

Citizen's Financial Report

Fiscal Year Ended September 30, 2010

Commissioners:

- Steve Hadley, Chairman
- Larry W Ghan, Member
- Karl Anderson, Member

Clerk/Auditor/Recorder:

- Dale Hatch

Comptroller:

- Kristi Klauser

A Message from the Auditor

I am pleased to present to you again Bannock County Citizen's Financial Report for the fiscal year ended September 30, 2010. This report is a less detailed presentation of Bannock County's Comprehensive Annual Financial Report (CAFR). The CAFR is complicated and lengthy while this report provides an easy to read summary of Bannock County's finances and presents a brief explanation of the County's financial highlights and economic indicators.

The contents of this report include an overview of Bannock County's assets and liabilities, with the differences between the two reported as net assets. Evaluating the trend of net assets through their increases or decreases may serve as an indicator of whether the financial position of Bannock County is improving or worsening.

This report also presents a brief explanation of where the County's resources come from and how those resources are spent. The last page of this report provides a brief discussion of Bannock County's demographics and economy. Finally, there is contact information if you are interested in receiving a full financial report or have any questions or feedback regarding this report.

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County Services

A three member elected Commission with overlapping terms governs the County. Responsibilities of the County Commissioners include; passing ordinances, adopting the budget, and appointing heads of various departments. Other elected officials within the County are the Assessor, Clerk/Auditor/Recorder, Coroner, Prosecuting Attorney, Sheriff, and Treasurer.

The County provides a full range of services under its general governmental functions. These services include public safety, sanitation services, health and social services, culture and recreation, road and bridge construction and maintenance, planning and zoning, and general administrative services. Also included are services related to property assessment, budget development and administration, financial management, tax collection and investment of County assets, judicial administration, public records management, elections administration, and jury management. In addition, sanitation and emergency communication services are provided under an enterprise fund concept, with user charges providing revenue to pay operating expenses.

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The County has no component units.

Financial Highlights

This portion of the report presents the highlights of the significant economic and financial activity of Bannock County, Idaho, for the fiscal year ended September 30, 2010.

- The assets of Bannock County exceeded its liabilities at the close of the most recent fiscal year by \$72,440,771. Of this amount, \$30,969,796 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$4,113,191. This increase is attributable to revenues exceeding budget and the underspending of budgeted expenditures.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$7,753,153, or 55 percent of total General Fund expenditures.
- Employee health insurance reserves decreased by \$92,917.
- Bannock County allowed 71 percent of the \$1,891,967 State Revenue Sharing money to be allocated to the Justice Fund to help meet expenditures needed in excess of County levy limits.
- Bannock County interest earnings decreased from \$551,939 in fiscal year 2009 to \$210,368 in the current fiscal year. This is a decrease of \$341,571.
- Salaries were not adjusted due to the current economic conditions.

Economic Highlights

Local unemployment came in at 8.1 percent. This is lower than the average State unemployment rate of 9.1 percent and is less than the Federal rate of 9.6 percent.

Major industries with headquarters or divisions located within the County or in close proximity, include fertilizer and chemical manufacturers, computer microchip manufacturers, and producers of electrical utility services. Bannock County continues to possess the advantage of economic diversity and historically has tended to remain more resilient during major economic shifts, in part, because of that diversity.

The total taxable real estate property value has increased by 1.5 percent over the value from fiscal year 2009, which grew by 8.5 percent over the previous year.

The population of Bannock County grew approximately 2.0 percent from the previous year.

Bannock County's Assets and Liabilities

Bannock County
Comparative Statement of Net Assets
September 30, 2010 and 2009

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | FY 2010 | FY 2009 | FY 2010 | FY 2009 | FY 2010 | FY 2009 |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 23,142,772 | \$19,260,383 | \$ 8,251,774 | \$6,689,391 | \$ 31,394,546 | \$25,949,774 |
| Investments | 2,195,904 | 4,863,098 | 781,367 | 1,691,204 | 2,977,271 | 6,554,302 |
| Receivables, (Net of Uncollectibles) | 529,460 | 472,674 | 513,198 | 408,724 | 1,042,658 | 881,398 |
| Taxes Receivable | 1,138,319 | 879,371 | - | - | 1,138,319 | 879,371 |
| Intergovernmental Receivable | 1,762,412 | 1,692,940 | - | - | 1,762,412 | 1,692,940 |
| Leases Receivable | - | - | 285,910 | 320,059 | 285,910 | 320,059 |
| Inventory | 303,049 | 309,700 | - | - | 303,049 | 309,700 |
| Prepays | 75,000 | 75,000 | - | - | 75,000 | 75,000 |
| Capital Assets, (Net of Depreciation) | | | | | | |
| Land | 1,108,148 | 1,108,148 | 18,327,477 | 17,660,693 | 19,435,625 | 18,768,841 |
| Buildings and Improvements | 9,282,142 | 9,409,040 | 1,015,232 | 945,663 | 10,297,374 | 10,354,703 |
| Machinery and Equipment | 2,862,232 | 2,752,635 | 2,438,316 | 2,390,601 | 5,300,548 | 5,143,236 |
| Infrastructure | 7,402,619 | 7,631,523 | - | - | 7,402,619 | 7,631,523 |
| Construction in Progress | - | - | - | - | - | - |
| Total Assets | 49,802,057 | 48,454,512 | 31,613,274 | 30,106,335 | 81,415,331 | 78,560,847 |
| LIABILITIES | | | | | | |
| Accounts Payable | 1,958,357 | 2,770,740 | 262,631 | 328,040 | 2,220,988 | 3,098,780 |
| Direct Deposit Payable | 376,673 | 362,447 | 12,312 | 26,999 | 388,985 | 389,446 |
| Interest Payable | 15,441 | 22,798 | - | - | 15,441 | 22,798 |
| Health Insurance Payable | 325,000 | 325,000 | - | - | 325,000 | 325,000 |
| Deferred Revenues | 440,060 | 401,423 | - | - | 440,060 | 401,423 |
| Long-Term Debt | | | | | | |
| Due within one year | 1,759,271 | 1,850,013 | 95,673 | 261,630 | 1,854,944 | 2,111,643 |
| Due in more than one year | 1,790,454 | 2,225,685 | 1,938,688 | 1,658,492 | 3,729,142 | 3,884,177 |
| Total Liabilities | 6,665,256 | 7,958,106 | 2,309,304 | 2,275,161 | 8,974,560 | 10,233,267 |
| NET ASSETS | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 18,925,056 | 18,536,951 | 21,781,025 | 20,996,957 | 40,706,081 | 39,533,908 |
| Restricted for Debt Service | 764,894 | 592,296 | - | - | 764,894 | 592,296 |
| Unrestricted | 23,446,851 | 21,367,159 | 7,522,945 | 6,834,217 | 30,969,796 | 28,201,376 |
| Total Net Assets | \$ 43,136,801 | \$ 40,496,406 | \$ 29,303,970 | \$ 27,831,174 | \$ 72,440,771 | \$ 68,327,580 |

Governmental Activities include most of the County's basic services such as general government, public safety, health and welfare, culture and recreation, road and bridge, agriculture, and legal and judicial. The governmental activities are funded mostly through tax dollars.

Business-Type Activities consist of operations that function like private business, where the cost of providing the services are paid for by user charges. Bannock County's business-type activities include Solid Waste and Emergency Communications.

Net Assets measure the difference between what the County owns (assets) versus what the County owes (liabilities).

Invested in Capital Assets, Net of Related Debt measures the value of assets the County owns, less depreciation, and any debt owed from buying or building the assets.

Restricted Net Assets are assets not available for general use due to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

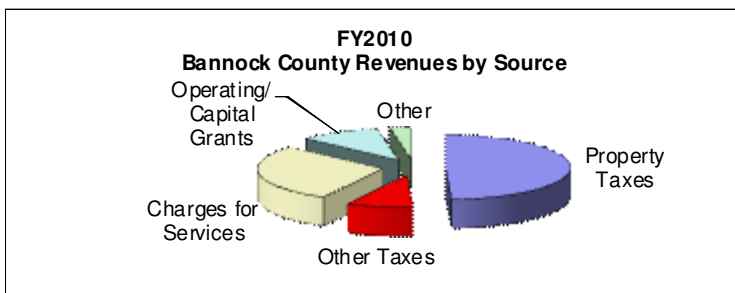
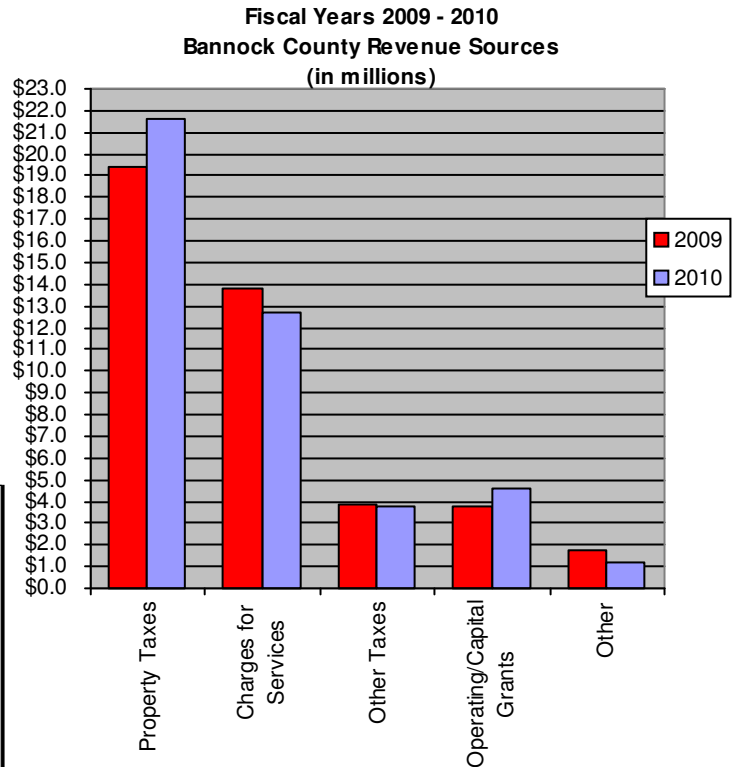
Unrestricted Net Assets are assets that may be used according to the County's desires.

Where the Money Comes From

Total Bannock County revenues were \$42,657,449 for fiscal year 2009 and \$43,973,873 for fiscal year 2010. Property taxes, comprising 49 percent of total fiscal year 2010 Bannock County funding, are Bannock County's largest source of income. Property tax revenues increased by \$2,188,127 from fiscal year 2009 to 2010.

Charges for services are the next major source of income for the County. These user charges include motor vehicle fees, various licenses, contract law enforcement, jail bed rental charges, ambulance fees, court fees, rent of fairgrounds and RV units, and other refunds or reimbursements for services provided by the County.

Other taxes are another major source of revenue, with operating/capital grants and contributions coming in at a comparable amount. Other taxes include sales tax and liquor apportionment. Operating/capital grants and contributions consist of state, federal, and local grants that the County receives.



Where the Money Goes

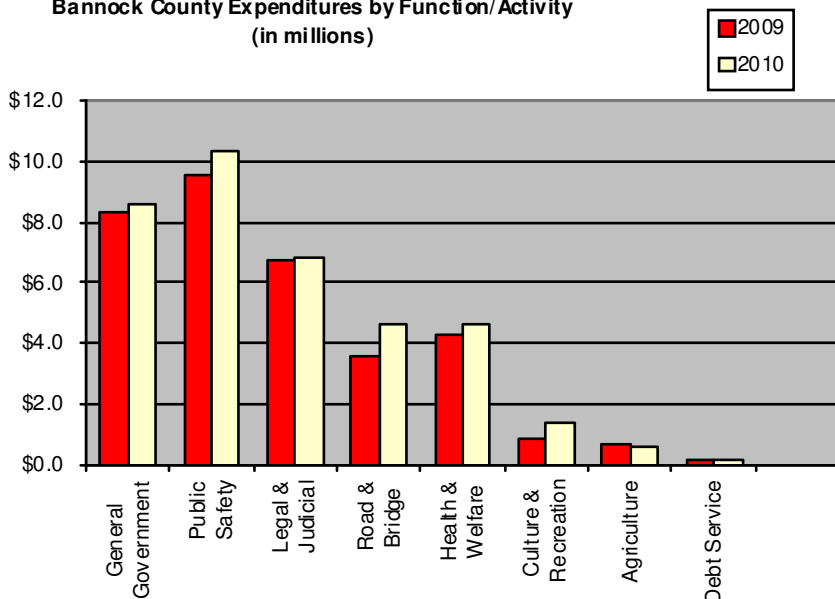
Total Bannock County expenditures for fiscal year 2009 were \$36,062,422 and for fiscal year 2010 they were \$39,860,682.

Public safety has the largest expenditure budget for Bannock County. The sheriff and jail fall under this classification, as well as, juvenile detention, emergency communications, and numerous grants.

Expenditures for **general government** are the second largest. These operations are for the basic operations of Bannock County. They include the departments of assessor, commission, clerk/auditor/recorder, appraisal, treasurer, maintenance, and data processing.

The third highest expenditure budget is the **legal and judicial** function. This function receives significant user fees for reimbursements for expenditures. Included under this function are the courts, prosecutor and public defender's offices, adult and juvenile probation and miscellaneous grants.

**Fiscal Years 2009 - 2010
Bannock County Expenditures by Function/Activity
(in millions)**



Demographics and Economy

Bannock County is located, geographically, in the southeast corner of Idaho, about midway between Salt Lake City, Utah, and the west entrance of Yellowstone National Park. Bannock County was established on March 6, 1893, being formed out of what was then the southern portion of Bingham County. The most current population estimate of Bannock County is 82,539. The majority of the County's population resides in the county seat of Pocatello, with a population numbering over 50,000.



Bannock County continues to possess the advantage of economic diversity and has tended to remain more resilient during major economic shifts, in part, because of that diversity. Pocatello is the home of Idaho State University, one of Idaho's three principal universities. The combination of these factors with other unique geographical features have served to allow the Bannock County area to be an economic, recreational, and cultural hub of Southeast Idaho. The government sector provides many jobs to the area with agencies such as Idaho State University, the Women's Correctional Facility, FBI, US Federal Courthouse, US Forest Service, BLM, Idaho Fish and Game, and local cities and school districts. The recession brought with it job losses to retail, transportation, professional and business services. Construction; however, remained stable with major highway projects and the \$200 million remodel of Portneuf Medical Center.



Other Elected Officials

- Assessor – JoLynn Anderson
- Coroner – Kim Quick
- Prosecuting Attorney – Mark L Hiedeman
- Sheriff – Lorin W Neilsen
- Treasurer – Radene Barker

The Bannock County Citizen's Financial Report provides the general public with an overview of the County's financial condition, as well as, the revenue sources and how that money is spent. This report also outlines economic and financial indicators of the County. The information in this report was pulled from the Bannock County FY2010 Comprehensive Annual Financial Report (CAFR). The CAFR is more detailed and is a complete financial presentation prepared in conformance with Generally Accepted Accounting Principles (GAAP) and is audited by the County's independent auditor, receiving an unqualified opinion. Both the Citizen's Financial Report and the CAFR are available on the County website at <http://www.bannock.id.us>, or at the Bannock County Auditor's office, 624 East Center, Room 104, Pocatello, Idaho, 83201-6274.

Bannock County, Idaho

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