

Financial Statements and  
Independent Auditor's Report

**Bingham County, Idaho**

*September 30, 2015*

# Bingham County, Idaho

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*September 30, 2015*

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## INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners  
Bingham County, Idaho  
Blackfoot, Idaho

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bingham County, Idaho, (the County) as of and for the year ended September 30, 2015, 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*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bingham County, Idaho as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

***Change in Accounting Principle***

As discussed in Note A to the financial statements, in 2015 the County adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

***Other Matters - Required Supplementary Information***

Accounting principles generally accepted in the United States require that the Management’s Discussion and Analysis, budgetary comparison information, and other required supplementary information on pages 3 through 10 and pages 46 through 55 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, 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 Matters - 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 combining and individual nonmajor fund financial statements and other schedules listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules listed in the table of contents 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. In our opinion, the combining and individual nonmajor fund financial statements and other schedules listed in the table of contents 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016, on our consideration of the County’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



Wipfli LLP  
CPAs and Consultants

Idaho Falls, Idaho  
June 29, 2016

# Bingham County, Idaho

## Management's Discussion and Analysis September 30, 2015

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This discussion and analysis of Bingham County, Idaho's (the County) financial performance provides an overall review of the County's financial activities for the fiscal year ended September 30, 2015. The intent of the discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the basic financial statements to enhance their understanding of the County's financial performance.

### FINANCIAL HIGHLIGHTS

- The assets of the Bingham County, Idaho exceeded its liabilities at the close of fiscal year 2015 by \$20,006,079 (net position). Of this amount, \$7,279,758 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position decreased by \$7,837,320 in comparison with the prior year mainly due to assignment of LLC interests of \$5,910,814 to Bingham Memorial Hospital and normal governmental expenditures in excess of revenue.
- As of the close of fiscal year 2015, Bingham County, Idaho's governmental funds reported combined ending fund balances of \$9,180,189, a decrease of \$1,449,818 in comparison with the prior year. Approximately \$716,883 of this total amount is available for spending at the County's discretion (unassigned fund balance).
- As of the close of fiscal year 2015, Bingham County, Idaho's proprietary funds reported combined ending net position of \$3,718,796, a decrease of \$326,937 in comparison with the prior year.
- At the end of fiscal year 2015, unassigned fund balance for the General Fund was \$716,883.
- During fiscal year 2015, Bingham County, Idaho incurred \$28,187 in new capital lease obligations and paid down \$127,075 on prior capital lease obligations.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of three parts: Management's Discussion and Analysis, the Basic Financial Statements, and Required Supplementary Information. The Management's Discussion and Analysis is intended to serve as an introduction to the County's basic financial statements.

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

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

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

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

# Bingham County, Idaho

## Management's Discussion and Analysis September 30, 2015

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

The governmental activities of Bingham County, Idaho include general government, public safety, public works, health and sanitation, culture and recreation, education, and economic development. The County has two business-type activities including solid waste and 911 emergency communication.

### **Fund Financial Statements**

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Bingham County, Idaho maintains five major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in balances for the General Fund, Justice, Road and Bridge, Road and Bridge Special Projects, and Payment in Lieu of Taxes which are major governmental funds.

Bingham County, Idaho adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget for the major funds.

**Proprietary Funds.** Proprietary funds are used to account for the County's business-type activities. The two major proprietary funds are the Solid Waste and 911 Emergency Communication funds.

**Fiduciary Funds.** Bingham County, Idaho maintains two types of fiduciary funds, private purpose trust funds and agency funds. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the County's programs.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

# Bingham County, Idaho

## Management's Discussion and Analysis September 30, 2015

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$20,006,079 as of September 30, 2015.

The largest portion of the County's net position is reflected in its net investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment.) The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, if any, it should be noted that the resources needed to repay this debt, if any, must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities.

The following table provides a summary of the County's net position as of September 30, 2015, compared to 2014:

	<b>2015</b>	2014 (as restated)
Assets		
Current and other assets	<b>15,671,036</b>	16,902,857
Investment in affiliates		5,910,814
Capital assets	<b>12,818,749</b>	12,881,442
Total assets	<b>28,489,785</b>	35,695,113
Deferred outflows of resources		
Related to Pensions	<b>2,007,965</b>	471,489
Liabilities		
Current and other liabilities	<b>2,197,271</b>	1,384,888
Pension plan payable	<b>4,334,367</b>	2,387,057
Other long-term liabilities	<b>1,164,304</b>	1,265,190
Total liabilities	<b>7,695,942</b>	5,037,135
Deferred inflows of resources		
Related to pensions	<b>2,795,729</b>	3,286,068
Net position		
Net investment in capital assets	<b>12,726,321</b>	12,690,126
Equity in net position of affiliates		5,910,814
Unrestricted	<b>7,279,758</b>	9,242,459
Total net position	<b>20,006,079</b>	27,843,399

The restricted portion of the County's net position, \$0, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$7,279,758, may be used to meet the government's ongoing obligations to citizens and creditors.

The net position of the County, as a whole, decreased \$7,837,320 from \$27,843,399 at September 30, 2014, to \$20,006,079 at September 30, 2015.



# Bingham County, Idaho

## Management's Discussion and Analysis September 30, 2015

The following table shows the changes in net position for fiscal years 2015 and 2014.

	<b>2015</b>	2014	<b>2015</b>	2014
	<b>Governmental</b>	Governmental	<b>Business-type</b>	Business-type
	<b>Activities</b>	Activities	<b>Activities</b>	Activities
<b>Revenues</b>				
Program revenues				
Charges for services	<b>2,265,394</b>	2,035,122	<b>2,350,936</b>	2,304,520
Operating grants and contributions	<b>5,096,594</b>	5,292,121	<b>46,024</b>	113,673
General revenues				
Property taxes	<b>11,244,909</b>	11,153,723		
Public service taxes	<b>2,849,669</b>	2,605,023		
Intergovernmental revenues	<b>809,996</b>	793,688		
Earnings on investments	<b>102,817</b>	156,913		
Miscellaneous	<b>207,309</b>	11,353	<b>6,629</b>	4,980
Total revenues	<b>22,576,688</b>	22,047,943	<b>2,403,589</b>	2,423,173
<b>Expenses</b>				
General government	<b>6,600,577</b>	6,531,778		
Public safety	<b>7,965,373</b>	7,585,537		
Public works	<b>5,984,905</b>	5,570,152		
Health and sanitation	<b>2,624,270</b>	2,784,869		
Culture and recreation	<b>374,630</b>	335,114		
Education	<b>80,372</b>	79,250		
Conservation/economic development	<b>514,312</b>	539,098		
Solid waste			<b>2,081,678</b>	1,648,810
911 Emergency communication			<b>648,848</b>	579,346
Interest on long-term debt	<b>11,818</b>	6,640		
Total expenses	<b>24,156,257</b>	23,432,438	<b>2,730,526</b>	2,228,156
Revenues over (under) expenses	<b>(1,579,569)</b>	(1,384,495)	<b>(326,937)</b>	195,017
<b>Other, special items, and transfers</b>				
Earnings of affiliates		660,778		
Assignment of equity of affiliates	<b>(5,910,814)</b>			
Transfers in (out)	<b>(20,000)</b>	(20,000)		
Change in net position	<b>(7,510,383)</b>	(743,717)	<b>(326,937)</b>	195,017

Governmental activities decreased the County's net position by \$7,510,383 in fiscal year 2015 and \$743,717 in 2014.

Property taxes account for the largest revenue source for the County. Property taxes totaled \$11,244,909 and \$11,153,723 in 2015 and 2014, representing approximately 49.8% and 50.6% respectively, of total County revenues from governmental activities.

# Bingham County, Idaho

## Management's Discussion and Analysis September 30, 2015

The following table shows the County's cost of services and net cost of services for fiscal year 2015.

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<b>Governmental Activities</b>		
General government	6,600,577	5,241,603
Public safety	7,965,373	6,719,076
Public works	5,984,905	2,337,314
Health and sanitation	2,624,270	1,758,496
Culture and recreation	374,630	197,570
Education	80,372	17,286
Conservation/economic development	514,312	511,106
Interest on long-term debt	11,818	11,818
Total governmental activities	<u>24,156,257</u>	<u>16,794,269</u>
<b>Business-type Activities</b>		
Solid waste	2,081,678	195,740
911 Emergency communication	648,848	131,197
	<u>2,730,526</u>	<u>326,937</u>

Charges for services, operating grants and contributions of \$7,361,988 are received and used to fund the general government expenses of the County. The remaining \$16,794,269 in general government expenses is funded by property taxes, public service taxes, intergovernmental revenues, and other revenue sources.

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

As of September 30, 2015, the County's governmental funds reported combined ending fund balances of \$9,180,189, a decrease of \$1,449,788 in comparison with the prior year. Approximately 7.8% of this total amount, \$716,883, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending because it has already been obligated for a variety of governmental purposes.

The General Fund is the chief operating fund of the County. At September 30, 2015, unassigned fund balance of the General Fund was \$716,883, while total fund balance is \$716,883. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The fund balance of the County's General Fund decreased by \$228,535 during the current fiscal year.

# Bingham County, Idaho

Management's Discussion and Analysis  
September 30, 2015

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**Budgetary Highlights.** By state statute, the Board of County Commissioners adopts the annual operating budget for the County effective the first day of October. The budget was amended on January 29, 2015, to increase the expenditure budget for the Solid Waste Fund as the County took over operations of the Central Transfer Station from a private contractor. Total expenditure budget changes are as follows.

Personnel salaries and benefits	68,550
Capital expenditures	<u>140,000</u>
Total expenditure budget changes	<u><u>208,550</u></u>

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounts to \$12,818,749 (net of accumulated depreciation.) Capital assets include land, infrastructure, buildings, improvements other than buildings, machinery and equipment, and when applicable, construction in process.

Major capital transactions during the year were for the purchase of a 40 acre pit, caterpillar grader for road and bridge, jaw crusher, caterpillar excavator with broom attachment, eight vehicles, and two dump trucks. Additional information about the County's capital assets can be found in Note F of the financial statements.

The County has adopted an allowable alternative to reporting depreciation for its road network. Under this alternative method, referred to as the "modified approach," the County must maintain an asset management system and demonstrate that its highways and roads are being preserved at or above condition levels established by County policy. Infrastructure assets accounted for under the modified approach are not depreciated and maintenance and preservation costs are expensed.

The Bingham County Road and Bridge department manages its road network using a rating system. This system uses a measurement scale that considers the condition of the roads as denoted by pavement condition. A paved road is considered to be in "A" or "Excellent" condition when it is new, in "B" or "Good" condition when only chip seals are required, in "C" or "Fair" condition when maintenance more than chip sealing is required, in "D" or "Poor" condition when it is uneven to drive on (overlay, etc.), and in "F" or "Failed" condition when it needs gravel, shoulders, widening, etc. and in "O" condition for all others.

It is Bingham County Road and Bridge's goal to maintain at least 50% of its road network at a category level of Fair or above, and allow no more than 10% at a category level of Failed. In order to achieve a complete condition assessment of all County roads within a period of three years, condition assessments are performed on approximately one-third of the roads annually. The most recent condition assessment, completed in 2013, shows that 98.98% of the County's roads were in Fair or better condition.

Comparisons with the prior year reflected changes in assessment levels. Between the Road and Bridge and Road and Bridge – Special Projects funds, \$6,083,731 was budgeted to maintain eligible infrastructure assets and \$5,555,315 was spent.

# Bingham County, Idaho

## Management's Discussion and Analysis September 30, 2015

The costs of construction and maintenance needed to maintain and replace aging and deteriorating infrastructure are reflected in the following table.

	<u>Increased (decreased) costs for Road Departments</u>		
	<u>2015</u>	<u>2014</u>	<u>Difference</u>
Road Oil CRS2 (per ton)	429	340	89
Diesel (per gal w/o taxes)	2.14	2	.14
Gasoline (per gal w/o taxes)	1.94	2	(.06)

**Debt Administration.** At September 30, 2015 and 2014, the County had no general obligation debt outstanding. The County's long-term debt decreased by \$100,886 during the 2015 fiscal year.

	<u>2015</u>	<u>2014</u>
Compensated absences	540,695	525,213
Capital leases	92,428	191,316
Landfill closure costs	531,181	548,661
Total	<u>1,164,304</u>	<u>1,265,190</u>

Effective at the beginning of its 2015 fiscal year, the County implemented the provisions of GASB Statement No. 68, *Accounting and Reporting for Pensions* and beginning net position was restated to reflect this change in accounting. See also Note S to the financial statements for the effects of this restatement. At September 30, 2015, the County reported a liability for its proportionate share of the net pension liability in the amount of \$4,334,367 as well as related deferred outflows and inflows of resources related to pensions as described in Note E to the financial statements.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County is continuing to build and strengthen its tax base and economy not only by expanding existing businesses, but by attracting new businesses. New home construction is increasing and the County is optimistic that new subdivisions will bring new businesses and residents. Because of sound financial planning, good judgment, and restraint, County leadership has positioned itself to be able to continue to provide quality services as well as continue to work on planned capital improvements. In short, we are cautiously optimistic in our economic outlook for 2016.

### CURRENT FINANCIAL ISSUES AND CONCERNS

Bingham County is located in southeastern Idaho and serves the cities of Blackfoot, Shelley, Firth, Atomic City, Basalt and Aberdeen as well as surrounding rural unincorporated communities. Blackfoot serves as the county seat. Rich volcanic soil and access to irrigation from the Snake and Blackfoot Rivers have made Bingham County a productive agriculturally based county. Although the county economy depends heavily on agriculture, the proximity to the Idaho National Laboratory, the Fort Hall Indian Reservation and two larger cities, Idaho Falls to the north and Pocatello to the south, provide a wide variety of employment opportunities.

# Bingham County, Idaho

## Management's Discussion and Analysis *September 30, 2015*

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The population for Bingham County was estimated at 44,990 for 2015 with the average unemployment rate at 4.0%. Real and personal property tax assessments, based on net taxable value, increased from \$1,835,750,325 in 2014 to \$1,844,366,726 in 2015. Tax collections remain stable.

Government employment provides 30% of the jobs in the County because of Idaho's State Hospital South, University of Idaho Agriculture Experiment Station, local school districts, cities and Bingham County.

Major non-governmental employers in the area include Basic American Foods, Bingham Memorial Hospital, Idaho Supreme Potatoes, Nonpareil, Premier Technology, Spudnik Equipment, Wada Farms, Golden Valley Natural, Glanbia Foods, Walmart, and Shoshone Bannock Tribal Enterprises.

Golden Valley Natural began operation of a new plant in July of 2015 producing organic and natural jerky. They began production with 435 employees and have increased to 645 employees. The demand for their product has been higher than originally projected by the company. Agri-Service built its 13<sup>th</sup> store in Bingham County, opening in July 2015. The new 25,000 square foot sales and service facility is a dealership for multiple farm equipment companies.

Bingham Memorial partnered with the Idaho Kidney Institute to begin construction of a new dialysis center in Blackfoot adjacent to the Bingham Memorial Campus. The new 8,000 square foot treatment center will be dedicated to dialysis treatment for residents of Eastern Idaho. The new building is expected to be completed by fall of 2016. Premier Technology, Spudnik Equipment, and First American Title have their headquarters in Bingham County.

The County continues to maintain a healthy financial position using conservative financial management principles. County leadership has positioned itself to be able to continue to provide quality services and to work on planned capital improvements.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Pamela W. Eckhardt, Clerk, Bingham County, 501 N. Maple, Room 107, Blackfoot, Idaho 83221 (208) 782-3160.

# Bingham County, Idaho

## Government-wide Statement of Net Position September 30, 2015

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and investments	9,247,447	3,837,029	13,084,476
Receivables			
Property taxes	401,262		401,262
Intergovernmental	1,771,211		1,771,211
Other	334,372	79,715	414,087
Capital assets			
Land and infrastructure	4,096,143	99,150	4,195,293
Depreciable assets, net	7,851,632	771,824	8,623,456
	23,702,067	4,787,718	28,489,785
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	1,905,183	102,782	2,007,965
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	1,921,717	275,554	2,197,271
Noncurrent liabilities			
Due within one year			
Capital lease obligations	83,045		83,045
Compensated absences	540,695		540,695
Due in more than one year			
Pension plan payable	4,112,503	221,864	4,334,367
Capital lease obligations	9,383		9,383
Landfill closure costs		531,181	531,181
	6,667,343	1,028,599	7,695,942
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	2,652,624	143,105	2,795,729
<b>NET POSITION</b>			
Net investment in capital assets	11,855,347	870,974	12,726,321
Unrestricted	4,431,936	2,847,822	7,279,758
	16,287,283	3,718,796	20,006,079

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

Statement of Activities  
For the Year Ended September 30, 2015

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	6,600,577	971,527	387,447	
Public safety	7,965,373	595,560	650,737	
Public works	5,984,905	53,313	3,594,278	
Health and sanitation	2,624,270	609,039	256,735	
Culture and recreation	374,630	35,955	141,105	
Education	80,372		63,086	
Conservation/economic development	514,312		3,206	
Interest on long-term debt	11,818			
Total governmental activities	24,156,257	2,265,394	5,096,594	0
Business-type activities				
Solid waste	2,081,678	1,879,309	6,629	
911 emergency communications	648,848	471,627	46,024	
Total business-type activities	2,730,526	2,350,936	52,653	0
Total primary government	24,156,257	2,265,394	5,096,594	0

General revenues  
 Property taxes  
 Public service taxes  
 Grants not restricted to specific programs  
 Earnings on investments  
 Miscellaneous and contributions  
 Assignment of interest to Bingham Memorial Hospital  
 Transfers

Total general revenues

Change in net position

Net position - beginning, as restated

Net position - ending

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

## Statement of Activities For the Year Ended September 30, 2015

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
5,241,603		5,241,603
6,719,076		6,719,076
2,337,314		2,337,314
1,758,496		1,758,496
197,570		197,570
17,286		17,286
511,106		511,106
11,818		11,818
16,794,269		16,794,269
	195,740	195,740
	131,197	131,197
0	326,937	326,937
16,794,269	326,937	17,121,206
11,244,909		11,244,909
2,849,669		2,849,669
809,996		809,996
102,817		102,817
207,309		207,309
(5,910,814)		(5,910,814)
(20,000)		(20,000)
9,283,886	0	9,283,886
(7,510,383)	(326,937)	(7,837,320)
23,797,666	4,045,733	27,843,399
16,287,283	3,718,796	20,006,079

The accompanying notes are an integral part of this statement.



# Bingham County, Idaho

Balance Sheet  
Governmental Funds  
September 30, 2015

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	General	Road and Bridge	Justice
<b>ASSETS</b>			
Cash and cash equivalents	660,624	399,356	696,791
Receivables			
Property taxes	114,271	21,682	128,279
Intergovernmental	416,595	781,397	332,930
Other			
	<u>1,191,490</u>	<u>1,202,435</u>	<u>1,158,000</u>
<b>LIABILITIES</b>			
Accounts payable	374,286	410,919	189,043
	<u>374,286</u>	<u>410,919</u>	<u>189,043</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	100,321	18,177	111,619
<b>FUND BALANCE</b>			
Assigned		773,339	857,338
Unassigned	716,883		
	<u>716,883</u>	<u>773,339</u>	<u>857,338</u>
Total fund balances	<u>716,883</u>	<u>773,339</u>	<u>857,338</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>1,191,490</u>	<u>1,202,435</u>	<u>1,158,000</u>

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

Balance Sheet  
Governmental Funds  
September 30, 2015

Road and Bridge Special Projects	Payment in Lieu of Taxes	Nonmajor Funds	Total Governmental Funds
730,640	4,686,740	2,073,296	9,247,447
25,665		111,365	401,262
181,820		58,469	1,771,211
	302,939	31,433	334,372
938,125	4,989,679	2,274,563	11,754,292
420,147	283,985	243,337	1,921,717
420,147	283,985	243,337	1,921,717
22,395	302,939	96,965	652,416
495,583	4,402,755	1,934,261	8,463,276
			716,883
495,583	4,402,755	1,934,261	9,180,159
938,125	4,989,679	2,274,563	11,754,292

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2015

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Total fund balances - governmental funds	9,180,159
Amounts reported for governmental activities in the statement of net position are different due to the following items:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
The cost of the assets is \$28,326,872 and the accumulated depreciation is \$16,379,097.	11,947,775
Property taxes receivable will be collected this year but are not available soon enough to pay for the current period's expenditures, and therefore are shown as unavailable in the funds.	
	349,477
Other receivables from the PILT fund will be collected but are not available soon enough to pay for the current period's expenditures, and therefore are shown as unavailable in the funds.	
	302,939
The net pension liability and the deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position: Net pension liability is \$4,112,503, deferred inflows of resources related to pensions is \$2,652,624 and deferred outflows of resources related to pensions is \$1,905,183.	
	(4,859,944)
Liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. These liabilities at year end consisted of:	
Compensated absences	(540,695)
Capital lease obligations	(92,428)
	<hr/>
Total net position - governmental activities	<u>16,287,283</u>

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2015

<b>REVENUES</b>	General	Road and Bridge	Justice
Property taxes	3,437,053	395,922	3,706,527
Licenses and permits	181,830		84,646
Intergovernmental revenue	1,593,591	2,814,952	1,649,093
Charges for services	324,434	1,396	376,889
Fines and forfeitures			
Interest and dividend income	33,938		68,879
Miscellaneous and contributions	519,999	147,266	9,296
Total revenues	6,090,845	3,359,536	5,895,330
<b>EXPENDITURES</b>			
Current			
General government	4,187,176		
Public safety	1,578,038		5,875,451
Public works		3,443,150	
Health and sanitation	136,887		
Culture and recreation			
Education			
Conservation/economic development	320,430		
Debt service			
Principal			127,075
Interest and fees			11,818
Capital outlay	96,849	178,095	116,296
Total expenditures	6,319,380	3,621,245	6,130,640
Revenues over (under) expenditures	(228,535)	(261,709)	(235,310)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from capital leases			28,187
Operating transfers			
Revenues and other financing sources over (under) expenditures	(228,535)	(261,709)	(207,123)
Fund balance at October 1, 2014	945,418	1,035,048	1,064,461
Fund balance at September 30, 2015	716,883	773,339	857,338

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended September 30, 2015

Road and Bridge Special Projects	Payment in Lieu of Taxes	Nonmajor Funds	Total Governmental Funds
669,514		3,079,804	11,288,820
		35,870	302,346
884,890	849,996	536,571	8,329,093
16,119		520,693	1,239,531
		169,844	169,844
			102,817
16,200	29,594	505,793	1,228,148
<u>1,586,723</u>	<u>879,590</u>	<u>4,848,575</u>	<u>22,660,599</u>
	185,430	2,070,623	6,443,229
		198,293	7,651,782
1,785,091		57,103	5,285,344
		2,438,144	2,575,031
		301,344	301,344
		80,372	80,372
		191,772	512,202
			127,075
			11,818
148,979	528,287	61,901	1,130,407
<u>1,934,070</u>	<u>713,717</u>	<u>5,399,552</u>	<u>24,118,604</u>
<u>(347,347)</u>	<u>165,873</u>	<u>(550,977)</u>	<u>(1,458,005)</u>
			28,187
		<u>(20,000)</u>	<u>(20,000)</u>
(347,347)	165,873	(570,977)	(1,449,818)
842,930	4,236,882	2,505,238	10,629,977
<u>495,583</u>	<u>4,402,755</u>	<u>1,934,261</u>	<u>9,180,159</u>

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

## Reconciliation of the Governmental Funds Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities September 30, 2015

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Total net change in fund balances - governmental funds	(1,449,818)
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Amounts reported for governmental activities in the statement of activities are different due to the following:

Capital outlays are reported in governmental funds 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 depreciation expense of \$1,129,461 exceeded capital outlays of \$904,749 in the current period. (224,682)

Because some property taxes and a receivable from BURA will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues in the governmental funds. Unavailable tax revenues increased by \$43,911 this year and collections on the BURA receivable were \$40,000. (83,911)

In the statement of activities, certain operating expenses - compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This year vacation leave earned exceeded vacation leave used by this amount. (15,482)

The pension benefits are reported in the governmental funds when paid but in the Statement of Activities when earned. The change in the pension liability is \$(1,847,632). The change in deferred outflows of resources related to pensions is \$1,457,828. The change in deferred inflows of resources related to pensions is \$465,240. 75,436

Repayment of capital lease obligations of \$127,075 is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, proceeds from capital lease obligations of \$28,187 is an other financing source in the governmental funds, but it increases long-term liabilities in the statement of net position. 98,888

The assignment of the County's interests in its unconsolidated affiliates is a decrease in its equity in net position of affiliates and does not the net change in fund balances. (5,910,814)

Total change in net position - governmental activities	<u><u>(7,510,383)</u></u>
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The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

Statement of Net Position  
Proprietary Funds  
September 30, 2015

	Solid Waste	911 Emergency Communication	Total Proprietary Funds
<b>ASSETS</b>			
Cash and cash equivalents	2,307,301	1,529,728	3,837,029
Receivables	44,440	35,275	79,715
Capital assets			
Land	99,150		99,150
Depreciable assets, net	<u>771,824</u>		<u>771,824</u>
Total assets	<u>3,222,715</u>	<u>1,565,003</u>	<u>4,787,718</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>102,782</u>		<u>102,782</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	224,238	51,316	275,554
Noncurrent liabilities			
Pension plan payable	221,864		221,864
Landfill closure costs	<u>531,181</u>		<u>531,181</u>
Total liabilities	<u>977,283</u>	<u>51,316</u>	<u>1,028,599</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>143,105</u>		<u>143,105</u>
<b>NET POSITION</b>			
Invested in capital assets, net position	870,974		870,974
Unrestricted	<u>1,334,135</u>	<u>1,513,687</u>	<u>2,847,822</u>
Total net position	<u><u>2,205,109</u></u>	<u><u>1,513,687</u></u>	<u><u>3,718,796</u></u>

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

Statement of Revenues, Expenditures, and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended September 30, 2015

	Solid Waste	911 Emergency Communication	Total Proprietary Funds
<b>OPERATING REVENUES</b>			
Operating grant from the State of Idaho		46,024	46,024
Charges for services	1,879,309	471,627	2,350,936
Rental and other income	6,629		6,629
	<u>1,885,938</u>	<u>517,651</u>	<u>2,403,589</u>
<b>OPERATING EXPENDITURES</b>			
Salaries and wages	505,999		505,999
Employee benefits	211,246		211,246
Line charges		117,874	117,874
Subcontractor and other disposal costs	1,052,636		1,052,636
Maintenance and other vehicle costs	87,294	99,326	186,620
Supplies and other operating expenses	181,151	431,648	612,799
Landfill closure costs	(17,480)		(17,480)
Depreciation	60,832		60,832
	<u>2,081,678</u>	<u>648,848</u>	<u>2,730,526</u>
Revenues over (under) expenditures	<u>(195,740)</u>	<u>(131,197)</u>	<u>(326,937)</u>
Revenues and other financing sources over (under) expenditures	(195,740)	(131,197)	(326,937)
Net position at October 1, 2014, as restated	<u>2,400,849</u>	<u>1,644,884</u>	<u>4,045,733</u>
Net position at September 30, 2015	<u><u>2,205,109</u></u>	<u><u>1,513,687</u></u>	<u><u>3,718,796</u></u>

The accompanying notes are an integral part of this statement.



# Bingham County, Idaho

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2015

	Solid Waste	911 Emergency Communication	Total Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers and users	1,886,890	473,321	2,360,211
Cash payments for personnel costs	(721,314)		(721,314)
Cash payments for services and supplies	(1,229,138)	(676,271)	(1,905,409)
Other operating revenues	6,629	46,024	52,653
Net cash provided (used) by operations	<u>(56,933)</u>	<u>(156,926)</u>	<u>(213,859)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	<u>(222,821)</u>		<u>(222,821)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>0</u>	<u>0</u>	<u>0</u>
Net increase in cash and cash equivalents	(279,754)	(156,926)	(436,680)
Cash at beginning of year	<u>2,587,055</u>	<u>1,686,654</u>	<u>4,273,709</u>
Cash and cash equivalents at end of year	<u><u>2,307,301</u></u>	<u><u>1,529,728</u></u>	<u><u>3,837,029</u></u>

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2015

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	<u>Solid Waste</u>	<u>911 Emergency Communication</u>	<u>Total Proprietary Funds</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	(195,740)	(131,197)	(326,937)
Depreciation expense	60,832		60,832
(Increase)/decrease in assets			
Receivables	7,581	1,694	9,275
Change in deferred outflows of resources	(78,648)		(78,648)
Increase/(decrease) in liabilities			
Accounts payable	91,943	(27,423)	64,520
Pension plan payable	99,678		99,678
Landfill closure costs	(17,480)		(17,480)
Change in deferred inflows of resources	(25,099)		(25,099)
Net cash flows from operating activities	<u>(56,933)</u>	<u>(156,926)</u>	<u>(213,859)</u>

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

Statement of Net Position  
Fiduciary Funds  
September 30, 2015

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	Private Purpose Trust Funds	Agency Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	2,960,371	370,683
Receivables		538,150
	<u>                    </u>	<u>                    </u>
Total assets	<u>2,960,371</u>	<u>908,833</u>
<b>LIABILITIES</b>		
Accounts and other payables	464,826	370,166
Payable to taxing districts		538,667
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>464,826</u>	<u>908,833</u>
<b>NET POSITION</b>		
Held in trust for individuals, organizations, and other governments	<u>2,495,545</u>	<u>0</u>

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

Statement of Changes in Net Position  
Fiduciary Funds - Private Purpose Trust Funds  
For the Year Ended September 30, 2015

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**ADDITIONS**

Licenses and permits	1,582,110
Intergovernmental revenue	12,984
Charges for services	174,358
Fines and forfeitures	278,462
Miscellaneous and contributions	<u>3,254,372</u>
Total additions	<u>5,302,286</u>

**DEDUCTIONS**

Trust remittance and other deductions	<u>4,967,745</u>
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**TRANSFERS FROM (TO) OTHER FUNDS**

20,000

Change in net position 354,541

Net position - October 1, 2014 2,141,004

Net position - September 30, 2015 2,495,545

The accompanying notes are an integral part of this statement.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bingham County (the County) is organized and operates under the provisions of the Idaho Constitution and the accounting policies and practices of the County conform to accounting principles generally accepted in the United States of America as applied to governments.

1. General. The financial statements listed in the table of contents have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the GASB issued and approved Statements No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* and GASB Statement No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus*. These statements establish new financial reporting requirements for state and local governments, public colleges, and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Certain significant changes in the statement include the following:

- Financial statements are prepared using the full accrual accounting method for all County activities.

The County's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial position.

2. Reporting Entity. The scope of the reporting entity is intended to cover those funds under the direct jurisdiction of the governing boards, elected or appointed, that exercise substantial or total administrative and supervisory authority in their name and are considered to be substantially autonomous from Bingham County government. In addition, the County receives and disburses money from various agency accounts held for other entities. These accounts are maintained for others only in fiduciary funds and beyond that are not included in this report.
3. Government-Wide and Fund Financial Statements. The County's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the County as a whole, while the fund statements focus on individual funds.

### *Government-Wide Financial Statements*

The government-wide statements present information on all non-fiduciary activities of the government. The County's activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Statement of Net Position presents the County's non-fiduciary assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Net position is restricted when constraints placed upon it are either externally imposed or are imposed by constitutional provisions or enabling legislation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The County does not allocate general government (indirect) expenses to other functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

### *Fund Financial Statements*

The financial transactions of the County are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for governmental, proprietary, and fiduciary funds. For governmental and proprietary funds, the emphasis is on major funds, with each displayed in a separate column.

The County reports the following major governmental funds:

- *General Fund* - The fund is the principal operating fund of the County. It is used to account for all financial resources not required to be accounted for in another fund.
- *Road and Bridge* - This fund accounts for maintenance of County roads and bridges, and is funded primarily from State Highway User revenue as well as from general property tax revenues.
- *Justice Fund* – This fund accounts for law enforcement activities of the County. It is funded primarily from general property tax revenues, prisoner housing, and grants.
- *Road and Bridge – Special Projects* – This fund accounts for the maintenance and replacement of County roads and bridges and is primarily funded from State Highway User revenue as well as from general property tax revenues.
- *PILT Fund* - This fund accounts for internal restrictions of funds accumulated for County contingencies and future capital expansion of facilities or other capital projects. It is funded by federal “payment in lieu of taxes” revenues.

The remaining governmental funds are considered to be non-major funds and are consolidated in a non-major funds column (on the combined fund statements). The non-major funds are displayed individually in combining schedules.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Governmental Fund Types. Governmental funds account for the County's general activities including current expendable financial resources (except for those accounted for in proprietary funds), and are those through which most governmental functions of the County are financed. The following are the County's governmental fund types:

*General Fund* – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds* – Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specific purposes.

*Capital Projects Funds* – Capital Projects Funds are used to account for the financial resources used to acquire major capital assets (other than those financed by proprietary funds). The County currently has no capital projects funds.

*Debt Service Funds* – Debt Service Funds are used to account for the accumulation and disbursement of resources used for the repayment of general long-term debt principal, interest, and related costs. The County currently has no debt service funds.

5. Proprietary Fund Types – Enterprise Funds. Enterprise Funds account for operations that meet one of two criteria: 1) the activity runs in a manner similar to private business enterprises. Moreover, the intent of the governing body is that the ongoing operating costs (including depreciation) of providing goods or services to the public are financed or recovered primarily through user charges, or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The County currently has the following major enterprise funds:

- *Solid Waste Fund* - This fund accounts for the transfer of solid waste and landfill operations of the County. It is funded primarily from user fees.
- *911 Emergency Communication* - This fund accounts for the operation of emergency communications as primarily funded by charges to land-line and cell phone users.

6. Fiduciary Fund Types. Fiduciary Funds account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. The reporting focus is on net position and changes in net position.
7. Trust and Agency Funds. Expendable Trust Funds account for funds held in a trustee capacity. The accounting is essentially the same manner used for governmental funds. Agency funds are purely custodial in nature.
8. Measurement Focus / Basis of Accounting. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property taxes are recognized as revenues in the year for which they are levied. Other revenues are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The proprietary and fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating items, such as interest expense and investment earnings, result from non-exchange transactions or ancillary activities.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

9. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balances/Net Position. Following are the County's significant policies regarding recognition and reporting of certain assets, liabilities, and equity.

*Cash and Investments.* Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term investments with original maturities of three months or less from the purchase date. Investments include pooled investments and certificates of deposit with original maturities greater than three months.

*Receivables.* Receivables include amounts due from other governments, and miscellaneous receivables. Receivables from other governments are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

*Taxes Receivable.* Taxes receivable includes current and delinquent property taxes receivable as well as interest and penalties on the delinquent property taxes receivable. Property taxes are levied in September of each year and become payable on December 20 and June 20 of the following year for real property taxes and December 20 for personal property taxes.

Property taxes attach as an enforceable lien as of December 20 following levy in September. Therefore, no amount has been set aside for an allowance of doubtful accounts. Property taxes not collected before December 1, 2014, are classified as deferred revenue.

*Deferred Outflows / Inflows of Resources.* In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.



# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

*Deferred Outflows / Inflows of Resources - continued.* The County has one type of item, which arises only under the accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item Deferred Outflow of Resources Related to Pensions is reported in the government-wide Statement of Net Position. This amount is deferred and recognized as an outflow of resources in the period that the amounts become available.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County only has two types of items, one which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second relates to the difference between projected and actual investment returns on the funds invested in the PERSI pension plan and is reported in the government-wide Statement of Net Position. The amount is deferred and recognized as an inflow of resources in the period that the amounts became available.

*Capital Assets.* The County defines a capital asset as an asset with an initial cost of \$10,000 or more for equipment, \$50,000 or more for land and buildings, \$250,000 or more for infrastructure and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date of donation.

Capital assets purchased in governmental funds are recorded as expenditures in the governmental fund statements; however, interest expense for capital asset construction related to governmental activities is not capitalized. Interest expense incurred during construction of capital assets related to business-type activities is capitalized. The costs 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.

Building, equipment, infrastructure, and other depreciable assets are depreciated using the straight-line method over estimated useful lives from 5 to 70 years. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

In June 1999, the Government Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in government's basic financial statements. Phase 2 governments, those with total annual revenues of \$10,000,000 up to \$100,000,000, should retroactively report all major general infrastructure assets for fiscal years beginning after June 15, 2006. In accordance with GASB Statement No. 34, the County has included the value of all major infrastructure capitalized since 1980 beginning with the 2006 – 2007 basic financial statements.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The County has adopted an allowable alternative to reporting depreciation for its roads network. Under this alternative method, referred to as the “modified approach,” the County must maintain an asset management system and demonstrate that its roads are being preserved at or above condition levels established by County policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

*Long-term Obligations.* In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized as expenditures in the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The face amount of debt issued is reported as other financing sources.

*Net Position/Fund Balances.* The difference between assets plus deferred outflows and liabilities plus deferred inflows is reported as net position on the government-wide, proprietary fund, and fiduciary fund statements, and reported as fund balance on the governmental fund statements.

10. Budgets and Budgetary Accounting. The Idaho Constitution and the Idaho Department of Revenue and Taxation prescribe the budget process and procedures for governmental subdivisions. Bingham County has satisfied the basic requirements prescribed in the following particulars:

- 1) Formulation of subsequent year budget requirements by internal County officers and personnel;
- 2) Perusal of formulated budgets by the County Commissioners and its clerk;
- 3) Presentation of preliminary and final budget requirements in formal news media of the County;
- 4) Open hearings to permit taxpayer input before such budgets are formally adopted;

Subsequent control budgets following adoption are accomplished through a budget-expenditures control system with interim status accounting and reporting made available to officers and employees for management purposes. Budgets are adopted on a cash basis of accounting. The County does not maintain a formal encumbrance accounting system.

11. Compensated Absences and Post-Employment Benefits. Accumulated unpaid vacation and other employee benefits are accrued when incurred in proprietary funds on the accrual basis of accounting. Such amounts are not accrued in governmental funds on the modified accrual basis of accounting. At September 30, 2015, unrecorded fund liabilities included approximately \$525,213 of total leave time accumulations and are considered normal to the County operation.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Vacation and compensatory leave are recorded as an expenditure when used in governmental funds and as an expense when earned in proprietary funds and in the government-wide statements. A liability for unused vacation and compensatory leave is recorded in the government-wide Statement of Net Position.

12. 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 (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 payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
13. Revenues and Expenditures / Expenses. Under the modified accrual basis of accounting, revenues are recognized in governmental funds when "measurable and available". Revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Bingham County considers property tax revenues to be "available" if they are collected within 60 days after year-end. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues, including sales taxes, are considered to be available if they are collected within 30 days of the fiscal year-end. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

In proprietary funds and government-wide statements, revenues are recognized when earned.

14. Expenditures / Expense Recognition. In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisition and construction are reported as expenditures in the period they are acquired.

In proprietary funds and government-wide statements, expenses are recorded when the related liability is incurred.

Proprietary funds distinguish operating revenues and expenses as the revenues and expenses generally resulting from provision of services in connection with an operation. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

When an expenditure or expense is incurred for purposes for which both restricted and unrestricted resources are available, the County generally uses restricted resources first, then unrestricted resources.

15. Interfund Activity and Balances. In general, eliminations have been made to minimize the double-counting of internal activity. In the government-wide statements, there were no interfund receivables or payables as of September 30, 2015. During 2015, there were no transfers between governmental and business-type activities.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

15. Interfund Activity and Balances – continued. For the Governmental Fund Statements inter-fund transactions for goods and services provided and used are reported as revenues and expenditures/expenses in the funds involved. Cash transfers between funds of the County are reported as other financing sources and uses in the governmental fund statements.
16. Non-spendable and Spendable Fund Balances. Fund balance is separated into non-spendable and spendable fund balances. Non-spendable fund balance includes amounts that cannot be spent because they are either: (1) not in spendable form or (2) legally or contractually required to be maintained intact. Spendable amounts are classified into restricted, committed, assigned, and unassigned. The following is a list of non-spendable and spendable fund balance designations for Bingham County:
- Non-spendable:* Fund balances associated with inventories, prepaids, long-term loans, notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- Restricted:* Fund balances that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed:* Fund balances that can be used only for the specific purposes determined by a formal action of the Board of County Commissioners (the County's highest level of decision-making authority).
- Assigned:* Fund balances that are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned:* Fund balances that include all spendable amounts not contained in the other classifications.
17. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.
18. Change in Accounting Principle. Bingham County adopted the provisions of the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These statements establish new requirements for the County to report a net pension liability (asset) for the unfunded (overfunded) portion of its pension plans and deferred outflows of resources and deferred inflows of resources to the pension plans.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

## NOTE B CASH AND INVESTMENTS

Cash deposits and investments reported by the County Treasurer (including \$2,000 petty cash) as of September 30, 2015, totaled \$16,415,530, of which \$10,559,093 represented demand deposits and simple time certificates of deposits, \$5,822,639 represented investments in government backed securities, investment certificates of deposits, and mortgage-backed securities, and \$33,798 represented deposits in the State of Idaho Local Government Investment Pool. Of the total deposits for the County, \$13,084,476 was allocated to governmental funds.

The County follows the requirements of the Idaho Public Depository Law (Idaho Code Section, Title 57-100), and applicable investment rights and restrictions cited by Idaho Code Section, Title 67, 67-1210.

### Deposits

At year end, the carrying amount of the County's deposits with financial institutions was \$10,559,093 and the bank balance was \$10,369,407. The amount not covered by FDIC insurance was \$8,850,799. As of September 30, 2015, County funds in demand deposits were collateralized with the Federal Reserve to \$1,518,608.

### Investments

The carrying value of the County's investments at year end was \$5,856,438 and the fair value was \$6,013,316. The amount not covered by insurance was \$5,013,316.

The County invests in the Local Government Investment Pool (LGIP) through the Idaho State Treasurer. All funds are invested by the Idaho State Treasurer's office in accordance with Sections 67-1210 and 67-1210A of the Idaho Code. All investments for the LGIP are collateralized with securities held by the LGIP's safekeeping agent in the LGIP's name. The investments held by the LGIP are carried at cost, which is not materially different than fair value (determined by the Idaho State Treasurer's office). The investments are subject to risk from market and interest rate fluctuations. The County does not have a written policy addressing credit risk, custodial credit risk, or interest risk.

At year end, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>&lt; 1 year</u>	<u>1 – 5 years</u>	<u>&gt; 5 years</u>	<u>Rating</u>
Federal Farm Credit	965,161		200,018	765,143	AA+/Aaa/AAA
FHLMC	457,977			457,977	AA+/Aaa/AAA
FNMA	1,245,209		959,467	285,742	AA+/Aaa/AAA
FHLB	2,855,908		625,029	2,230,879	AA+/Aaa
State Investment Pool	33,841	33,841			N/A
TVA	110,005			110,005	AA+/Aaa/AAA
Certificates of Deposit	345,215		245,215	100,000	N/A
Total Investments	<u>6,013,316</u>	<u>33,841</u>	<u>2,029,729</u>	<u>3,949,746</u>	

## NOTE C INTERFUND TRANSFERS

Inter-fund transfers for the year ended September 30, 2015, consisted of one transfer from the Ambulance Fund to the Ambulance Vehicle Trust Fund in the amount of \$20,000. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

## NOTE D CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance 10-1-2014	Additions	Deletions	Balance 9-30-2015
Capital assets, not being depreciated				
Land	1,885,064	66,400		1,951,464
Infrastructure	2,243,829			2,243,829
Total capital assets, not being depreciated	4,128,893	66,400	0	4,195,293
Capital assets, being depreciated				
Infrastructure	3,041,625			3,041,625
Buildings and improvements	8,670,313			8,670,313
Machinery and equipment	13,020,136	1,061,200	(400,916)	13,680,420
Total capital assets, being depreciated	24,732,074	1,061,200	(400,916)	25,392,358
Less accumulated depreciation for				
Infrastructure	(573,108)	(60,832)		(633,940)
Buildings and improvements	(4,872,318)	(218,976)		(5,091,294)
Machinery and equipment	(10,534,099)	(910,485)	400,916	(11,043,668)
Total accumulated depreciation	(15,979,525)	(1,190,293)	400,916	(16,768,902)
Total capital assets, being depreciated, net	8,752,549	(129,093)	0	8,623,456
Governmental activity, capital assets, net	12,881,442	(62,693)	0	12,818,749

Depreciation expense was charged to current function of the primary government as follows:

<u>Governmental activities</u>	
General government	217,332
Public safety	313,591
Public works	504,233
Health, welfare, and sanitation	49,239
Culture and recreation	42,956
Conservation and economic development	2,110
Total governmental activities	1,129,461
 <u>Business-type activities</u>	
Solid waste (health and sanitation)	60,832
Total primary government	1,190,293

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE E PENSION PLAN

### *Plan Description*

The 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](http://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 at 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.

Employee membership data related to the PERSI Base Plan, as of June 30, 2015, was as follows:

Active system members	67,008
Terminated and vested members	11,859
Retirees and beneficiaries	<u>42,657</u>
Total system members	<u><u>121,524</u></u>

### *Pension Benefits*

The Base Plan provides retirement, disability, death, and survivors 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.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

**NOTE E PENSION PLAN, continued**

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 September 30, 2015, it was 6.79% and 8.36% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The County's contributions were \$1,043,636 for the year ended September 30, 2015.

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

At September 30, 2015, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County proportion of the net pension liability was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2015, the County's proportion was .3291498 percent.

For the year ended September 30, 2015, the County recognized pension expense of \$863,727. At September 30, 2015, the 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		519,598
Changes in assumptions or other inputs	1,753,019	
Net difference between projected and actual earnings on pension plan investments		2,276,131
County contributions subsequent to the measurement date	254,946	
Total	2,007,965	2,795,729

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date of \$254,946 will be recognized as a reduction of the net pension liability in the year ending September 30, 2015.

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, 2014, the beginning of the measurement period ended June 30, 2015, is 5.5 years.

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

Year ended June 30:	
2016	(444,615)
2017	(444,615)
2018	(444,615)
2019	332,712
2020	(31,578)



# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE E PENSION PLAN, continued

### *Actuarial Assumptions*

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

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

An experience study was performed in 2012 for the period July 1, 2007, through June 30, 2011, which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009, through June 30, 2013. The Total Pension Liability as of June 30, 2015, is based on the results of an actuarial valuation date of July 1, 2015.

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 rates or 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.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

**NOTE E**      **PENSION PLAN**, continued

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2014.

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
Core Fixed Income	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Russell 3000	55.00%	6.90%
Developed Foreign Equities	MSCI ACWI ex USA	15.00%	7.55%
Assumed Inflation–Mean			3.25%
Assumed Inflation–Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Standard Deviation			13.34%
Portfolio Long-Term Expected	Geometric Rate of Return		7.50%
Assumed Investment Expenses			0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			7.10%

*Discount Rate*

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

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	10,556,944	4,334,367	(838,880)

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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**NOTE E PENSION PLAN, continued**

*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](http://www.persi.idaho.gov).

*Payables to the Pension Plan*

At September 30, 2015, the County reported no payables to the defined benefit pension plan.

**NOTE F 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.

The County funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in fixed annuity contracts administered by PEBSCO Deferred Compensation Plan Administrator.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

**NOTE G LITIGATION AND CONTINGENT LIABILITIES**

Various claims and lawsuits are pending against the County. These claims and lawsuits are presently handled by the County's insurance company and the probability of potential loss in excess of insurance coverage is remote.

**NOTE H DEFICITS AND INTERFUND TRANSACTIONS**

As of September 30, 2015, in the governmental fund statements there were no deficits. As of September 30, 2015, in the governmental fund statements, there were no inter-fund receivables.

**NOTE I RELATED PARTY TRANSACTIONS**

The County has not been directly involved in related party transactions that would violate the Idaho Code or Federal Regulations.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

## NOTE J LONG-TERM DEBT

### Long-term Obligation Activity:

General long-term obligations of the County include capital leases. During the year ending September 30, 2015, the following changes occurred in long-term debt:

	Balance 10/01/2014	Additions	Reductions	Balance 09/30/2015	Amounts due within one year
Governmental activities	525,213	15,482		540,695	540,695
Compensated absences	191,316	28,187	(127,075)	92,428	83,044
Capital leases	548,661		(17,480)	531,181	
Landfill closure costs					
<b>Total governmental activities</b>	<b>1,265,190</b>	<b>43,669</b>	<b>(144,555)</b>	<b>1,164,304</b>	<b>623,739</b>

### Landfill Post Closure Costs

Bingham County recalculated their post closure care testing liability for the Fielding, Aberdeen, and Rattlesnake Landfills during the 2015 fiscal year which resulted in a decrease of \$17,480.

### Capital Leases

Capital equipment leases are arranged through lease financing agreements with Ford Motor Credit Company. The arrangements provide for an initial down payment with annual payments varying from three to four years and interest ranging from 5.95% to 6.45%. These agreements provided current-year additions to long-term obligations, valued at cost, and totaling \$28,187. All additions to capital equipment are financed through current revenues.

The schedule below is an analysis of assets under capital leases as of September 30, 2015:

	Governmental Activities	Capital Assets Under Capital Leases
Machinery and equipment	270,829	270,829
<b>Total capital leases</b>	<b>270,829</b>	<b>270,829</b>

Obligations of governmental activities under capital leases as of September 30, 2015, were as follows:

Year Ended September 30	Governmental Activities		
	Principal	Interest	Total
2016	83,045	5,669	88,714
2017	9,383	610	9,993
<b>Total</b>	<b>92,428</b>	<b>6,279</b>	<b>98,707</b>

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## **NOTE K CLOSURE AND POSTCLOSURE CARE COSTS**

Idaho IDAPA 16, Title 01, Chapter 6 and federal regulations require the Bingham County solid waste landfills to place a final cover on its solid waste landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste. The Fielding landfill with estimated monitoring costs of \$279,680 was closed at the beginning of the 2003 fiscal year. Aberdeen landfill is estimated to last approximately 60-80 years, an increase from an estimated 30 years, with projected closing costs of \$9,831 and post closure costs of \$72,760. The Rattlesnake landfill opened in 2003 and has an estimated life of approximately 140 years, with projected closing costs of \$19,510 and post closure cost of \$149,400. The Central Transfer Station is operated on an in and out basis with no waste accumulating; therefore it is estimated to have an indefinite life, but estimated costs of closure and post closure care are \$0. The Bingham County solid waste landfill will recognize the remaining estimated cost of closure and post closure care as the remaining estimated capacity is filled. The estimated liability is based on what it would cost to perform all closure and post closure care of the current site in 2014 dollars. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Final cover will be put on portions of the landfill when they are ready for closure to reduce the final cover costs when the landfill is closed.

The Bingham County solid waste landfills are not required to fund contributions to a trust to finance closure and post closure care. The County may find that funding requirements may be inadequate or that additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) and these costs may need to be covered by charges to future landfill users or from tax revenue.

## **NOTE L BLACKFOOT URBAN RENEWAL AGENCY AGREEMENT**

On May 24, 2005, the County entered into an agreement with the Blackfoot Urban Renewal Agency. The County purchased 25.22 acres of property located near Blackfoot, Idaho, on West Bridge Street near the Snake River and transferred the title to the Blackfoot Urban Renewal Agency with the understanding that it would be used for the development of a technology industrial park. The Agency agreed to pay annually to the County an amount of money equal to the property tax revenue of a subdivision located in the Parkway-Meridian Urban Renewal Area during such time that the Parkway-Meridian Urban Renewal area exists. In addition, the Agency also agreed to pay annually to the County an amount equal to the personal property tax revenue the County would normally receive each year on the personal property located within the Riverview Industrial Park until such time as the total amount expended is equal to the amount the County paid for the property or until such time as the Riverview Urban Renewal Area is terminated. As of September 30, 2015, the balance of the note receivable was \$302,939. Revenue will be recognized under the cost recovery method as payments are received. The remaining receivable balance will be reflected in the liability section as deferred revenue.

## **NOTE M RESTRICTED AND ENCUMBERED FUND BALANCES**

As of September 30, 2015, there were no restricted or encumbered fund balances.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## **NOTE N HOSPITAL LEASE AND TRANSFER AGREEMENT**

Due to an Idaho State Supreme Court decision that prevents any government entity from issuing debt without voter approval, Bingham Memorial Hospital, a former component unit of Bingham County, transitioned from a county hospital to a nonprofit hospital. During the year ended June 30, 2007, BMH, Inc. (BMH) was incorporated as an Idaho nonprofit corporation in accordance with Section 501(c)(3) of the Internal Revenue Code. A hospital lease and transfer agreement between the County and BMH was executed on June 22, 2007. Under the terms of the Agreement and in compliance with Idaho Code Section 31-3513A, the County is leasing the hospital to BMH, effective July 1, 2007, and ending June 30, 2106. Under the provisions of this lease, BMH is leasing all facilities, operations, operating assets, acquired assets, charitable assets, and the offsetting liabilities at a rate of \$1 per year for 99 years. In addition, the County's ownership interest in Bingham Land, LLC was transferred to BMH.

In conjunction with the Agreement, there was a liquid assets transfer agreement between the County and BMH that was effective July 1, 2007. The liquid assets transfer agreement stipulates three types of payments due from BMH to the County for consideration of the liquid assets transferred under the Agreement. The first of these payments was a \$150,000 payment due annually beginning July 1, 2008. The second payment was an amount equal to 5% of the "Excess of Revenues over Expenses" per BMH's audited financial statements, with a maximum payment of \$150,000 each year. This payment must be made within 150 days of each December 31 year-end, the new fiscal year-end of BMH, beginning with the year ending December 31, 2007. The final payment due from BMH to the County was related to indigent care claims, which were passed through to BMH. BMH was to reimburse the County up to \$150,000 per year for these payments. During 2015, an assignment and assumption agreement was entered in by the parties to the Agreement and the above terms were modified as described in the following paragraph.

Effective on August 25, 2015, Bingham County, Idaho and BMH, Inc. entered into an assignment and assumption agreement, whereby the County assigned its interests in CMRGO and DHHS to BMH. The parties further agreed that the real property and improvements which are owned by CMRGO shall be added to and be considered part of the original facilities under the hospital lease and transfer agreement. In consideration of such assignment and assumption a new payment structure was determined to be one annual payment not to exceed one-half of one percent (½%) of BMH's annual net patient service revenue with a minimum fixed amount of \$400,000 plus up to \$100,000 for indigent care expense reimbursement. One effect of the above on the fiscal year ended September 30, 2015 government-wide statement of net position is that the investment in affiliates and the related equity in net position of affiliates no longer exists as the ownership was transferred to MBH and the existing assets are now considered part of the assets subject to the hospital lease.

Complete financial statements of BMH, Inc., known as Bingham Memorial Hospital, can be obtained from their administrative office at 98 Popular Street, Blackfoot, Idaho 83221.

## **NOTE O MATERIAL VIOLATION OF FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS**

There are no known violations of direct finance-related legal and contractual provisions.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE P INVESTMENTS IN UNCONSOLIDATED AFFILIATES

The County owned interests in two entities which have some relationship to the existing and future operations of Bingham Memorial Hospital. The ownership interests in CMRGO, LLC (CMRGO) and Doctors and Hospital Health System of Idaho LLC (DHHS) were previously booked by the County as investments under the equity method.

The table below sets forth the carrying values of the County's equity investments in CMRGO and DHHS, the County's share of their earnings or losses and the distributions received, as of and for the year ended September 30, 2015. The County accounts for its investment in unconsolidated affiliates by the equity method. The County records its share of such earnings (loss) in the Statement of Activities as "Equity in earnings of affiliates" and the carrying value of the County's investment in commercial entities is recorded in the Statement of Net Position as "Equity in net position of affiliates".

	<u>CMRGO</u>	<u>DHHS</u>	<u>Total</u>
Equity in net position of affiliates, 09/30/2014	2,105,477	3,805,337	5,910,814
2015 Equity in earnings of affiliates			
Assignment of interest to BMH	<u>2,105,477</u>	<u>3,805,377</u>	<u>5,910,814</u>
Equity in net position of affiliates, 09/30/2015	<u>0</u>	<u>0</u>	<u>0</u>

Even though the above equity interests were specifically excluded from the hospital lease and transfer agreement, the Agreement stipulated that distributions from CMRGO and DHHS to the County will be paid to BMH, and BMH will pay any obligations the County has to CMRGO and DHHS. As noted above, effective August 25, 2015, Bingham County, Idaho and BMH, Inc. entered into an assignment and assumption agreement, whereby the County assigned its interests in CMRGO and DHHS to BMH.

## NOTE Q JOINT VENTURE AGREEMENT

In October 2004, Bingham County, Bonneville County, the City of Shelley, and the City of Ammon entered into a joint powers agreement to provide joint financing, design, acquisition, construction, management, and operation of a regional sewage treatment and disposal facility. A separate legal entity, Eastern Idaho Regional Wastewater Authority, was created. It is governed by a board made up of representatives from each of the members of the joint powers agreement. Assets acquired by the members of the joint powers agreement for the Eastern Idaho Regional Wastewater Authority during the construction phase are donated to the Authority as that phase becomes operational.

The Board of the Eastern Idaho Regional Wastewater Authority assesses and collects from each participating member debt service fees, discharge/hookup fees, operation and maintenance fees, and fees to pay for costs in excess of defined equivalent residential unit (ERU) allocations each year. Each member must collect, as a minimum, debt service fees, discharge/hookup fees, and operation and maintenance fees established by the board and remit them to the Authority. Each member may also establish its own minimum operation and maintenance fees and discharge/hookup fees in addition to those determined by the board. Each member of the joint powers agreement pays a percentage of the repair, operation, and maintenance of the facility and transmission lines.

# Bingham County, Idaho

Notes to Financial Statements  
September 30, 2015

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## NOTE Q JOINT VENTURE AGREEMENT, continued

In the event of a federal, state, or local court action concerning the facility, each member will assume responsibility for such litigation in a direct proportion to the percentage of use of the system. If the facility needs to expand in the future and the Authority does not have adequate funds in their reserve fund accumulated from the discharge/hookup fees, each member of the joint powers agreement will pay additional funds necessary to construct and complete the next phase of the development of the facility.

During the 2009 – 2010 fiscal year, the facility began accepting flow from the City of Shelley, Bonneville County, and Bingham County. The Eastern Interceptor line was completed during the 2012 fiscal year and the Authority began accepting flow from the City of Ammon.

The Eastern Idaho Regional Waste Water Authority has a fiscal year end of September 30. Financial statements are available at: Eastern Idaho Regional Waste Water Authority, 618 East 1250 North, Shelley, Idaho 83274.

## NOTE R RISK MANAGEMENT

The County is exposed to a considerable number of risks of loss, including: (a) damage to and loss of property and contents; (b) employee torts; (c) professional liability, i.e. errors and omissions; (d) environmental damage; (e) workers' compensation, i.e. employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risks of loss, except for relatively small deductible amounts, are purchased for property and content damage, employee torts, and professional liabilities. In addition, funds are being accumulated in the Tort Fund as a contingency. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## NOTE S PRIOR YEAR RESTATEMENT

As a result of the implementation of GASB Statement No. 68, the governmental activities beginning net position was restated to subtract the beginning net pension liability for PERSI by \$2,387,057 and to add deferred outflows of resources of \$471,489 and subtracting deferred inflows of resources of \$3,286,068 resulting in a restated balance of \$27,843,399 as follows:

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Beginning net position, as originally stated	28,733,046	4,311,989	33,045,035
Adjust beginning net pension liability	(2,264,871)	(122,186)	(2,387,057)
Adjust beginning deferred outflows of resources	447,355	24,134	471,489
Adjust beginning deferred inflows or resources	(3,117,864)	(168,204)	(3,286,068)
Beginning net position, as restated	<u>23,797,666</u>	<u>4,045,733</u>	<u>27,843,399</u>

The only business-type activity affected with the implementation of GASB Statement No. 68 was the solid waste fund.



# Bingham County, Idaho

Notes to Financial Statements  
*September 30, 2015*

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## **NOTE T      SUBSEQUENT EVENTS**

Management of the County evaluated subsequent events through June 29, 2016, which was the date the financial statements were available to be issued. There were no subsequent type events, identified by management of the County that are required to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION**

# Bingham County, Idaho

## Infrastructure Assets Reported Using the Modified Approach *September 30, 2015*

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As allowed by GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and analysis - for State and Local Governments, the County has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and/or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the County is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets;
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale,
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the County; and
- Document that the infrastructure assets are being preserved approximately at or above the condition levels established by the County.

### **Roads**

Bingham County applies the modified approach to the 1,199 center lane miles of roads. The roads are owned and maintained by the County even though many of the roads are built on implied dedication or prescriptive easements. The goal of the County in conjunction with adopting the modified approach is to develop and provide a cost effective pavement maintenance and rehabilitation program that preserves the County's investment in its road network and enhances public transportation and safety.

The method for evaluating the roads changed significantly from October 2010 to September 2011. Errors have been corrected and adjustments have been made to utilize the previous years' data to show the changes in the condition of the County's roads. The standards that Bingham County uses to evaluate the road conditions have been defined more clearly to the inspectors to improve the accuracy of the data. The County now utilizes a GIS/GPS system to measure the lengths of the roads and help eliminate errors in the data. Gravel roads have remained somewhat consistent from prior years. However, there has been a major adjustment for years prior to 2011 for the oiled roads to reflect the changes. The numbers for prior years have been adjusted to reflect the maintenance activities and the oxidation that occurs on the roads.

# Bingham County, Idaho

Infrastructure Assts Reported Using the Modified Approach  
September 30, 2015

Measurement Scale

<u>Gravel Roads</u>	<u>2015 Center Lane Miles</u>
A Only needs maintenance once a year and is safe	2
B Requires occasional maintenance, needs only slight improvements	96.34
C Adequate - will be needing gravel and other improvements in the future, but is okay for now	257.83
D Needs gravel, etc.	140.29
F Needs gravel, shoulders, widening, safety of road should be considered, etc.	44.83
O Other (dirt)	<u>0</u>
Total gravel roads	<u><u>541.29</u></u>

Oiled Roads

A	Excellent	New	1.5
B	Good	Good condition - only chip seals required	147.02
C	Fair	Maintenance - more than chip sealing (patching)	515.28
D	Poor	Leveling course road that is uneven to drive on (overlay, ect.)	0
F	Failed	Reconstruction needed	0
O	Not rated	Other (dirt)	<u>0</u>
Total oil roads			<u><u>663.8</u></u>

See Independent Auditor's Report.

# Bingham County, Idaho

## Infrastructure Assets Reported Using the Modified Approach September 30, 2015

### Established Condition Level

It is the County's goal to maintain at least 50% of its roads/highways at or above the "fair" condition or better. Condition assessments are performed by geographic district within the network on approximately one third of the roads/highways each year in order to achieve a complete condition assessment at least once every three years. The last three assessments were November 15, 2013, October 22, 2012, and October 28, 2011.

### Assessed Conditions

The following table reports the center lane miles and the percentage of pavement meeting the "excellent" to "fair" condition ratings as assessed in 2013. The first year of implementation of these reporting standards was 2007. This chart reports a six year trend analysis.

Bingham County Oil Road Condition Report						
Fiscal Year	Excellent Condition	Good Condition	Fair Condition	Total miles in Fair or Above Condition	Total Country Miles	% in Excellent to Fair Condition
2015	1.5	147.02	515.52	664.04	664.04	100.00%
2014	5.54	132.19	510.52	648.25	656.67	98.72%
2013	0	105.9	541.7	647.6	654.27	98.98%
2012	5.54	129.46	510.52	645.52	652.19	98.98%
2011	5.54	107.08	533.75	646.37	653.04	98.97%
2010	65.08	339.79	234.54	639.41	651.84	98.09%

During the 2011 fiscal year, the County implemented a GIS system to assist in tracking infrastructure in the County. Center-lane mileage was reassessed and adjusted from the prior year to reflect the more accurate information provided by the GIS system. In addition, the County changed how they were assessing road conditions. In prior years, if a road was chip-sealed, it was classified as "good". Now, the assessment is also based on some safety factors. This has changed the classification of some of the roads that were classified as "good" in prior years such that they are now classified as "fair". The information in the table above reflects the updated information.

The following table represents the County's estimated amounts needed to maintain and preserve its road network at or above its established condition levels, as well as the amounts actually spent on road maintenance and preservation, for the last six reporting periods (in thousands).

	2015	2014	2013	2012	2011	2010
Estimated spending	6,084	5,904	5,922	5,971	5,904	6,064
Actual spending	5,555	5,257	4,723	4,626	4,660	5,348

See Independent Auditor's Report.

# Bingham County, Idaho

Statement of Revenues, Expenditures, and Changes in Fund Balance  
-Budget and Actual-  
Governmental Funds  
For the Year Ended September 30, 2015

	General Fund			
	Original and Final Budget	Budgetary Basis Actual	GAAP Differences	GAAP Basis Actual
<b>REVENUES</b>				
Property taxes		3,428,258	8,795	3,437,053
Licenses and permits		181,830		181,830
Intergovernmental revenue		1,574,414	19,177	1,593,591
Charges for services		324,434		324,434
Interest and dividend income		33,938		33,938
Miscellaneous and contributions		519,999		519,999
		<u>0</u>	<u>27,972</u>	<u>6,090,845</u>
<b>EXPENDITURES</b>				
General government	4,441,996	4,177,186	9,990	4,187,176
Public safety	1,640,853	1,573,695	4,343	1,578,038
Health and sanitation	137,236	137,018	(131)	136,887
Conservation/economic development	371,718	320,274	156	320,430
Capital outlay	119,962	96,863	(14)	96,849
	<u>6,711,765</u>	<u>6,305,036</u>	<u>14,344</u>	<u>6,319,380</u>
Revenues over (under) expenditures	(6,711,765)	(242,163)	13,628	(228,535)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>(6,711,765)</u>	<u>(242,163)</u>	<u>13,628</u>	<u>(228,535)</u>
Fund balance at October 1, 2014		<u>683,481</u>		<u>945,418</u>
Fund balance at September 30, 2015		<u>441,318</u>		<u>716,883</u>

See Independent Auditor's Report.

# Bingham County, Idaho

Statement of Revenues, Expenditures, and Changes in Fund Balance  
-Budget and Actual-  
Governmental Funds  
For the Year Ended September 30, 2015

	Road and Bridge			
	Original and Final Budget	Budgetary Basis Actual	GAAP Differences	GAAP Basis Actual
<b>REVENUES</b>				
Property taxes		382,485	13,437	395,922
Intergovernmental revenue		2,699,046	115,906	2,814,952
Charges for services		1,396		1,396
Miscellaneous and contributions		147,266		147,266
		<u>0</u>	<u>3,230,193</u>	<u>129,343</u>
Total revenues		<u>0</u>	<u>3,230,193</u>	<u>3,359,536</u>
<b>EXPENDITURES</b>				
Public works	3,788,231	3,426,110	17,040	3,443,150
Capital outlay	162,000	178,095		178,095
	<u>3,950,231</u>	<u>3,604,205</u>	<u>17,040</u>	<u>3,621,245</u>
Total expenditures		<u>3,950,231</u>	<u>3,604,205</u>	<u>17,040</u>
Revenues over (under) expenditures		(3,950,231)	(374,012)	112,303
		(3,950,231)	(374,012)	112,303
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenues and other financing sources over (under) expenditures and other uses		<u>(3,950,231)</u>	<u>(374,012)</u>	<u>112,303</u>
		<u>(3,950,231)</u>	<u>(374,012)</u>	<u>112,303</u>
Fund balance at October 1, 2014		<u>408,218</u>		<u>1,035,048</u>
Fund balance at September 30, 2015		<u>34,206</u>		<u>773,339</u>

See Independent Auditor's Report.

# Bingham County, Idaho

Statement of Revenues, Expenditures, and Changes in Fund Balance  
-Budget and Actual-  
Governmental Funds  
For the Year Ended September 30, 2015

	Justice			
	Original and Final Budget	Budgetary Basis Actual	GAAP Differences	GAAP Basis Actual
<b>REVENUES</b>				
Property taxes		3,702,932	3,595	3,706,527
Licenses and permits		87,840	(3,194)	84,646
Intergovernmental revenue		1,638,523	10,570	1,649,093
Charges for services		379,474	(2,585)	376,889
Interest and dividend income		68,879		68,879
Miscellaneous and contributions		15,491	(6,195)	9,296
		<u>0</u>	<u>5,893,139</u>	<u>2,191</u>
			<u>5,895,330</u>	
<b>EXPENDITURES</b>				
Public safety	6,105,016	5,849,624	25,827	5,875,451
Debt service - principal			127,075	127,075
Debt service - interest			11,818	11,818
Capital outlay	255,000	226,302	(110,006)	116,296
	<u>6,360,016</u>	<u>6,075,926</u>	<u>54,714</u>	<u>6,130,640</u>
Revenues over (under) expenditures	(6,360,016)	(182,787)	(52,523)	(235,310)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from capital leases	0	0	28,187	28,187
	<u>0</u>	<u>0</u>	<u>28,187</u>	<u>28,187</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>(6,360,016)</u>	<u>(182,787)</u>	<u>(24,336)</u>	<u>(207,123)</u>
Fund balance at October 1, 2014		<u>877,139</u>		<u>1,064,461</u>
Fund balance at September 30, 2015		<u>694,352</u>		<u>857,338</u>

See Independent Auditor's Report.



# Bingham County, Idaho

## Statement of Revenues, Expenditures, and Changes in Fund Balance -Budget and Actual- Governmental Funds

*For the Year Ended September 30, 2015*

	Road and Bridge Special Projects			
	Original and Final Budget	Budgetary Basis Actual	GAAP Differences	GAAP Basis Actual
<b>REVENUES</b>				
Property taxes		666,371	3,143	669,514
Intergovernmental revenue		884,414	476	884,890
Charges for services		16,119		16,119
Miscellaneous and contributions		16,200		16,200
Total revenues	0	1,583,104	3,619	1,586,723
<b>EXPENDITURES</b>				
Public works	1,938,500	1,764,011	21,080	1,785,091
Capital outlay	195,000	149,739	(760)	148,979
Total expenditures	2,133,500	1,913,750	20,320	1,934,070
Revenues over (under) expenditures	(2,133,500)	(330,646)	(16,701)	(347,347)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers	0	0	0	0
Revenues and other financing sources over (under) expenditures and other uses	(2,133,500)	(330,646)	(16,701)	(347,347)
Fund balance at October 1, 2014		687,884		842,930
Fund balance at September 30, 2015		357,238		495,583

See Independent Auditor's Report.

# Bingham County, Idaho

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 -Budget and Actual-  
 Governmental Funds  
 For the Year Ended September 30, 2015

	Payment in Lieu of Taxes			
	Original and Final Budget	Budgetary Basis Actual	GAAP Differences	GAAP Basis Actual
<b>REVENUES</b>				
Intergovernmental revenue		849,996		849,996
Miscellaneous and contributions		130,540	(100,946)	29,594
Total revenues	0	980,536	(100,946)	879,590
<b>EXPENDITURES</b>				
General government	750,000	717,566	(532,136)	185,430
Capital outlay			528,287	528,287
Total expenditures	750,000	717,566	(3,849)	713,717
Revenues over (under) expenditures	(750,000)	262,970	(97,097)	165,873
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers	0	0	0	0
Revenues and other financing sources over (under) expenditures and other uses	(750,000)	262,970	(97,097)	165,873
Fund balance at October 1, 2014		4,139,785		4,236,882
Fund balance at September 30, 2015		4,402,755		4,402,755

See Independent Auditor's Report.

# Bingham County, Idaho

## Pension Plan Required Supplementary Information Fiscal Year Ended September 30, 2015

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### Schedule of Employer's Share of Net Pension Liability PERSI-Base Plan Last 10-Fiscal Years\*

	<u>2015</u>
Employer's portion of net pension liability	0.32915%
Employers proportionate share of the net pension liability	4,334,367
Employer's covered-employee payroll	8,950,566
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	48.43%
Plan fiduciary net position as a percentage of the total pension liability	91.38%

\* 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 years for which information is available.

Data reported is measured as of July 1, 2015 (measurement date)

### Schedule of Employer Contributions PERSI-Base Plan Last 10-Fiscal Years \*

	<u>2015</u>
Statutorily required contribution	1,076,655
Contributions in relation to the statutorily required contribution	1,043,636
Contribution (deficiency) excess	(33,019)
Employer's covered-employee payroll	8,950,566
Contributions as a percentage of covered-employee payroll	11.66%

\* 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 years for which information is available.

Data reported is measured as of September 30, 2015

# Bingham County, Idaho

Notes to Required Supplementary Information  
Budget to Actual Statements (with GAAP Differences)  
*September 30, 2015*

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- 1 The legally adopted budget for Bingham County – State of Idaho is based on the cash basis of accounting. Adjustments to the modified accrual basis of accounting are listed as GAAP differences.
- 2 Debt payments are reclassified from general operating expense to show principal and interest portions of cash payments.
- 3 Higher operating expenses may be reflected on the GAAP basis if equipment was purchased at year-end with a partial payment budgeted in the current year and an account payable booked to reflect the final payment in the subsequent year's budget.
- 4 Capital outlays that do not meet the capitalization policy levels are reclassified out of capital outlay and into another expenditure.

## **OTHER FINANCIAL INFORMATION**

**Bingham County, Idaho**

All Nonmajor Funds  
Combining Balance Sheet  
September 30, 2015

	Airport	District Court	State Fair	Juvenile Corrections	Health District	Historical Society	Indigent Services	Parks and Recreation	Revaluation	Tort	Vetrans Memorial	Weeds	Waterways	Court Facility	Drug Court	Interlock Monitoring	Junior College	Consolidated Elections	Bingham County Lab	Youth Court Services	Rural Addressing	Bingham County Ambulance	Other Special Revenue	All Nonmajor Funds	
<b>ASSETS</b>																									
Cash and cash equivalents	12,901	167,811	9,756	191,540	12,389	23,975	177,367	97,705	57,954	584,756	1,187	27,958	36,205	10,777	38,778	28,564	32,496	134,504	202,936	40,729	61,784	97,657	23,567	2,073,296	
Receivables																									
Property taxes	1	19,088	283		17,876	898	19,481	2,137	14,475	4,484	32	7,078										25,532		111,365	
Intergovernmental					7,560			18,000									12,974					19,935		58,469	
Other		25,284																	5,424				725	31,433	
<b>Total assets</b>	<b>12,902</b>	<b>212,183</b>	<b>10,039</b>	<b>191,540</b>	<b>37,825</b>	<b>24,873</b>	<b>196,848</b>	<b>117,842</b>	<b>72,429</b>	<b>589,240</b>	<b>1,219</b>	<b>35,036</b>	<b>36,205</b>	<b>10,777</b>	<b>38,778</b>	<b>28,564</b>	<b>45,470</b>	<b>134,504</b>	<b>208,360</b>	<b>40,729</b>	<b>61,784</b>	<b>143,124</b>	<b>24,292</b>	<b>2,274,563</b>	
<b>LIABILITIES</b>																									
Accounts payable	3	34,122		3,609	12,808		24,990	10,313	13,801			9,934	471		1,743	7,511	35,700	12,945	1,923	124	130	73,210		243,337	
<b>Total liabilities</b>	<b>3</b>	<b>34,122</b>	<b>0</b>	<b>3,609</b>	<b>12,808</b>	<b>0</b>	<b>24,990</b>	<b>10,313</b>	<b>13,801</b>	<b>0</b>	<b>0</b>	<b>9,934</b>	<b>471</b>	<b>0</b>	<b>1,743</b>	<b>7,511</b>	<b>35,700</b>	<b>12,945</b>	<b>1,923</b>	<b>124</b>	<b>130</b>	<b>73,210</b>	<b>0</b>	<b>243,337</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>																									
Unavailable revenue		16,319	249		15,441	784	16,659	1,856	12,449	4,129		6,149											22,930	96,965	
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>16,319</b>	<b>249</b>	<b>0</b>	<b>15,441</b>	<b>784</b>	<b>16,659</b>	<b>1,856</b>	<b>12,449</b>	<b>4,129</b>	<b>0</b>	<b>6,149</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,930</b>	<b>0</b>	<b>96,965</b>	
<b>FUND BALANCES</b>																									
Assigned	12,899	161,742	9,790	187,931	9,576	24,089	155,199	105,673	46,179	585,111	1,219	18,953	35,734	10,777	37,035	21,053	9,770	121,559	206,437	40,605	61,654	46,984	24,292	1,934,261	
<b>Total fund balances</b>	<b>12,899</b>	<b>161,742</b>	<b>9,790</b>	<b>187,931</b>	<b>9,576</b>	<b>24,089</b>	<b>155,199</b>	<b>105,673</b>	<b>46,179</b>	<b>585,111</b>	<b>1,219</b>	<b>18,953</b>	<b>35,734</b>	<b>10,777</b>	<b>37,035</b>	<b>21,053</b>	<b>9,770</b>	<b>121,559</b>	<b>206,437</b>	<b>40,605</b>	<b>61,654</b>	<b>46,984</b>	<b>24,292</b>	<b>1,934,261</b>	
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>12,902</b>	<b>212,183</b>	<b>10,039</b>	<b>191,540</b>	<b>37,825</b>	<b>24,873</b>	<b>196,848</b>	<b>117,842</b>	<b>72,429</b>	<b>589,240</b>	<b>1,219</b>	<b>35,036</b>	<b>36,205</b>	<b>10,777</b>	<b>38,778</b>	<b>28,564</b>	<b>45,470</b>	<b>134,504</b>	<b>208,360</b>	<b>40,729</b>	<b>61,784</b>	<b>143,124</b>	<b>24,292</b>	<b>2,274,563</b>	

See Independent Auditor's Report.

**Bingham County, Idaho**

All Nonmajor Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended September 30, 2015

	Airport	District Court	State Fair	Juvenile Corrections	Health District	Historical Society	Indigent Services	Parks and Recreation	Revaluation	Tort	Vetrans Memorial	Weeds	Waterways	Court Facility	Drug Court	Interlock Monitoring	Junior College	Consolidated Elections	Bingham County Lab	Youth Court Services	Rural Addressing	Bingham County Ambulance	Other Special Revenue	All Nonmajor Funds	
<b>REVENUES</b>																									
Property taxes	14	541,665	9,162		467,779	25,064	426,015	3,365	415,044	222,984	1,004	206,172										761,536		3,079,804	
Licenses and permits								35,870																	35,870
Intergovernmental revenue		195,721	58	32,529	8,608	159	2,646	72,000	2,625	1,434	6	1,306	57,549		18,313		63,086						80,531		536,571
Charges for services		158,931			208,175			85							35,087	5,340			85,830	7,768	6,613	12,864			520,693
Fines and forfeitures		152,244												17,600											169,844
Miscellaneous and contributions	48,925	2,730			59,800	1	105,150	400		124,542	996		10,938					114,895	25,050	10,466			1,900	505,793	
<b>Total revenues</b>	<b>48,939</b>	<b>1,051,291</b>	<b>9,220</b>	<b>32,529</b>	<b>744,362</b>	<b>25,224</b>	<b>533,811</b>	<b>111,720</b>	<b>417,669</b>	<b>348,960</b>	<b>2,006</b>	<b>207,478</b>	<b>68,487</b>	<b>17,600</b>	<b>53,400</b>	<b>5,340</b>	<b>63,086</b>	<b>114,895</b>	<b>110,880</b>	<b>18,234</b>	<b>6,613</b>	<b>854,931</b>	<b>1,900</b>	<b>4,848,575</b>	
<b>EXPENDITURES</b>																									
Current																									
General government		1,189,613		21,667					408,259	315,104	787			42,678				88,949			3,566				2,070,623
Public safety															83,574	12,874			85,946	15,899					198,293
Public works	57,103																								57,103
Health and sanitation					889,773		700,072															848,299			2,438,144
Culture and recreation			9,891			28,642		200,405					62,406												301,344
Education																	80,372								80,372
Conservation/economic development												190,429											1,343		191,772
Capital outlay		7,357		1,000			2,166	3,159	10,000			1,990	30,330					5,899							61,901
<b>Total expenditures</b>	<b>57,103</b>	<b>1,196,970</b>	<b>9,891</b>	<b>22,667</b>	<b>889,773</b>	<b>28,642</b>	<b>702,238</b>	<b>203,564</b>	<b>418,259</b>	<b>315,104</b>	<b>787</b>	<b>192,419</b>	<b>92,736</b>	<b>42,678</b>	<b>83,574</b>	<b>12,874</b>	<b>80,372</b>	<b>94,848</b>	<b>85,946</b>	<b>15,899</b>	<b>3,566</b>	<b>848,299</b>	<b>1,343</b>	<b>5,399,552</b>	
Revenues over (under) expenditures	(8,164)	(145,679)	(671)	9,862	(145,411)	(3,418)	(168,427)	(91,844)	(590)	33,856	1,219	15,059	(24,249)	(25,078)	(30,174)	(7,534)	(17,286)	20,047	24,934	2,335	3,047	6,632	557	(550,977)	
<b>OTHER FINANCING SOURCES (USES)</b>																									
Operating transfers																						(20,000)		(20,000)	
Revenues and other financing sources over (under) expenditures	(8,164)	(145,679)	(671)	9,862	(145,411)	(3,418)	(168,427)	(91,844)	(590)	33,856	1,219	15,059	(24,249)	(25,078)	(30,174)	(7,534)	(17,286)	20,047	24,934	2,335	3,047	(13,368)	557	(570,977)	
Fund balance at October 1, 2014	21,063	307,421	10,461	178,069	154,987	27,507	323,626	197,517	46,769	551,255	0	3,894	59,983	35,855	67,209	28,587	27,056	101,512	181,503	38,270	58,607	60,352	23,735	2,505,238	
Fund balance at September 30, 2015	12,899	161,742	9,790	187,931	9,576	24,089	155,199	105,673	46,179	585,111	1,219	18,953	35,734	10,777	37,035	21,053	9,770	121,559	206,437	40,605	61,654	46,984	24,292	1,934,261	

See Independent Auditor's Report.

**Bingham County, Idaho**

All Fiduciary Fund Types - Private Purpose Trust Funds  
Combining Balance Sheet  
September 30, 2015

	Auditors Trust	Driver's License Trust	Scholarship Trust	District Court Trust	Magistrate Court Trust	Catastrophic Fund Trust	Development Agreement Trust	Insurance Trust	Traditional Housing Trust	Idaho Transportation Trust	Dept. of Law Enforcement Trust	Vehicle Resistration Trust	Range Improvement Trust	Planning & Zoning Costs Trust	Narcotics Fund Trust	Narcotics Revolving Trust	Sheriff Revolving Trust	Right of Way Use Fees Trust	
<b>ASSETS</b>																			
Cash and cash equivalents	53,446	19,100	143	4,824	9,241	61,529	55,716	2,058,857	14,679	11,814	12,079	110,957	20,590	33,858	5,289	16,342	3,543	9,582	
Total assets	53,446	19,100	143	4,824	9,241	61,529	55,716	2,058,857	14,679	11,814	12,079	110,957	20,590	33,858	5,289	16,342	3,543	9,582	
<b>LIABILITIES</b>																			
Accounts payable	5,949	21,182			104			196,638		138	1,214	105,615		116					
Total liabilities	5,949	21,182	0	0	104	0	0	196,638	0	138	1,214	105,615	0	116	0	0	0	0	
<b>NET POSITION</b>																			
Held in trust for individuals, organizations, and other governments	47,497	(2,082)	143	4,824	9,137	61,529	55,716	1,862,219	14,679	11,676	10,865	5,342	20,590	33,742	5,289	16,342	3,543	9,582	



**Bingham County, Idaho**

All Fiduciary Fund Types - Private Purpose Trust Funds  
Combining Balance Sheet  
September 30, 2015

	Prosecutors Trust	Clerk/Recorder Trust	Four Seasons Trust	Juvenile Restitution Trust	Restitution Trust	Sex Offender Fees Trust	Sheriff's Reserve Trust	Search & Rescue Trust	Community Service Prog. Trust	Predatory Animal Control Trust	C.E.R.T. Trust	Magistrate Bond Trust	Juvenile Service Parent Project Trust	Ambulance Purchase Trust	Inmate Trust	Jail Trust	All Private Purpose Trust Funds
<b>ASSETS</b>																	
Cash and cash equivalents	4,448	6,285	50	4,690	15,938	1,360	1,613	19,294	24,577	4,558	45	185,225	267	100,000	2,076	88,356	2,960,371
Total assets	4,448	6,285	50	4,690	15,938	1,360	1,613	19,294	24,577	4,558	45	185,225	267	100,000	2,076	88,356	2,960,371
<b>LIABILITIES</b>																	
Accounts payable					11,289			9,209	1,067			112,305					464,826
Total liabilities	0	0	0	0	11,289	0	0	9,209	1,067	0	0	112,305	0	0	0	0	464,826
<b>NET POSITION</b>																	
Held in trust for individuals, organizations, and other governments	4,448	6,285	50	4,690	4,649	1,360	1,613	10,085	23,510	4,558	45	72,920	267	100,000	2,076	88,356	2,495,545

**Bingham County, Idaho**  
All Fiduciary Fund Types - Private Purpose Trust Funds  
Combining Statement of Revenues, Expenditures and Changes in Net Position  
For the Year Ended September 30, 2015

	Auditors Trust	Driver's License Trust	Scholarship Trust	District Court Trust	Magistrate Court Trust	Catastrophic Fund Trust	Development Agreement Trust	Insurance Trust	Traditional Housing Trust	Idaho Transportation Trust	Dept. of Law Enforcement Trust	Vehicle Resistration Trust	Range Improvement Trust	Planning & Zoning Costs Trust	Narcotics Fund Trust	Narcotics Revolving Trust	Sheriff Revolving Trust	Right of Way Use Fees Trust
<b>ADDITIONS</b>																		
Licenses and permits		246,819								3,715		1,331,576						
Charges for services	111,726										25,365							5,200
Fines and forfeitures																16,116	1,962	
Miscellaneous and contributions	55,488				1,384	76,120	9,947	2,822,225	7,200				2,705	5,712	5,289			
<b>Total additions</b>	<b>167,214</b>	<b>246,819</b>	<b>0</b>	<b>0</b>	<b>1,384</b>	<b>76,120</b>	<b>9,947</b>	<b>2,822,225</b>	<b>7,200</b>	<b>3,715</b>	<b>25,365</b>	<b>1,331,576</b>	<b>2,705</b>	<b>5,712</b>	<b>5,289</b>	<b>16,116</b>	<b>1,962</b>	<b>5,200</b>
<b>DEDUCTIONS</b>																		
Intergovernment expenditures		246,801																
Trust remittance	139,217				2,472	115,204		2,473,227	275	1,996	19,766	1,331,423	3,500	2,760		11,617		3,900
<b>Total expenditures</b>	<b>139,217</b>	<b>246,801</b>	<b>0</b>	<b>0</b>	<b>2,472</b>	<b>115,204</b>	<b>0</b>	<b>2,473,227</b>	<b>275</b>	<b>1,996</b>	<b>19,766</b>	<b>1,331,423</b>	<b>3,500</b>	<b>2,760</b>	<b>0</b>	<b>11,617</b>	<b>0</b>	<b>3,900</b>
<b>OTHER FINANCING SOURCES (USES)</b>																		
Operating transfers																		0
Revenues and other financing sources over (under) expenditures	27,997	18			(1,088)	(39,084)	9,947	348,998	6,925	1,719	5,599	153	(795)	2,952	5,289	4,499	1,962	1,300
<b>Net Position at October 1, 2014</b>	<b>19,500</b>	<b>(2,100)</b>	<b>143</b>	<b>4,824</b>	<b>10,225</b>	<b>100,613</b>	<b>45,769</b>	<b>1,513,221</b>	<b>7,754</b>	<b>9,957</b>	<b>5,266</b>	<b>5,189</b>	<b>21,385</b>	<b>30,790</b>	<b>0</b>	<b>11,843</b>	<b>1,581</b>	<b>8,282</b>
<b>Net Position at September 30, 2015</b>	<b>47,497</b>	<b>(2,082)</b>	<b>143</b>	<b>4,824</b>	<b>9,137</b>	<b>61,529</b>	<b>55,716</b>	<b>1,862,219</b>	<b>14,679</b>	<b>11,676</b>	<b>10,865</b>	<b>5,342</b>	<b>20,590</b>	<b>33,742</b>	<b>5,289</b>	<b>16,342</b>	<b>3,543</b>	<b>9,582</b>

**Bingham County, Idaho**

All Fiduciary Fund Types - Private Purpose Trust Funds  
 Combining Statement of Revenues, Expenditures and Changes in Net Position  
 For the Year Ended September 30, 2015

	Prosecutors Trust	Clerk/Recorder Trust	Four Seasons Trust	Juvenile Restitution Trust	Restitution Trust	Sex Offender Fees Trust	Sheriff's Reserve Trust	Search and Rescue Trust	Community Service Prog. Trust	Predatory Animal Control Trust	C.E.R.T. Trust	Magistrate Bond Trust	Juvenile Service Parent Project Trust	Ambulance Purchase Trust	Inmate Trust	Jail Trust	All Private Purpose Trust Funds	
<b>ADDITIONS</b>																		
Licenses and permits																		1,582,110
Intergovernmental revenue									12,984									12,984
Charges for services	542							31,525										174,358
Fines and forfeitures					108,879							153,467						278,462
Miscellaneous and contributions		172				5,000						306			221,343	39,519		3,254,372
<b>Total additions</b>	<b>542</b>	<b>172</b>	<b>0</b>	<b>0</b>	<b>108,879</b>	<b>5,000</b>	<b>0</b>	<b>31,525</b>	<b>12,984</b>	<b>0</b>	<b>0</b>	<b>153,773</b>	<b>0</b>	<b>0</b>	<b>221,343</b>	<b>39,519</b>		<b>5,302,286</b>
<b>DEDUCTIONS</b>																		
Intergovernment expenditures																		246,801
Trust remittance					119,076	3,640	321	29,567	15,178			170,738			231,512	45,555		4,720,944
<b>Total expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>119,076</b>	<b>3,640</b>	<b>321</b>	<b>29,567</b>	<b>15,178</b>	<b>0</b>	<b>0</b>	<b>170,738</b>	<b>0</b>	<b>0</b>	<b>231,512</b>	<b>45,555</b>		<b>4,967,745</b>
<b>OTHER FINANCING SOURCES (USES)</b>																		
Operating transfers														20,000				20,000
Revenues and other financing sources over (under) expenditures	542	172			(10,197)	1,360	(321)	1,958	(2,194)			(16,965)		20,000	(10,169)	(6,036)		354,541
Net Position at October 1, 2014	3,906	6,113	50	4,690	14,846	0	1,934	8,127	25,704	4,558	45	89,885	267	80,000	12,245	94,392		2,141,004
Net Position at September 30, 2015	4,448	6,285	50	4,690	4,649	1,360	1,613	10,085	23,510	4,558	45	72,920	267	100,000	2,076	88,356		2,495,545

See Independent Auditor's Report.

Single Audit Section

**Bingham County, Idaho**

*September 30, 2015*



**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***

The Honorable Board of County Commissioners  
Bingham County, Idaho  
Blackfoot, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bingham County, Idaho (the County) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 29, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bingham 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of Bingham 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 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain matters that we have reported to management of Bingham County, Idaho in a separate letter dated June 29, 2016.

## **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.

*Wipfli LLP*

Wipfli LLP  
CPAs and Consultants

Idaho Falls, Idaho  
June 29, 2016



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Board of County Commissioners  
Bingham County, Idaho  
Blackfoot, Idaho

***Report on Compliance for Each Major Federal Program***

We have audited Bingham County, Idaho’s (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on the County’s major federal program for the year ended September 30, 2015. Bingham County, Idaho’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

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

***Auditor’s Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, Bingham County, Idaho complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2015.

## ***Report on Internal Control over Compliance***

Management of the 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 Bingham County, Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Wipfli LLP  
CPAs and Consultants

Idaho Falls, Idaho  
June 29, 2016



# Bingham County, Idaho

## Schedule of Findings and Questioned Costs Fiscal Year Ended September 30, 2015

### SECTION I - SUMMARY OF INDEPENDENT AUDITORS' RESULTS

#### Financial Statements

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:

- Material weakness (es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   No
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        X   No

#### Federal Awards

Internal control over major programs:

- Material weakness (es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   No

Type of auditor's report issued on compliance for major programs: Unqualified.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ Yes        X   No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

15.226

Payment in Lieu of Taxes

Dollar threshold used to distinguish between type A and type B programs:

  \$  300,000  

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes        X   No

# **Bingham County, Idaho**

Schedule of Findings and Questioned Costs  
*Fiscal Year Ended September 30, 2015*

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## **SECTION II - FINDINGS - FINANCIAL STATEMENT AUDITS**

None

## **SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

# Bingham County, Idaho

## Schedule of Expenditures of Federal Awards Fiscal Year Ended September 30, 2015

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Disbursements/ Expenditures
<b>U.S. Department of Agriculture</b>		
<u>Passed through the State of Idaho Department of Education</u>		
School Breakfast Program	10.553	4,381
National School Lunch Program	10.555	4,691
Total U.S. Department of Agriculture and Child Nutrition Cluster		9,072
<b>U.S. Department of the Interior</b>		
<u>Direct program</u>		
Payment in Lieu of Taxes	15.226	713,717
Total U.S. Department of the Interior		713,717
<b>U.S. Department of Justice</b>		
<u>Passed through the State of Idaho Department of Juvenile Corrections</u>		
Juvenile Accountability Incentive Block Grants	16.523	4,676
Juvenile Justice and Delinquency Prevention Allocation	16.540	336
Total U.S. Department of Justice		5,012
<b>U.S. Department of Transportation</b>		
<u>Passed through the State of Idaho Department of Transportation</u>		
Highway Planning and Construction	20.205	6,364
New Freedom Program	20.521	1,640
State and Community Highway Safety	20.600	1,409
Alcohol Traffic Safety & Drunk Driving Prevention	20.601	1,914
National Priority Safety Programs	20.616	23,510
Total U.S. Department of Transportation		34,837
<b>U.S. Election Assistance Commission</b>		
<u>Passed through the State of Idaho Department of Transportation</u>		
Help America Vote Act Requirements Payments	90.401	100,223
Total U.S. Election Assistance Commission		100,223
<b>U.S. Department of Homeland Security</b>		
<u>Passed through the State of Idaho Military Division and Dept. of Parks</u>		
Boating Safety Financial Assistance	97.012	15,745
Flood Mitigation Assistance	97.029	8,461
Emergency management Performance Grants	97.042	33,571
Homeland Security Grant Program	97.067	64,082
Total U.S. Department of Homeland Security		121,859
Total Expenditures of Federal Awards		984,720

# Bingham County, Idaho

## Notes to Schedule of Expenditures of Federal Awards *Fiscal Year Ended September 30, 2015*

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### **NOTE A BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County under programs of the federal government for the year ended September 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net assets of the County.

### **NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as described in Note A to the County's financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

### **NOTE C NONMONETARY TRANSACTIONS**

Nonmonetary assistance is reported for the Child Nutrition Cluster at fair market value of commodities received which is established by the State Department of Education.

# Bingham County, Idaho

## Summary of Schedule of Prior Audit Findings *Fiscal Year Ended September 30, 2015*

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### **Finding 2014-1**

- Criteria:** Idaho Code Section, Title 67-450B requires that each governmental entity meeting minimum requirements submit a copy of a completed audit report within nine months after the end of the audit period. The Office of Management and Budget Circular No. A-133 also requires an audit report submission within nine months after the end of the audit period.
- Condition:** Bingham County, Idaho did not submit its fiscal years ended September 30, 2014 and 2013, reports timely to the State of Idaho and the U.S. Federal Audit Clearinghouse.
- Cause:** The audits of the County were not completed in a time frame that allowed it to meet the above criteria.
- Effect:** There are no know questioned costs or other ramifications as a result of the above condition.
- Status:** The County placed additional monitoring procedures to ensure that the audit packages are completed and submitted timely. The County completed its 2015 audit report and submission within the required timeframe.