

Citizen's Financial Report

Fiscal Year Ended September 30, 2008

Commissioners:

- Larry W Ghan,
Chairman
- Steve Hadley, Member
- A. Lin Whitworth,
Member

Clerk/Auditor/Recorder:

- Dale Hatch

Comptroller:

- Kristi Klauser

A Message from the Auditor

I am pleased to present the fourth annual Bannock County Citizen's Financial Report for the fiscal year ended September 30, 2008. 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.

Prepared by:

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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, 2008.

- The assets of Bannock County exceeded its liabilities at the close of the most recent fiscal year by \$61,732,553. Of this amount, \$28,120,330 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$3,332,823. This increase is attributable to an increase in capital assets.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$8,324,252, or 59 percent of total General Fund expenditures.
- Employee health insurance reserves increased by \$326,028.
- Bannock County allowed 67 percent of the \$2,220,988 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 \$1,942,902 in fiscal year 2007 to \$1,371,892 in the current fiscal year. This is a decrease of \$571,010.
- Bannock County continued to implement a salary equity study completed during fiscal year 2005. At that time, results of the study suggested salaries were roughly 5 percent under market. The plan was adjusted for a 4 percent market adjustment in October 2007 with salary and grade adjustments completed as per the salary study in February 2008.
- Road and Bridge received \$1,677,946 in gifted roads from local developers.

Economic Highlights

Local unemployment came in at 4.6 percent. This is lower than the average State unemployment rate of 5.4 percent and is less than the Federal rate of 6.5 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 6.5 percent over the value from fiscal year 2007, which grew by 13.8 percent over the previous year.

The population of Bannock County grew approximately 1.9 percent from the previous year.

The Idaho legislature met in a special August 2007 session and passed legislation to increase the homeowner's exemption from \$50,000 to \$75,000. For 2008 property taxes collected in December 2008 and June 2009, this exemption amount will increase to \$100,938. Although these measures will provide tax relief to property owners, it also reduces property tax dollars collected by the county.

Bannock County's Assets and Liabilities

Bannock County Comparative Statement of Net Assets September 30, 2007 and 2008

	Governmental Activities		Business-Type Activities		Total	
	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007
ASSETS						
Cash and Cash Equivalents	\$ 1,262,975	\$ 6,762,765	\$ 492,027	\$ 4,045,841	\$ 1,755,002	\$ 10,808,606
Investments	20,636,584	14,270,921	8,791,493	8,507,189	29,428,077	22,778,110
Receivables, (Net of Uncollectibles)	427,749	387,897	349,548	412,479	777,297	800,376
Taxes Receivable	702,607	573,367	-	-	702,607	573,367
Intergovernmental Receivable	1,918,304	1,922,342	-	-	1,918,304	1,922,342
Leases Receivable	-	-	1,705,923	508,680	1,705,923	508,680
Inventory	342,695	297,989	-	-	342,695	297,989
Prepays	90,000	-	-	-	90,000	-
Capital Assets, (Net of Depreciation)						
Land	1,108,148	1,108,148	13,974,670	9,796,354	15,082,818	10,904,502
Buildings and Improvements	9,662,987	9,444,814	983,401	1,044,636	10,646,388	10,489,450
Machinery and Equipment	1,948,237	1,988,608	2,332,675	1,797,104	4,280,912	3,785,712
Infrastructure	7,433,464	5,666,904	-	-	7,433,464	5,666,904
Construction in Progress	-	-	-	-	-	-
Total Assets	45,533,750	42,683,322	28,629,737	25,852,716	74,163,487	68,536,038
LIABILITIES						
Accounts Payable	2,145,459	1,818,922	895,052	179,307	3,040,511	1,998,229
Direct Deposit Payable	379,507	381,024	10,365	9,135	389,872	390,159
Interest Payable	29,822	20,419	-	-	29,822	20,419
Health Insurance Payable	325,000	325,000	-	-	325,000	325,000
Deferred Revenues	416,423	315,805	-	-	416,423	315,805
Long-Term Debt						
Due within one year	3,069,434	2,040,670	63,772	57,224	3,133,206	2,097,894
Due in more than one year	2,813,323	3,149,465	2,282,777	1,839,337	5,096,100	4,988,802
Total Liabilities	9,178,968	8,051,305	3,251,966	2,085,003	12,430,934	10,136,308
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	15,761,913	14,709,794	17,290,746	12,638,094	33,052,659	27,347,888
Restricted for Debt Service	559,564	622,969	-	-	559,564	622,969
Unrestricted	20,033,305	19,299,254	8,087,025	11,129,619	28,120,330	30,428,873
Total Net Assets	\$ 36,354,782	\$ 34,632,017	\$ 25,377,771	\$ 23,767,713	\$ 61,732,553	\$ 58,399,730

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.

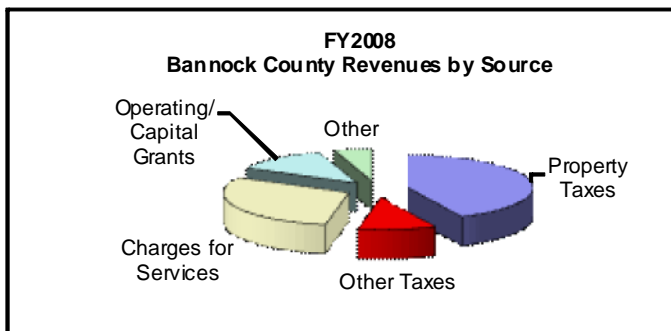
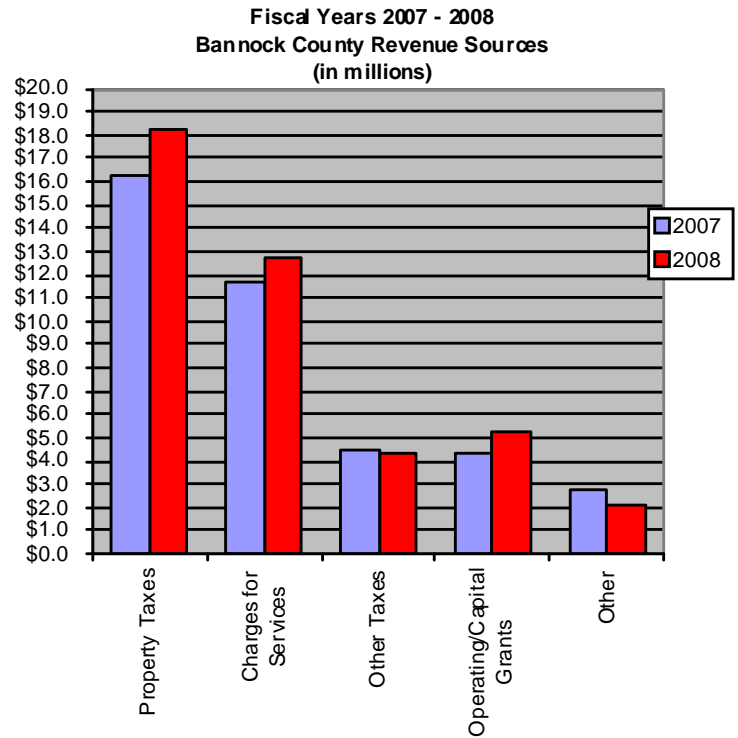
Unrestricted Net Assets are assets that may be used according to the County's desires.

Where the Money Comes From

Total Bannock County revenues were \$39,388,165 for fiscal year 2007 and \$42,604,678 for fiscal year 2008. Property taxes, comprising 43 percent of total fiscal year 2008 Bannock County funding, are Bannock County's largest source of income. Property tax revenues increased by \$2,033,317 from fiscal year 2007 to 2008

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

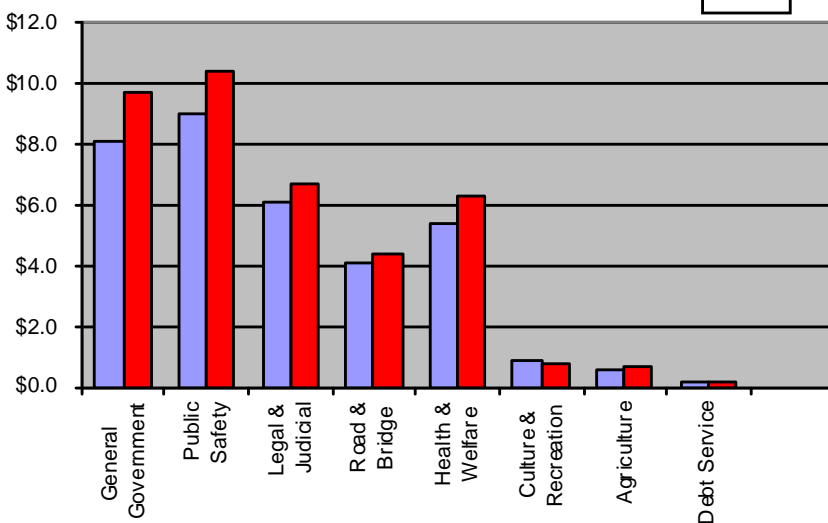
Total Bannock County expenditures for fiscal year 2007 were \$34,457,153 and for fiscal year 2008 they were \$39,271,855.

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 2007 - 2008
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 79,925. The majority of the County's population resides in the county seat of Pocatello, with a population numbering over 50,000.



Historically, Bannock County's economy revolved around a strong agricultural base and a sizeable transportation industry, which has been in a recent decline. Indications are now that the transportation industry is growing with the addition of workers at Union Pacific Railroad and increased workers at trucking transport employers. The Pocatello area continues to grow into a strong high tech and service industry area. 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 Eastern Idaho.



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 FY2008 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 was 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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