources reflect the liability of the County for PERSI retirement, which is an actuarial analysis.

Net position must be maintained by the County to insure against the unexpected. Not wanting to incur long-term debt, the Board has slowly started courthouse remodeling and is aware of the need to maintain and upgrade the facility that has been neglected for too long. This concern has been ongoing and we are now at the point that we require the building of new facilities to allow for the needed office space due to both growth and obsolescence of the current facilities. The Board has also taken great financial strides to address the need for ADA compliance by repairing sidewalks, adding curb cuts and more accessible parking spots, but we still have a long way to go to make all of our doorways accessible. It has been decided that with the layout of our 1974 Judicial building that trying to become ADA compliant in our courtrooms is at a standstill. It also feels as if we are throwing money to the wind when it comes to the building that houses the Assessor's department and Revaluation. We are in need of a new or newer building that is not so costly to maintain.

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. 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.

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

ASSETS	2016 -2017	2017-2018	2018-2019
Current and Other Assets	\$ 7,553,595	\$ 8,737,693	\$ 9,375,834
Capital Assets	<u>1,802,039</u>	<u>1,720,422</u>	<u>1,758,946</u>
Total Assets	<u>\$ 9,355,634</u>	<u>\$ 10,458,115</u>	<u>\$ 11,134,780</u>
 Deferred Outflow of Resources	 <u>\$ 416,922</u>	 <u>\$ 441,217</u>	 <u>\$ 344,990</u>
 LIABILITIES			
Long-term Liabilities	\$ 2,159,523	\$ 2,202,996	\$ 1,812,075
Other Liabilities	<u>475,365</u>	<u>521,149</u>	<u>419,405</u>
Total Liabilities	\$ 2,634,888	\$ 2,724,145	\$ 2,231,480
 Deferred Inflows of Resources	 \$ 285,748	 \$ 340,048	 \$ 645,185
 NET POSITION			
Invested in Capital Assets, Net of Debt	\$ 1,802,039	\$ 1,720,422	\$ 1,758,946
Restricted for Debt Service	-	-	-
Unrestricted	<u>5,049,882</u>	<u>6,114,718</u>	<u>6,844,159</u>
Total Net Position	<u>\$ 6,851,921</u>	<u>\$ 7,835,140</u>	<u>\$ 8,603,105</u>

<u>GOVERNMENTAL FUND</u>	<u>FY2019</u>	<u>STATUTORY MAXIMUM</u>
General (Current Expense)	0.001438288	0.00200
Justice Fund	0.001581189	0.00200
District Court	0.000170448	0.00040
Health	0.000067637	0.00040
Indigent	0.000405271	0.00100
Junior College	0.000025939	0.00060
Parks & Recreation	0.000024908	0.00010
Revaluation	0.000264038	0.00040
Weeds	0.000043432	0.00060
Fair Bldgs.	0.000043182	0.00020
Fair Exhibits	0.000053584	0.00010
Historical	0.000031522	0.00012
Hospital	0.000059801	0.00060
Pest	0.000001418	0.00010

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. Within the General (Current Expense) Fund 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 derived from the remaining cash analysis at the end of each fiscal year:

	<u>BEGINNING FUND BALANCE</u>	<u>ENDING FUND BALANCE</u>	<u>ESTIMATED EXPENSES OF FOLLOWING QUARTER</u>
General Fund	\$ 1,791,673	\$ 2,333,932	\$ 615,000
Justice Fund	\$ 2,103,308	\$ 2,293,440	\$ 1,082,000
All Other Funds	\$ 3,162,269	\$ 3,356,048	\$ 523,000

The above figures show that the year-end fund balance in the Justice Fund is improving, in part by transferring Public Defense out of the Justice Fund and into the Public Assistance Fund; 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 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 great 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 current economy 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. With ever increasing technological advances and the electrical needs of such technology, our older county buildings will need their electrical system updated, along with the need to build another building due to dilapidation and employee population growth.

Compared to that of last fiscal year, the County experienced no reduction in tax collections for the first half payments due December 20, 2019. I have to say that this is the normal and most likely will continue to be the normal unless we see a drop in property values and budgets throughout the taxing districts.

The FY 2020 Budget will continue to be impacted by the sales tax and liquor revenue from the State. Medicaid Expansion that was voted upon and passed and became effective as of January 1, 2020. There is still a possibility that Sales Tax Revenue will be used to fund Medicaid Expansion – shorting the County of normally anticipated revenue.

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 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 as it is nearing its levy limit. The costs associated for public defenders, 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 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 Tonya Page, Minidoka County Clerk, P.O. Box 368, Rupert, ID 83350. She may also be reached at 208-436-7180 x110 or by email at minidokaclerk@co.minidoka.id.us.

BASIC FINANCIAL STATEMENTS



Gerald Price & Associates, PLLP

Certified Public Accountants

2058 Overland Avenue

Burley, ID 83318

Phone: (208) 878-9000 Fax: (208) 878-7804

"Making life less taxing since 1978"

INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
Minidoka County, State of Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minidoka County, Idaho (the County) as of and for the year ended September 30, 2019, 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 did not audit the financial statements of The Minidoka County Fair Board, as of and for the year ended September 30, 2019, which represent 100% of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2019, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer's share of Net Pension Liability, Schedule of Employers Contributions, and budgetary comparison information on pages 47 and 48 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 the County'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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Minidoka County's internal control over financial reporting and compliance.



Garald Price & Associates, PLLP

Burley, ID
May 28, 2020

Minidoka County
Rupert, Idaho

Statement of Net Position
September 30, 2019

	<u>Primary Government</u>		
	<u>Governmental Activities</u>		<u>Component Unit Fair Board</u>
ASSETS:			
Cash and cash equivalents	\$ 4,975,632	\$	247,940
Investments	3,717,464		
Taxes receivable	142,725		3,072
Intergovernmental receivables	501,824		1,200
Assessment receivable	38,188		
Capital assets:			
Nondepreciable	116,531		40,861
Depreciable, Net	1,642,415		147,813
Total assets	<u>11,134,779</u>		<u>440,886</u>
DEFERRED OUTFLOW OF RESOURCES:			
Deferred outflows - pensions	344,989		
Total deferred outflows of resources	<u>344,989</u>		
	<u>\$ 11,479,768</u>	<u>\$</u>	<u>440,886</u>
LIABILITIES:			
Warrants payable	\$ 110,399	\$	
Accounts payable	206,607		3,957
Accrued payroll	102,398		
Long term liabilities:			
Portion due within one year:			
Compensated Absences	191,388		
Portion due or payable after one year:			
Other Post Employment Benefits liability	213,607		
Net pension liability	1,407,080		
Total liabilities	<u>2,231,481</u>		<u>3,957</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows - pensions	645,184		
Total deferred inflows of resources	<u>645,184</u>		
NET POSITION:			
Net investment in capital assets	1,758,946		188,674
Restricted			200,000
Unrestricted	<u>6,844,157</u>		<u>48,255</u>
TOTAL NET POSITION	<u>\$ 8,603,102</u>	<u>\$</u>	<u>436,929</u>

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

Minidoka County
Rupert, Idaho

STATEMENT OF ACTIVITIES
For the year ended September 30, 2019

Functions/Programs	PROGRAM REVENUES				Net (Expense) Revenue and Changes in Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Fair Board
Primary Government						
Governmental activities:						
General Government	\$ 4,264,257	\$ 711,900	\$ 1,193,912	\$	\$ (2,358,445)	
Public Safety	5,811,305	1,119,457	477,332	39,688	(4,174,827)	
Agricultural	79,089		16,000		(63,089)	
Health and Welfare	1,020,277	119,829	112,128		(788,321)	
Education	174,152				(174,152)	
Culture Recreation	29,713				(29,713)	
Total governmental activities	<u>11,378,792</u>	<u>1,951,186</u>	<u>1,799,372</u>	<u>39,688</u>	<u>(7,588,546)</u>	
Total primary government	<u>\$ 11,378,792</u>	<u>\$ 1,951,186</u>	<u>\$ 1,799,372</u>	<u>\$ 39,688</u>	<u>\$ (7,588,546)</u>	
Component unit						
Fair Board	<u>\$ 258,364</u>	<u>\$ 89,193</u>	<u>\$</u>			<u>\$ (169,171)</u>
General Revenue:						
Taxes:						
Property tax					5,790,209	139,003
Sales tax					1,494,228	
Payment in lieu of taxes					495,218	
Program revenue not restricted to specific purposes					323,538	
Investment earnings					154,107	
Gain or (Loss) on disposal of Capital Assets					48,864	
Miscellaneous					9,747	21,403
Total general revenues					<u>8,315,912</u>	<u>160,406</u>
Change in Net position					727,366	(8,765)
Net position beginning - Restated (See note 15)					7,875,736	445,694
Net position ending					<u>\$ 8,603,104</u>	<u>\$ 436,929</u>

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

Minidoka County
Rupert, Idaho

Balance Sheet
Governmental Funds
September 30, 2019

	Major				Non-Major	Total Governmental Funds
	General Fund	Justice Fund	Sanitary Landfill Fund	Indigent Fund	Other Government Funds	
ASSETS:						
Cash and cash equivalents	\$ 575,155	\$ 904,647	\$ 396,779	\$ 1,087,823	\$ 2,011,228	\$ 4,975,632
Investments	1,858,732	1,858,732				3,717,464
Property tax receivable	46,560	57,443		14,303	24,419	142,725
Intergovernmental receivables	11,240	431,491		4,350	54,743	501,824
Special assessment receivable			38,188			38,188
TOTAL ASSETS	\$ 2,491,687	\$ 3,252,313	\$ 434,967	\$ 1,106,477	\$ 2,090,390	\$ 9,375,834
LIABILITIES:						
Warrants payable	\$ 24,668	\$ 29,920	\$ -	\$ 47,836	\$ 7,975	\$ 110,399
Accounts payable	45,766	100,464		23,879	36,499	206,607
Accrued payroll	21,109	67,571		181	13,537	102,398
Total Liabilities	91,543	197,955		71,896	58,011	419,405
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue-property tax	41,849	51,618		12,847	21,923	128,236
Unavailable revenue-special assessment			33,338			33,338
Total deferred inflows of resources	41,849	51,618	33,338	12,847	21,923	161,574
FUND BALANCES:						
Committed for:						
Budgeted use of funds in FY20	572,614	521,000	45,354	521,000	408,124	2,068,092
Assigned for:						
General Government			356,275		885,863	1,242,138
Public Safety		2,481,740			44,415	2,526,155
Agricultural					119,783	119,783
Health and Welfare				500,735	263,673	764,407
Education					252,860	252,860
Culture and Recreation					35,739	35,739
Unassigned	1,785,681					1,785,681
Total Fund Balances	2,358,295	3,002,740	401,629	1,021,735	2,010,457	8,794,856
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,491,687	\$ 3,252,313	\$ 434,967	\$ 1,106,477	\$ 2,090,390	

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	1,758,946
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	161,574
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	(213,607)
Net Pension Liability	(1,407,080)
Accrued Compensated Absences	(191,388)
Deferred outflows and inflows or resources related to pension are applicable to future periods and, therefore, not reported in the	
Deferred outflows of resources related to pension expense	227,186
Deferred outflows of 2018 employer contributions related to pensions	117,804
Deferred inflows of resources related to pensions	(645,185)
Net Position of Governmental Activities	\$ 8,603,105

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

Minidoka County
Rupert, Idaho

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Governmental Funds
September 30, 2019

	Major				Non-Major	Total Governmental Funds
	General Fund	Justice Fund	Sanitary Landfill Fund	Indigent Fund	Other Government Funds	
Revenues:						
Taxes	\$ 2,032,574	\$ 2,242,964	\$ -	\$ 573,220	\$ 933,874	\$ 5,782,633
Intergovernmental	3,556	2,071,606		20,390	400,150	2,495,703
Charges for Services		896,747			245,662	1,142,409
Special Assessments			739,078			739,078
Other	1,163,864	288,888		119,829	317,321	1,889,902
Total Revenues	3,199,993	5,500,205	739,078	713,439	1,897,008	12,049,724
Expenditures:						
General Government	2,639,031		670,509		898,261	4,207,800
Public Safety		5,534,926			273,500	5,808,426
Agricultural					81,735	81,735
Health and Welfare				748,647	271,767	1,020,413
Education					174,152	174,152
Culture Recreation					24,888	24,888
Total Expenditures	2,639,031	5,534,926	670,509	748,647	1,724,301	11,317,413
Excess (Deficiency) of Revenues over Expenditures	560,962	(34,721)	68,570	(35,206)	172,707	732,311
Other Financing Sources (Uses):						
Transfers In					240	240
Transfers Out		240				240
Net Change in Fund Balances	560,962	(34,961)	68,570	(35,206)	172,947	732,311
Fund Balances, beginning	1,797,332	3,037,701	333,060	1,056,941	1,837,512	8,062,545
Fund Balances, ending	\$ 2,358,294	\$ 3,002,740	\$ 401,630	\$ 1,021,735	\$ 2,010,458	\$ 8,794,857

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, 2019

Net Change in Fund Balances - Governmental Funds	\$	732,311
<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		154,839
Depreciation expense		(205,779)
		(50,940)
<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>		
		48,864
<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		7,577
<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		(5,873)
<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>		
		(18,168)
<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>		
		13,596
Change in Net Position - Governmental Activities	\$	727,367

Minidoka County
Rupert, Idaho

Statement of Fiduciary Net Position
September 30, 2019

	Claims Administration Trust Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS:		
Cash and cash equivalents	\$ 228,860	\$ 505,259
Investments		
Taxes receivable		228,390
Interest receivable		
Intergovernmental receivables		
Assessment receivable		17,037
Capital assets:		
Nondepreciable		
Depreciable, Net		
TOTAL ASSETS	<u><u>\$ 228,860</u></u>	<u><u>\$ 750,687</u></u>
LIABILITIES, EQUITY AND OTHER CREDITS		
LIABILITIES:		
Warrants payable	\$ -	\$ 77,244
Account payable	104,336	38,484
Due to other Governments		634,958
Noncurrent liabilities		
Total liabilities	<u>104,336</u>	<u>750,687</u>
NET POSITION		
Restricted	<u>124,524</u>	
Total net position	<u><u>\$ 124,524</u></u>	<u><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, 2019

	Claims Administration Trust Fund
Additions:	
Employee contributions	\$ 238,299
Employer contributions	1,159,772
Other additions	18,398
	<hr/>
Total Revenues	1,416,470
	<hr/>
Deductions:	
Insurance premiums	1,349,556
Insurance buy down	90,993
Employee refund/misc.	1,858
	<hr/>
Total Deductions	1,442,407
	<hr/>
Change in Net Position	(25,937)
	<hr/>
Net Position, beginning	150,462
	<hr/>
Net Position, ending	\$ 124,524
	<hr/> <hr/>

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, 2019

Revenues:		
Employee contributions	\$	238,299
Employer contributions		1,159,772
Other revenues		18,398
		<hr/>
Total Revenues		1,416,470
		<hr/>
Expenses:		
Insurance premiums		1,349,556
Insurance buy down		90,993
Employee refund/misc.		1,858
		<hr/>
Total Expenses		1,442,407
		<hr/>
Excess (Deficiency) of Revenues over Expenses		(25,937)
		<hr/>
Other Financing Sources (Uses):		
Transfers In		
Transfers Out		
		<hr/>
Total other financing sources (uses)		
		<hr/>
Excess (Deficiency) of Revenues Over Expenses After Other Financing Sources (Uses)		(25,937)
		<hr/>
Fund Balances, October 1		150,462
		<hr/>
Fund Balances, September 30	\$	124,524
		<hr/> <hr/>

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

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

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

Minidoka County is governed by a three-member Board of County Commissioners (BOCC) elected by the voters of Minidoka County. The BOCC serves as the taxing authority, the contracting body, and the chief administrators of public services for the County. Other elected officials are the Assessor, Clerk, Coroner, Prosecuting Attorney, Sheriff and Treasurer.

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. A copy of the Audit may be obtained by contacting the Minidoka County Fair Board.

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 uses government-wide financial statements to report its financial position and the results of operations. 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, 2019

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.

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

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 public safety operations including the 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.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenues.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position

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 monies deposited with a original maturity date of 3 months or more. The monies invested in debt securities or certificates of deposits are stated at cost and fair value is disclosed in the notes. The County invests in the Idaho Local Government Investment Pool (LGIP) which consists of highly liquid, short-term investments with the availability to withdraw funds up to \$10 million overnight. LGIP funds are valued at cost plus accrued interest.

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:	4th Monday in October
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.

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.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

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. On the government-wide level financial statements, 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.

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 nonspendable, restricted (committed, assigned or unassigned). When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the County's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications-committed and then assigned fund balances before using unassigned 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.

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.

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.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2019, the carrying amount of the County's deposits was \$9,423,250 (not including petty cash of \$3,965) and the bank balance was \$9,480,932. 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	4,971,667
Balance Sheet Cash Balance	4,975,632
Held for Fiduciary, Agency & Taxing District	734,120
Investments	3,717,464
Total Government's Cash and Investment Balance	\$ 9,427,216

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, 2019 the County's cash bank balance of \$9,423,250 of which \$3,177,489 subject to custodial credit risk.

Deposits insured by FDIC or NCUSIF	\$ 1,490,074
Deposits collateralized by a Letter of Credit	102,643
Deposits insured by Depository Pledge Agreement	1,998,939
Deposits in by Repurchase Agreement	2,714,105
Uninsured & Uncollateralized Investments	3,117,489
Bank Value of Deposits	\$ 9,423,250

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

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	Fair Value	Investment Maturities		Cost	Rating
		Less than 1 year	1 Year to 10 Years		
Certificates of Deposit	\$ 600,327	\$ 100,000	\$ 500,327	\$ 600,000	Federally Insured
Federal Farm Cr. Bank	499,259		499,259	496,693	AAA & AA+
Federal Home Ln Bks Step Up	54,502		54,502	54,545	AAA & AA+
Federal Farm Cr. Bonds Construction	249,908	249,908		249,113	AAA & AA+
Federal Agri. MTG Corp Term note	100,151		100,151	100,138	Unrated
Federal Home Loan Mtg Step	100,010		100,010	100,000	AAA & AA+
Federal Home Loan BKS Bonds	364,014	265,000	99,014	363,107	AAA & AA+
Federal National Mortgage Bonds	99,685		99,685	98,118	AAA & AA+
Resolution FDG Corp Fed Book	204,846	204,846		199,998	Unrated
Idaho Investment Pool	1,455,753	1,455,753		1,455,753	Unrated
	<u>\$ 3,728,455</u>	<u>\$ 2,275,507</u>	<u>\$ 1,452,948</u>	<u>\$ 3,717,464</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, 2019

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	\$ 600,327	16%
Federal Farm Cr. Bonds	803,669	22%
Federal Agri. MTG Corp Term no	100,151	3%
Federal Home Loan Mtg Step	100,010	3%
Federal Home Loan BKS	364,014	10%
Federal National Mortgage Assn	99,685	3%
Resolution FDG Corp Fed Book	204,846	5%
<u>Idaho Investment Pool</u>	<u>1,455,753</u>	<u>39%</u>
	<u>\$ 3,728,455</u>	<u>100%</u>

Fair Value Measurement

Fair value is determined based on the valuation inputs used to measure an asset's fair value and classified into 3 categories: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable valuation measures; Level 3 inputs are significant unobservable inputs. Minidoka County's investments' fair value measurements are as follows at September 30, 2019:

Investments	Fair Value Measurements Using			Valuation Method	
	Fair Value at 9/30/2019	Level 1	Level 2		Level 3
Certificates of Deposit	350,327	350,327			Market Rate
Certificates of Deposit	250,000		250,000		Cost
Debt Securities	1,672,374	1,672,374			Market Rate
Idaho Investment Pool	1,455,753		1,455,753		Cost + Interest
Total	<u>3,728,454</u>	<u>2,022,701</u>	<u>1,705,753</u>		

3. TAXES RECEIVABLE

Property taxes levied for fiscal year 2019 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 Distraint 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 Distraint 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 2018 levy was based on was \$1,313,942,292.

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.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

4. INTERGOVERNMENTAL RECEIVABLES

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

State of Idaho	
Liquor Apportionment	\$ 20,907
Sales Tax Base	130,406
Sales Tax Excess	75,138
Sales Tax-Revenue Sharing	210,675
Ag Exempt Property Tax Replacement Revenue	<u>64,697</u>
Total due from the State of Idaho	<u>\$ 501,823</u>

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.

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:

	RESTATED Balance 9/30/18	Increases	Decreases	Balance 9/30/19
Capital assets nondepreciable				
Land	\$ 116,531			\$ 116,531
Total nondepreciable assets	<u>116,531</u>			<u>116,531</u>
Capital assets being depreciated:				
Buildings	5,931,670			5,931,670
Other improvements	530,024			530,024
Equipment	523,894	18,600	12,595	529,899
Vehicles	<u>1,030,684</u>	<u>230,243</u>	<u>160,453</u>	<u>1,100,474</u>
Total depreciable capital assets	<u>8,016,272</u>	<u>248,843</u>	<u>173,048</u>	<u>8,092,067</u>
Less accumulated depreciation for:				
Buildings	4,772,899	46,021		4,818,920
Other improvements	486,105	9,619		495,724
Equipment	496,633	7,498	22,066	482,065
Vehicles	<u>616,146</u>	<u>142,637</u>	<u>105,841</u>	<u>652,942</u>
Total accumulated depreciation	<u>6,371,783</u>	<u>\$ 205,776</u>	<u>\$ 127,907</u>	<u>6,449,652</u>
Total capital assets being depreciated, net	<u>1,644,489</u>			<u>1,642,415</u>
Governmental activity capital assets, net	<u>\$ 1,761,020</u>			<u>\$ 1,758,946</u>

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

General government	\$ 51,953
Agriculture	1,439
Public safety	147,560
Culture & recreational	<u>4,825</u>
Total depreciation expense	<u>\$ 205,776</u>

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

6. LONG-TERM DEBT

During the year ended September 30, 2019, the following changes occurred in liabilities reported in long-term debt:

	Balance 10/1/2018	Additions	Reductions	Balance 9/30/2019	Due Within One Year
Net Pension Liability	\$ 1,822,042		414,962	1,407,080	\$
Other Post-Employment Benefit Obligations	195,438	23,080	4,913	213,605	
Compensated Absences	185,516	414,387	408,516	191,387	191,387
Totals	\$ 2,202,996	437,467	828,391	1,812,072	\$ 191,387

The amount of long-term debt that is considered the current portion (due within the next fiscal year) is \$191,387. 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.

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, 2019 it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% general employees and 12.28% for police and firefighters. The Minidoka County's contributions were \$487,241 for the year ended September 30, 2019.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

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, 2019, Minidoka County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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 employees. At June 30, 2019, the Minidoka County proportion was .001232691 percent.

For the year ended September 30, the Minidoka County recognized pension expense (revenue) of \$477,491. At June 30, 2019 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	\$ 130,767	\$ 165,832
Changes in assumptions or other inputs	78,270	
Net difference between projected and actual earnings on pension plan investments		479,352
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		
Employer contributions subsequent to the measurement date	<u>135,952</u>	<u> </u>
Total	<u>\$ 344,989</u>	<u>\$ 645,184</u>

The \$135,952 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, 2019.

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, 2018 the beginning of the measurement period ended June 30, 2018 is 4.8 years and 5.6 for the measurement period June 30, 2019.

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, 2019:	
2020	(50,667)
2021	(217,075)
2022	(105,740)
2023	(62,665)

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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	1%

**Minidoka County
Rupert, Idaho**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019**

7. DEFINED BENEFIT PENSION PLAN (continued)

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, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions including mortality. . The Total Pension Liability as of June 30, 2019 is based on the results of an actuarial valuation date of July 1, 2019.

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.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

Capital Market Assumptions

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%	0.90%	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 - Mean	3.25%
Assumed Inflation - Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%

Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	0.40%
	7.05%

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

7. DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. 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 7.05 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 (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	\$ 4,249,931	\$ 1,407,082	\$ (943,863)

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, 2019, 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.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

9. LANDFILL (continued)

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, 2019, 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.

10. RISK MANAGEMENT/INSURANCE COVERAGE

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omission; employee injuries, natural disaster, and employee health. Except for employee health, which is partially insured, risks of loss are insured by the purchase of commercial insurance through participation in the Idaho Counties Risk Management Program (ICRMP). ICRMP is an insurance pool serving public entities in Idaho through provision of property, general liability, auto liability, physical damage, and public officials' insurance. Under the terms of the ICRMP policy, the County's liability is limited to the amount of annual financial membership contributions plus deductible. The County pays semi-annual premiums to ICRMP for insurance coverage.

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 FY2019 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.

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
District Court Fund	\$ 240	
Justice Fund		\$ 240

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.

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

14. POST RETIREMENT BENEFITS

The County administers 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, an employee retiree must be at least 55 years of age and completed at least 20 continuous years of service for the County. An eligible elected official must complete five continuous 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.

Minidoka County's total OPEB liability of \$213,605 was measured as of September 30, 2019, and was determined by an actuarial valuation as of October 1, 2017.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the flowing actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.0 percent
Healthcare cost trend rate	6.50% decreasing to 5.00% over 6 years
Discount rate	3.5 percent

This discount rate is equal to the 20-Year Municipal Bond Yield.

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).

The actuarial assumptions used in the September 30, 2019 valuation were based on information provided to the actuary by the County on October 1, 2017.

Changes in the Total OPEB Liability	Total OPEB Liability
Balance at October 1, 2018	\$ 195,432
Changes for the year:	
Service Cost	15,776
Interest	7,308
Changes of benefit terms	
Differences between expected and actual experience	
Changes in assumptions or other inputs	
Benefit Payments	(4,911)
Net Changes	18,173
Balance at September 30, 2019	\$ 213,605

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of Minidoka County as of September 30, 2019, as well as what Minidoka County's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
Total OPEB liability	233,597	213,605	195,354

Minidoka County
Rupert, Idaho

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

14. POST RETIREMENT BENEFITS (continued)

Sensitivity of the total OPEB liability to changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of Minidoka County as of September 30, 2019, as well as what Minidoka County's OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (5.50% decreasing to 4.00% over 6 years) or 1-percentage-point higher (7.50% decreasing to 6.00% over 6 years) than the current healthcare trend rate:

	1% Decrease (5.50% decreasing to 4.00%)	Current Healthcare Cost Trend Rates (6.5%decreas ing to 5.00%)	1% Increase (7.50% decreasing to 6.00%)
Total OPEB liability	186,518	213,605	246,630

15. PRIOR PERIOD ADJUSTMENT

During the year, it was discovered that the County capital asset inventory and the depreciation schedule were missing some items and had some items on them that the County no longer owned. The net affect of these adjustments was an increase in net position and increase capital assets of \$40,599. The affect of the change in net position was an increase in depreciation and a decrease in net position by \$2,976.

16. Tax Abatement Programs

Minidoka County has three tax abatements for two companies that qualify for the State of Idaho property tax exemption associated with Idaho Statute 63-602NN codename. This statute allows County Commissioners the ability to grant a property tax exemption for plant investments if the County has an ordinance in place that establishes eligible criteria. Minidoka County adopted resolution 2012-18 on November 20, 2012 that established criteria of a minimum plant investment of not less than \$3,000,000. This investment does not include land. Minidoka County adopted resolution 2016-04-11 on April 11, 2016 that established criteria of a minimum plant investment of not less than \$3,000,000. This investment does include land.

Abatements or exemptions are requested of the commission by qualifying companies and ratified through a resolution. The assessor's office reduces the successful company's assessed valuation by the percent stipulated in the resolution, this is done each year until the agreement expires. These exemptions affect other taxing districts where the company resides.

Calva Products Co., Inc. – 100% assessed valuation exemption up to a maximum of \$9,000,000 of assessed value, for 5 years, starting tax year 2014(FY15) through 2019 (FY20) Minidoka County amount does not include Indigent, Historical or Fair. Code area 1

Tax Year	{	2014 = 5,989,606 value exemption – \$82,980.10 property tax (\$23,976.70 Minidoka) 2015 = 5,630,789 value exemption – \$79,719.14 property tax (\$22,818.28 Minidoka) 2016 = 5,630,789 value exemption – \$77,901.02 property tax (\$21,291.84 Minidoka) 2017 = 5,286,758 value exemption – \$69,745.45 property tax (\$19,430.90 Minidoka) 2018 = 5,038,134 value exemption – \$74,175.88 property tax (\$18,525.70 Minidoka)
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Performix Nutrition Systems LLC (real property) – 100% assessed valuation exemption for 5 years, starting tax year 2016 (FY17) through 2020 (FY21) Minidoka County amount does not include Indigent, Historical or Fair. - Code area 8

Tax Year	{	2016 = 2,562,016 value exemption - \$23,551.08 property tax (\$9,687.80 Minidoka) 2017 = 3,325,495 value exemption - \$29,409.82 property tax (\$12,222.50 Minidoka) 2018 = 3,266,064 value exemption - \$29,721.06 property tax (\$12,009.64 Minidoka)
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Performix Nutrition Systems LLC (personal property) – 100% assessed valuation exemption for 5 years, starting tax year 2016 (FY17) through 2020 (FY21) Minidoka County amount does not include Indigent, Historical or Fair. – Code area 8

Tax Year	{	2016 = 3,333,155 value exemption - \$30,639.70 property tax (\$12,603.74 Minidoka) 2017 = 4,797,661 value exemption - \$42,429.28 property tax (\$17,633.28 Minidoka) 2018 = 4,468,815 value exemption - \$40,666.06 property tax (\$16,432.26 Minidoka)
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**Minidoka County
Rupert, Idaho**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019**

17. SUBSEQUENT EVENTS

For these financial statements, the County evaluated subsequent events through April 21, 2019.

- 18** The County expects the economic uncertainties resulting from the COVID-19 pandemic may negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time

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, 2019

GENERAL FUND				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Taxes	\$ 2,000,802	\$ 2,000,802	\$ 2,032,574	\$ 31,772
Other	981,374	981,374	1,167,420	186,046
TOTAL REVENUES	2,982,176	2,982,176	3,199,993	217,817
EXPENDITURES:				
Salaries	978,396	978,396	912,351	66,045
Other	2,203,780	2,203,780	1,726,680	477,100
TOTAL EXPENDITURES	3,182,176	3,182,176	2,639,031	543,145
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(200,000)	(200,000)	560,962	760,962
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out				
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES AFTER OTHER FINANCING SOURCES (USES)	(200,000)	(200,000)	560,962	760,962
FUND BALANCE - beginning	1,797,332	1,797,332	1,797,332	
FUND BALANCE - ending	\$ 1,597,332	\$ 1,597,332	\$ 2,358,295	\$ 760,963

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, 2019

JUSTICE FUND				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Taxes	\$ 2,199,591	\$ 2,199,591	\$ 2,242,964	\$ 43,373
Other	3,432,236	3,432,236	3,257,241	(174,995)
TOTAL REVENUES	5,631,827	5,631,827	5,500,205	(131,622)
EXPENDITURES:				
Salaries	2,953,817	2,953,817	2,781,523	172,294
Other	2,978,010	2,978,010	2,753,403	224,607
TOTAL EXPENDITURES	5,931,827	5,931,827	5,534,926	396,901
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(300,000)	(300,000)	(34,720)	265,279
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out			240	(240)
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES AFTER OTHER FINANCING SOURCES (USES)	(300,000)	(300,000)	(34,960)	265,039
FUND BALANCE - beginning	3,037,701	3,037,701	3,037,701	-
FUND BALANCE - ending	\$ 2,737,701	\$ 2,737,701	\$ 3,002,741	\$ 265,039

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, 2019

SANITARY LANDFILL FUND				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Other	803,720	803,720	739,078	(64,642)
TOTAL REVENUES	803,720	803,720	739,078	(64,642)
EXPENDITURES:				
Salaries				
Other	840,000	840,000	670,509	169,491
TOTAL EXPENDITURES	840,000	840,000	670,509	169,491
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(36,280)	(36,280)	68,570	104,849
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out				
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES AFTER OTHER FINANCING SOURCES (USES)	(36,280)	(36,280)	68,570	104,849
FUND BALANCE - beginning	333,060	333,060	333,060	-
FUND BALANCE - ending	\$ 296,780	\$ 296,780	\$ 401,630	\$ 104,849

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, 2019

	INDIGENT			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Taxes	\$ 563,772	\$ 563,772	\$ 573,220	\$ 9,448
Other	190,608	190,608	140,219	(50,389)
TOTAL REVENUES	754,380	754,380	713,439	(40,941)
EXPENDITURES:				
Salaries	45,000	45,000	36,115	8,885
Other	894,380	894,380	712,532	181,848
TOTAL EXPENDITURES	939,380	939,380	748,647	190,733
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(185,000)	(185,000)	(35,207)	149,793
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out			-	
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES AFTER OTHER FINANCING SOURCES (USES)	(185,000)	(185,000)	(35,207)	149,793
FUND BALANCE - beginning	1,056,941	1,056,941	1,056,941	-
FUND BALANCE - ending	\$ 871,941	\$ 871,941	\$ 1,021,734	\$ 149,793

Minidoka County
Rupert, Idaho

Schedule of Employer's Share of Net Pension Liability
For the Year Ended September 30, 2019
PERSI-Base Plan
Last 10 - Fiscal Years*

	2019	2018	2017	2016	2015
Employer's portion of the net pension liability	0.1232691%	0.1235268%	0.1211910%	0.1203773%	0.1240710%
Employer's proportionate share of the net pension liability	\$ 1,407,080	\$ 1,822,042	\$ 1,904,914	\$ 1,585,173	\$ 1,633,813
Employer's covered-employee payroll	\$ 4,052,537	\$ 3,800,363	\$ 3,799,070	\$ 3,655,363	\$ 3,190,676
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	34.72%	47.94%	50.14%	43.37%	51.21%
Plan fiduciary net position as a percentage of the total pension liability	91.69%	91.69%	90.68%	87.26%	91.38%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 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, 2019 (PERSI Year End).

Minidoka County
Rupert, Idaho

Schedule of Employer's Contributions
For the Year Ended September 30, 2019
PERSI - Base Plan
Last 10 - Fiscal Years*

	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 487,241	\$ 454,732	\$ 435,239	\$ 417,850	\$ 392,910
Contributions in relation to the statutorily required contribution	\$ 487,241	\$ 454,732	\$ 435,239	\$ 417,850	\$ 392,910
Contributions (deficiency) excess					
Employer's covered- employee payroll	\$ 4,052,537	\$ 3,800,363	\$ 3,799,070	\$ 3,655,363	\$ 3,190,677
Contributions as a percentage of the covered-employee payroll	12.02%	11.97%	11.46%	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.

Minidoka County
Rupert, Idaho

Schedule of changes in total OPEB liability by source
For the Year Ended September 30, 2019
Last 10 - Fiscal Years*

	2019	\$	2018
Balance at 10/1	195,438		179,807
Changes for the year:			
Service cost	15,773		15,314
Interest	7,307		6,718
Changes in benefit terms			-
Difference between expected and actual experience			-
Changes in assumptions or other inputs			-
Benefit payments	(4,913)		(6,401)
Net changes	18,167		15,631
Balance at 9/30	\$ 213,605	\$	195,438

Schedule of total OPEB liability as a percentage of covered employee payroll
For the Year Ended September 30, 2018
Last 10 - Fiscal Years*

	2019	\$	2018
Covered employee payroll	\$ 4,052,537		\$ 4,062,254
Total OPEB liability as % of payroll	5.27%		4.81%

*GASB Statement No. 75 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.

Minidoka County
Rupert, Idaho

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2019

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)	\$	3,182,176
Special Revenue:		
Justice		5,931,827
District Court		559,534
Indigent		939,380
Hospital		164,000
Revaluation		423,655
Health		114,330
Parks & Recreation		96,250
Junior College		300,000
Noxious Weed		131,620
Fair Bldg/GRDS (CAP)		153,640
Fair Exhibits (OP)		119,140
CID		12,000
E911 System		824,640
Pest Control		2,000
Waterways		160,800
Sanitary Landfill		840,000
Historical Society		79,651
Election Consolidation		160,532
Total	\$	<u><u>14,195,175</u></u>

Minidoka County
Rupert, Idaho

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2019

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, 2019

	District Court Fund	Court Interlock Device	E-911 Fund	Health District Fund	Election Consolidation Fund
ASSETS:					
Cash	\$ 509,781	\$ 26,378	\$ 346,551	\$ 23,380	\$ 133,560
Investments					
Taxes receivable	5,921			2,493	
Intergovernmental receivables	10,402			2,175	
Special assessment receivable					
TOTAL ASSETS	\$ 526,104	\$ 26,378	\$ 346,551	\$ 28,048	\$ 133,560
LIABILITIES:					
Warrants payable	\$ 2,931	\$ -	\$ 368	\$ -	\$ 117
Account payable	24,411	580	3,035		
Accrued payroll	5,894		2,709		-
Total Liabilities	33,236	580	6,112		117
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue-property tax	5,324			2,239	
Total deferred inflows of resources	5,324			2,239	
FUND BALANCES:					
Committed for:					
Budgeted use of funds in FY19	-	14,000	116,830		38,840
Assigned for:					
General Government	487,544				94,603
Public Safety		11,798			
Agricultural					
Health and Welfare			223,609	25,808	
Education					
Culture and Recreation					
Unassigned					
Total Fund Balances	487,544	25,798	340,439	25,808	133,443
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 526,104	\$ 26,378	\$ 346,551	\$ 28,048	\$ 133,560

Minidoka County
Rupert, Idaho

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2019

	Debt Service Fund	Junior College Fund	Parks & Recreation Fund	Pest Control Fund	Revaluation Fund
ASSETS:					
Cash	\$ -	\$ 305,513	\$ 67,769	\$ 3,929	\$ 385,236
Investments					
Taxes receivable		1,615	951	51	9,577
Intergovernmental receivables		22,165	725		3,988
Special assessment receivable					
TOTAL ASSETS	\$ -	\$ 329,293	\$ 69,445	\$ 3,980	\$ 398,801
LIABILITIES:					
Warrants payable	\$ -	\$ -	\$ 2,800	\$ -	\$ 599
Account payable			53		6,906
Accrued payroll					3,974
Total Liabilities		-	2,853		11,479
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue-property tax		1,433	853	46	8,606
Total deferred inflows of resources		1,433	853	46	8,606
FUND BALANCES:					
Committed for:					
Budgeted use of funds in FY19		75,000	30,000	1,000	75,000
Assigned for:					
General Government					303,716
Public Safety					
Agricultural				2,935	
Health and Welfare					
Education		252,860			
Culture and Recreation			35,739		
Unassigned					
Total Fund Balances		327,860	65,739	3,935	378,716
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 329,293	\$ 69,445	\$ 3,980	\$ 398,801

Minidoka County
Rupert, Idaho

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2019

	Noxious Weeds Fund	Waterways Fund	Judgement Hb470 Fund	Hospital Fund	Court Facility Fund	Nonmajor Governmental Funds
ASSETS:						
Cash	\$ 156,656	\$ 28,428	\$ 0	\$ 451	\$ 23,593	\$ 2,011,228
Investments						-
Taxes receivable	1,446			2,366		24,419
Intergovernmental receivables	1,274			14,015		54,743
Special assessment receivable						
TOTAL ASSETS	\$ 159,376	\$ 28,428	\$ 0	\$ 16,833	\$ 23,593	\$ 2,090,390
LIABILITIES:						
Warrants payable	\$ 1,160	\$ -	\$ -	\$ -	\$ -	\$ 7,975
Account payable	1,014	49		451		36,499
Accrued payroll	960	-				13,537
Total Liabilities	3,134	49		451	-	58,011
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue-property tax	1,296			2,125		21,923
Total deferred inflows of resources	1,296		-	2,125		21,923
FUND BALANCES:						
Committed for:						
Budgeted use of funds in FY19	38,098	19,356				408,124
Assigned for:						
General Government			0			885,863
Public Safety		9,023			23,593	44,415
Agricultural	116,848					119,783
Health and Welfare				14,256		263,673
Education						252,860
Culture and Recreation						35,739
Unassigned						
Total Fund Balances	154,946	28,379	0	14,256	23,593	2,010,457
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 159,376	\$ 28,428	0	\$ 16,833	\$ 23,593	\$ 2,090,390

Minidoka County
Rupert, Idaho
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
For the year ended September 30, 2019

	Court Interlock Device	District Court Fund	E911 Fund	Health District Fund	Election Consolidation Fund
Revenues:					
Taxes	\$ -	\$ 241,520	\$ -	\$ 95,956	\$ -
Intergovernmental		115,541	4,800		80,530
Charges for Services	1,722	238,519			
Special Assessments					
Other		17,975	229,655	9,773	
Total Revenues	1,722	613,555	234,455	105,729	80,530
Expenditures:					
General Government		486,236			81,225
Public Safety	3,420		241,468		
Agricultural					
Health and Welfare				113,735	
Education					
Culture Recreation					
Total Expenditures	3,420	486,236	241,468	113,735	81,225
Excess (Deficiency) of Revenues over Expenditures	(1,698)	127,319	(7,014)	(8,006)	(696)
Other Financing Sources (Uses):					
Transfers In		240			
Transfers Out					
Net Change in Fund Balances	(1,698)	127,559	(7,014)	(8,006)	(696)
Fund Balances, beginning	27,496	359,985	347,452	33,814	134,139
Fund Balances, ending	\$ 25,798	\$ 487,544	\$ 340,439	\$ 25,808	\$ 133,443

Minidoka County
Rupert, Idaho
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
For the year ended September 30, 2019

	Junior College Fund	Parks & Recreation Fund	Pest Control Fund	Revaluation Fund	Noxious Weeds Fund
Revenues:					
Taxes	\$ 37,886	\$ 35,360	\$ 2,010	\$ 374,432	\$ 61,660
Intergovernmental	61,754			21,451	25,042
Charges for Services					
Special Assessments					
Other	40,971	3,461	15		5,865
Total Revenues	140,611	38,821	2,025	395,883	92,567
Expenditures:					
General Government				330,800	
Public Safety					
Agricultural					81,735
Health and Welfare					
Education	174,152				
Culture Recreation		24,888			
Total Expenditures	174,152	24,888		330,800	81,735
Excess (Deficiency) of Revenues over Expenditures	(33,541)	13,933	2,025	65,083	10,832
Other Financing Sources (Uses):					
Transfers In					
Transfers Out					
Net Change in Fund Balances	(33,541)	13,933	2,025	65,083	10,832
Fund Balances, beginning	361,401	51,806	1,909	313,633	144,114
Fund Balances, ending	\$ 327,860	\$ 65,739	\$ 3,935	\$ 378,716	\$ 154,946

Minidoka County
Rupert, Idaho
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
For the year ended September 30, 2019

	Waterways Fund	Debt Service Fund	Judgement Hb470 Fund	Hospital Fund	Court Facility Fund	Total Nonmajor Governmental Funds
Revenues:						
Taxes	\$ -	\$ -	\$ 0	\$ 85,050	\$ -	\$ 933,874
Intergovernmental	33,732			57,302		400,150
Charges for Services				5,421		245,662
Special Assessments						
Other					9,606	317,321
Total Revenues	33,732		0	147,773	9,606	1,897,009
Expenditures:						
General Government						898,261
Public Safety	28,612					273,500
Agricultural						81,735
Health and Welfare				158,032		271,767
Education						174,152
Culture Recreation						24,888
Total Expenditures	28,612			158,032		1,724,301
Excess (Deficiency) of Revenues over Expenditures	5,120		0	(10,259)	9,606	172,705
Other Financing Sources (Uses):						
Transfers In						240
Transfers Out						
Net Change in Fund Balances	5,120		(0)	(10,259)	9,606	172,945
Fund Balances, beginning	23,259		0	24,514	13,987	1,837,512
Fund Balances, ending	\$ 28,379	\$ -	\$ 0	\$ 14,256	\$ 23,593	\$ 2,010,458

Minidoka County
Rupert, Idaho

Combining Balance Sheet
Agency Funds
September 30, 2019

	Assessor Trust Fund	Trial Court Administrative Trust	Tax Anticipation Trust Fund	Court Trust Fund	Sales Tax Trust Fund
ASSETS:					
Cash	\$ 55,666	\$ 9,495	\$ 54,642	\$ 53,666	\$ 86
Investments					
Taxes receivable					
Intergovernmental receivables					
Special assessment receivable					
TOTAL ASSETS	\$ 55,666	\$ 9,495	\$ 54,642	\$ 53,666	\$ 86
LIABILITIES:					
Warrants payable	55,666			14,385	
Account payable					
Intergovernmental payable		9,495	54,642	39,281	86
TOTAL LIABILITIES	\$ 55,666	\$ 9,495	\$ 54,642	\$ 53,666	\$ 86

Minidoka County
Rupert, Idaho
Combining Balance Sheet
Agency Funds
September 30, 2019

	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	\$ 15,733	\$ 575	\$ -	\$ 157,460	\$ 679	\$ 26,792	\$ 13,704	\$ 10,405
Investments								
Taxes receivable								
Intergovernmental receivables								
Special assessment receivable								
TOTAL ASSETS	\$ 15,733	\$ 575	\$ -	\$ 157,460	\$ 679	\$ 26,792	\$ 13,704	\$ 10,405
LIABILITIES:								
Warrants payable	6,265					547	501	
Account payable	8,921					1,652	100	
Intergovernmental payable	546	575		157,460	679	24,593	13,103	10,405
TOTAL LIABILITIES	\$ 15,733	\$ 575	\$ -	\$ 157,460	\$ 679	\$ 26,792	\$ 13,704	\$ 10,405

Minidoka County
Rupert, Idaho
Combining Balance Sheet
Agency Funds
September 30, 2019

	K-9 Training Fund	Prosecuting Attorney Forfeiture Fund	Catastrophic Insurance Trust Fund	Distribution Trust Fund	Taxing Districts	Total Agency Funds
ASSETS:						
Cash	\$ 14,092	\$ 15,193	\$ 29,816	\$ 12,708	\$ 34,548	\$ 505,259
Investments						
Taxes receivable					228,390	228,390
Intergovernmental receivables						
Special assessment receivable					17,037	17,037
TOTAL ASSETS	\$ 14,092	\$ 15,193	\$ 29,816	\$ 12,708	\$ 279,976	\$ 750,687
LIABILITIES:						
Warrants payable	(120)					77,244
Account payable			27,811			38,484
Intergovernmental payable	14,212	15,193	2,005	12,708	279,976	634,958
TOTAL LIABILITIES	\$ 14,092	\$ 15,193	\$ 29,816	\$ 12,708	\$ 279,976	\$ 750,687

Minidoka, County
Rupert, Idaho

Special Taxing Districts Combining Balance Sheet
September 30, 2019

	Minidoka Historical Society Fund	Wayside Sewer District Fund	Minidoka County Hospital Fund	West End Fire District Fund	Minidoka Fire District Fund
ASSETS:					
Cash	\$ 42	\$ 1	\$ -	\$ 433	\$ 399
Taxes receivable	948	32		4,704	15,391
Intergovernmental receivables					
Interfund receivable					
Assessment receivable					
TOTAL ASSETS	\$ 990	\$ 34	\$ -	\$ 5,136	\$ 15,790
LIABILITIES:					
Warrants payable					
Intergovernmental payable	990	34		5,136	15,790
TOTAL LIABILITIES	\$ 990	\$ 34	\$ -	\$ 5,136	\$ 15,790

Minidoka, County
Rupert, Idaho

Special Taxing Districts Combining Balance Sheet
September 30, 2019

	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	\$ 4,702	\$ 2,819	\$ 1,210	\$ -	\$ 26.40	\$ 26
Taxes receivable	39,992	22,554	5,958		19,593	849
Intergovernmental receivables						
Interfund receivable						
Assessment receivable						
TOTAL ASSETS	\$ 44,694	\$ 25,373	\$ 7,168	\$ -	\$ 19,619	\$ 874
LIABILITIES:						
Warrants payable						
Intergovernmental payable	44,694	25,373	7,168		19,619	874
TOTAL LIABILITIES	\$ 44,694	\$ 25,373	\$ 7,168	\$ -	\$ 19,619	\$ 874

Minidoka, County
Rupert, Idaho

Special Taxing Districts Combining Balance Sheet
September 30, 2019

	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	\$ 1,369	\$ 207	\$ 69	\$ 46	\$ 134
Taxes receivable	32,079	4,573	1,202	1,203	2,966
Intergovernmental receivables					
Interfund receivable					
Assessment receivable					
TOTAL ASSETS	\$ 33,448	\$ 4,780	\$ 1,270	\$ 1,249	\$ 3,099
LIABILITIES:					
Warrants payable					
Intergovernmental payable	33,448	4,780	1,270	1,249	3,099
TOTAL LIABILITIES	\$ 33,448	\$ 4,780	\$ 1,270	\$ 1,249	\$ 3,099

Minidoka, County
Rupert, Idaho

Special Taxing Districts Combining Balance Sheet
September 30, 2019

	School District #331 Fund	M V Groundwater District Fund	Total Special Taxing Districts
ASSETS:			
Cash	\$ 23,067	\$ -	\$ 34,548
Taxes receivable	76,348		228,390
Intergovernmental receivables			
Interfund receivable			
Assessment receivable		17,036	17,037
TOTAL ASSETS	\$ 99,414	\$ 17,036	\$ 279,976
LIABILITIES:			
Warrants payable			
Intergovernmental payable	99,414	17,036	279,976
TOTAL LIABILITIES	\$ 99,414	\$ 17,036	\$ 279,976

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, 2019

	<u>District Court Fund</u>			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 237,110	\$ 237,110	\$ 241,520	\$ 4,410
Other	242,424	242,424	372,034	129,610
Total Revenues	479,534	479,534	613,555	134,021
Expenditures				
Salaries	272,927	272,927	241,929	30,998
Other	286,607	286,607	244,307	42,300
Total Expenditures	559,534	559,534	486,236	73,298
Excess (Deficiency) of Revenues over Expenditures	(80,000)	(80,000)	127,319	207,319
Other Financing Sources (Uses):				
Transfers In			240	240
Transfers Out				
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)	(80,000)	(80,000)	127,559	207,559
Fund Balances, beginning	359,985	359,985	359,985	
Fund Balances, ending	\$ 279,985	\$ 279,985	\$ 487,545	\$ 207,559

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, 2019

	<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	1,722	(278)	785,000	785,000	234,455	(550,545)
Total Revenues	2,000	2,000	1,722	(278)	785,000	785,000	234,455	(550,545)
Expenditures								
Salaries					79,500	79,500	66,468	13,032
Other	12,000	12,000	3,420	8,580	745,140	745,140	175,000	570,140
Total Expenditures	12,000	12,000	3,420	8,580	824,640	824,640	241,468	583,172
Excess (Deficiency) of Revenues over Expenditures	(10,000)	(10,000)	(1,698)	8,302	(39,640)	(39,640)	(7,014)	32,626
Other Financing Sources (Uses):								
Transfers In								
Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)	(10,000)	(10,000)	(1,698)	8,302	(39,640)	(39,640)	(7,014)	32,626
Fund Balances, beginning	27,496	27,496	27,496		347,452	347,452	347,452	
Fund Balances, ending	\$ 17,496	\$ 17,496	\$ 25,798	\$ 8,302	\$ 307,812	\$ 307,812	\$ 340,439	\$ 32,626

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, 2019

	<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	\$ 94,090	\$ 94,090	\$ 95,956	\$ 1,866	\$ -	\$ -	\$ -	\$ -
Other	20,240	20,240	9,773	(10,467)	78,484	78,484	80,530	2,046
Total Revenues	114,330	114,330	105,729	(8,601)	78,484	78,484	80,530	2,046
Expenditures								
Salaries					36,750	36,750	29,292	7,468
Other	114,330	114,330	113,735	595	123,782	123,782	51,944	71,838
Total Expenditures	114,330	114,330	113,735	595	160,532	160,532	81,225	79,307
Excess (Deficiency) of Revenues over Expenditures			(8,006)	(8,006)	(82,048)	(82,048)	(696)	81,352
Other Financing Sources (Uses):								
Transfers In								
Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)			(8,006)	(8,006)	(82,048)	(82,048)	(696)	81,352
Fund Balances, beginning	33,814	33,814	33,814		134,139	134,139	134,139	
Fund Balances, ending	\$ 33,814	\$ 33,814	\$ 25,808	\$ (8,006)	\$ 52,091	\$ 52,091	\$ 133,443	\$ 81,352

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, 2019

	<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	\$ 36,084	\$ 36,084	\$ 37,886	\$ 1,802	\$ 34,650	\$ 34,650	\$ 35,360	\$ 710
Other	173,916	173,916	102,725	(71,191)	57,100	57,100	3,461	(53,639)
Total Revenues	210,000	210,000	140,611	(69,389)	91,750	91,750	38,821	(52,929)
Expenditures								
Salaries								
Other	300,000	300,000	174,152	125,848	96,250	96,250	24,888	71,362
Total Expenditures	300,000	300,000	174,152	125,848	96,250	96,250	24,888	71,362
Excess (Deficiency) of Revenues over Expenditures	(90,000)	(90,000)	(33,541)	56,459	(4,500)	(4,500)	13,933	18,433
Other Financing Sources (Uses):								
Transfers In								
Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)	(90,000)	(90,000)	(33,541)	56,459	(4,500)	(4,500)	13,933	18,433
Fund Balances, beginning	361,401	361,401	361,401		51,806	51,806	51,806	
Fund Balances, ending	\$ 271,401	\$ 271,401	\$ 327,860	\$ 56,459	\$ 47,306	\$ 47,306	\$ 65,740	\$ 18,433

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, 2019

	<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	\$ 1,972	\$ 1,972	\$ 2,010	\$ 38	\$ 367,303	\$ 367,303	\$ 374,432	\$ 7,129
Other	28	28	15	(13)	43,824	43,824	21,451	(22,373)
Total Revenues	2,000	2,000	2,025	25	411,127	411,127	395,883	(15,244)
Expenditures								
Salaries					206,500	206,500	188,528	17,972
Other	2,000	2,000		2,000	217,155	217,155	142,272	74,883
Total Expenditures	2,000	2,000		2,000	423,655	423,655	330,800	92,855
Excess (Deficiency) of Revenues over Expenditures			2,025	2,025	(12,528)	(12,528)	65,083	77,611
Other Financing Sources (Uses):								
Transfers In								
Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)			2,025	2,025	(12,528)	(12,528)	65,083	77,611
Fund Balances, beginning	1,909	1,909	1,909		313,633	313,633	313,633	
Fund Balances, ending	\$ 1,909	\$ 1,909	\$ 3,935	\$ 2,025	\$ 301,105	\$ 301,105	\$ 378,717	\$ 77,611

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, 2019

	<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	\$ 60,418	\$ 60,418	\$ 61,660	\$ 1,242	\$ -	\$ -		\$ -
Other	37,202	37,202	30,906	(6,296)	134,000	134,000	33,732	(100,268)
Total Revenues	97,620	97,620	92,567	(5,053)	134,000	134,000	33,732	(100,268)
Expenditures								
Salaries	67,770	67,770	48,544	19,226	31,000	26,700	4,242	22,458
Other	63,850	63,850	33,191	30,659	129,800	134,100	24,370	109,730
Total Expenditures	131,620	131,620	81,735	49,885	160,800	160,800	28,612	132,188
Excess (Deficiency) of Revenues over Expenditures	(34,000)	(34,000)	10,832	44,832	(26,800)	(26,800)	5,120	31,920
Other Financing Sources (Uses):								
Transfers In								
Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)	(34,000)	(34,000)	10,832	44,832	(26,800)	(26,800)	5,120	31,920
Fund Balances, beginning	144,114	144,114	144,114		23,259	23,259	23,259	
Fund Balances, ending	\$ 110,114	\$ 110,114	\$ 154,946	\$ 44,832	\$ (3,541)	\$ (3,541)	\$ 28,379	\$ 31,920

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, 2019

	<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	\$ 83,189	\$ 83,189	\$ 85,050	\$ 1,861	\$ -	\$ -	\$ 0	\$ 0
Other	80,811	80,811	62,723	(18,088)				
Total Revenues	164,000	164,000	147,773	(16,227)			0	0
Expenditures								
Salaries								
Other	164,000	164,000	158,032	5,968				
Total Expenditures	164,000	164,000	158,032	5,968				
Excess (Deficiency) of Revenues over Expenditures			(10,259)	(10,259)			0	0
Other Financing Sources (Uses):								
Transfers In								
Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)			(10,259)	(10,259)			0	0
Fund Balances, beginning	24,514	24,514	24,514		0	0	0	
Fund Balances, ending	\$ 24,514	\$ 24,514	\$ 14,256	\$ (10,259)	\$ -	\$ -	\$ -	0

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, 2019

	<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	\$ -	\$ -	\$ -	\$ -	\$ 914,816	\$ 914,816	\$ 933,874	\$ 19,058
Other			9,606	9,606	1,655,029	1,655,029	863,133	(691,896)
Total Revenues			9,606	9,606	2,569,845	2,569,845	1,897,008	(672,837)
Expenditures								
Salaries					694,447	690,147	578,993	111,154
Other					2,254,914	2,259,214	1,145,310	1,113,904
Total Expenditures					2,464,029	2,949,361	1,724,302	1,225,059
Excess (Deficiency) of Revenues over Expenditures			9,606	9,606	(270,668)	(270,668)	172,705	443,373
Other Financing Sources (Uses):								
Transfers In							240	240
Transfers Out								
Excess (Deficiency) of Revenues Over Expenditures After Other Financing Sources (Uses)			9,606	9,606	(352,716)	(352,716)	172,945	525,661
Fund Balances, beginning	13,987	13,987	13,987		1,678,859	1,678,859	1,837,512	158,653
Fund Balances, ending			\$ 23,593	\$ 9,606	\$ 1,326,143	\$ 1,326,143	\$ 2,010,457	\$ 684,314

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, 2019

	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	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

Minidoka County
 Rupert, Idaho
 Statement of 2018 Tax Assessment - Minidoka County
 September 30, 2019

County Taxes

County Funds	2018 Amount
Current Expense	\$ 2,000,802
Indigent	563,772
Hospital	83,189
District Court	237,110
Pest	1,972
Weed	60,418
Fair Board	134,610
Historical Society	43,850
Jr. College Tuition	36,084
Revaluation	367,303
Justice	2,199,591
Health	94,090
Parks & Recreation	34,650
Total	\$ 5,857,441

Minidoka County
Rupert, Idaho
Statement of 2018 Tax Rolls
September 30, 2019

Category	Quantity	Abstract Value	Market
1 Irrigated Agriculture Land	190,764	262,475,286	1,194,808,224
2 Irrigated Pasture Land	1,407	534,888	1,363,966
3 Non-Irrigated Agricultural Land	1,235	114,702	401,458
5 Dry Grazing Land	4,318	145,385	581,540
10 Homesite Value/Rural Invest. Land		18,258,992	23,768,873
11 Recreational	1	47,977	47,977
12 Rural Residential Tracts		77,211,066	103,500,291
13 Rural Commercial Tracts		7,245,643	7,245,643
14 Rural Industrial Tracts		5,814,650	5,814,650
15 Rural Subdivision - Residential Lots/Acreages		24,611,999	31,810,604
16 Rural Subdivision - Commercial Lots/Acreages		973,762	973,762
17 Rural Subdivision - Industrial Lots/Acreages		561,238	561,238
18 Other Land		16,172,366	16,176,372
19 Waste			0
20 Residential Lots/Acreages (Inside City)		56,460,359	84,306,505
21 Commercial Lots/Acreages (Inside City)		32,345,827	33,135,680
22 Industrial Lots/Acreages (Inside City)		1,735,328	2,215,442
25 Common Areas			
30 Non-Residential Bldg.		65,820	65,820
31 Rural residential buildings		42,664,751	61,741,916
32 Rural improvements on ag.		7,451,275	7,461,237
34 Building residential tracts		133,730,943	216,695,335
35 Building commercial tracts		23,150,733	23,150,733
36 Building industrial tracts		10,993,017	14,259,081
37 Building residential subdivision		53,588,576	81,479,636
38 Building commercial subdivision		1,770,212	1,770,212
39 Ind imp on 17		542,462	542,462
40 Other rural buildings		32,316,632	32,316,632
41 Residential improvements		178,315,865	286,035,510
42 Commercial improvements		69,801,547	75,686,255
43 Industrial improvements		13,700,809	19,047,353
45 Utility Systems		4,555,503	4,979,687
46 Manufactured Housing		6,008,751	8,255,367
47 Improvements - Manufactured Housing		1,158,833	1,715,720
48 Manufactured Housing with SID		18,161,708	32,314,539
50 Residential improvements/leased land		46,050	92,100
51 Commercial improvements/leased land		26,551,784	26,564,310
Exempt land	7,353		
Total Real Property		1,129,284,739	2,400,886,130
59 Furniture & Fixtures		5,736,291	7,300,005
Logging equipment			
68 Other Misc. Machinery, Tools, and Equipment		177,828,492	201,816,281
69 Recreational Vehicles			
70 Reservations & Easements		8,265	8,265
71 Signs & Signboards		606,956	1,068,461
72 Tanks, Cylinders, and Vessels		477,549	1,196,820
Total Personal Property		184,657,553	211,389,832
Total Assessed Market Value		\$1,313,942,292	\$2,612,275,962

SINGLE AUDIT SECTION

Minidoka County
Rupert, Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2019

<u>FEDERAL GRANT/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROJECT NUMBER</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>	<u>TOTAL</u>
Department of Agriculture:				
Passed through the				
Idaho Department of Education:				
School Breakfast Program	10.553	201819N109947	\$ 139	
School Breakfast Program	10.553	201919N109947	3,860	
National School Lunch Program	10.555	201819N109947	217	
National School Lunch Program	10.555	201919N109947	<u>6,083</u>	\$ 10,299.13
Department of Commerce:				
Community Development Block Grant	14.228	B16DC160001	\$55,035	
Community Development Block Grant	14.228	B16DC160001	\$19,018	
Community Development Block Grant	14.228	B16DC160001	\$5,900	
Community Development Block Grant	14.228	B17DC160001	\$267,644	
Community Development Block Grant	14.228	B17DC160001	<u>6,600</u>	354,197
Department of the Interior:				
Payment in Lieu of Taxes -PILT	15.226		<u>495,214</u>	495,214
Idaho State Police				
	16.750	2017-AW-BX-0040	<u>19,332</u>	19,332
Department of Transportation:				
Passed through the				
Idaho Department of Transportation:				
	20.616		<u>4,800</u>	4,800
Office of Drug Policy				
	93.959		<u>33,653</u>	33,653
Department of Parks & Recreation:				
Boating Safety Financial Assistance	97.012	14.01.16	<u>7,501</u>	7,501
Disaster Grant Public Assistance				
Disaster Grant Public Assistance	97.036	FEMA-4310-DR-ID	<u>150</u>	150
Department of Homeland Security:				
Passed through the				
Idaho Bureau of Homeland Security:				
Emergency Management Performance Grants	97.042	EMS2017EP0003	20,889	
Homeland Security Grant Program	97.067	EMW2018SS00028	<u>34,581</u>	<u>55,470</u>
			<u>\$</u>	<u>980,615</u>

See following Note to the Schedule of Expenditures of Federal Awards.

Minidoka County
Rupert, Idaho

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2019

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal award activity of Minidoka County, Idaho under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Minidoka County, Idaho, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Minidoka County, Idaho.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting as described in Note 1-C to the County's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. DE MINIMIS INDIRECT COST RATE

Minidoka County, Idaho has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. PASS-THROUGH SUBRECIPIENTS

Minidoka County, Idaho has elected to pass-through \$354,197 of federal funds to the West End Fire Department.



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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 Minidoka County, Idaho, as of and for the year ended September 30, 2019, 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 May 28, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 Minidoka County, Idaho's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2019-1) and (2019-2).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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, PLLP

Burley, Idaho

May 28, 2020



Gerald Price & Associates, PLLP

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of County Commissioners
Minidoka Count, Idaho

Report on Compliance for Each Major Federal Program

We have audited Minidoka County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Minidoka County's major federal programs for the year ended September 30, 2019. Minidoka County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Minidoka County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Minidoka County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Minidoka County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control over Compliance

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

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

material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified

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

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



Garald Price & Associates, PLLP

Burley, Idaho

April 21, 2020

Minidoka County
Rupert, Idaho
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the year ended September 30, 2019

Findings - Financial Statement Audit

Finding 2019-1: Preparation of Financial Statements (Repeated from Prior Year)

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

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.

Cause: This condition was caused by the County's decision that it is more cost effective to outsource the preparation of its annual Financial statements to the auditors than to incur the time and expense of obtaining the necessary training and expertise required for the government to perform this task internally.

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. The preparer of the financial statement is not 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.

Finding 2019-2: Maintaining Capital Asset records

Criteria: GASB 34 requires governmental entities to capitalize all fixed assets and report them in the government-wide Statement of Net Assets and the annual cost of using such assets must now be charged to the Statement of Activities as an operating expense.

Condition: The County keeps a detailed record of its Capital Assets on an excel spreadsheet. Those assets are tracked by department and location. Purchased assets are added to the spreadsheet and sold or retired assets are removed from the sheet.

Cause: This is a manual system that requires staff to enter additions from the various County's capital expense details. There is not an easy way to track dispositions of assets.

Effect: Over the last several years items that were purchased or disposed of were inadvertently not entered in the spreadsheet. After a new employee was assigned the task, a comparison was made to titles on hand and that is when it was discovered. This resulted in Capital asset being understated by \$40,599 as of September 30, 2018.

Recommendation: Employees assigned to this task should compare the spreadsheet at least annually to the vehicle titles. Department heads should review their departments' listing to verify the existence of the assets. A supervisor should make sure the employee responsible for this report understands its importance.

Response: The current employee is working diligently to find and correct any mistakes.

Findings and Questioned Costs – Major Federal Award Programs Audit

No findings noted.