

# Citizen's Financial Report

Fiscal Year Ended September 30, 2006

**Commissioners:**

- Jim Guthrie, Chairman
- Steve Hadley, Member
- Larry W Ghan, Member

**Clerk/Auditor/Recorder:**

- Dale Hatch

**Comptroller:**

- Patricia Wilson, CPA

**Prepared by:**

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## A Message from the Auditor

I am pleased to present the second annual Bannock County Citizen's Financial Report for the fiscal year ended September 30, 2006. 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.

## 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.

The County has no component units.

**Inside this issue:**

<i>Financial Highlights</i>	2
<i>Economic Indicators</i>	2
<i>Bannock County's Assets and Liabilities</i>	3
<i>County Revenues</i>	4
<i>Expenses by Function</i>	5
<i>Contact Information</i>	6
<i>Demographics and Economy</i>	6

## 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, 2006.

- The assets of Bannock County exceeded its liabilities at the close of the most recent fiscal year by \$53,383,173. Of this amount, \$26,506,283 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$3,342,402. Approximately 70% of this increase is attributed to an increase in unrestricted assets.
- Bannock County's main operating fund is the General Fund. At the end of fiscal year 2006, unreserved fund balance for the General Fund was \$7,528,638. This means the General Fund ended with 63% of the fiscal year 2006 expenditures in reserves.
- The County's greatest challenge was the funding of employee health insurance. Reserves were decreased by \$977,046, due to claims in excess of the budget.
- Bannock County conducted an employee salary equity study during the 2004 fiscal year. The results of this study suggested that Bannock County employee salaries were roughly 5% under market. This plan has not been fully implemented as of September 30, 2006.
- Bannock County increased interest earnings from last fiscal year by an additional amount of \$551,972.
- Bannock County allocated 63% of our \$2,221,347 State Revenue Sharing revenue to the Justice Fund to meet expenditures and avoid exceeding the Idaho statutory levy limit.

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## Economic Highlights

Local unemployment came in at 3.6%. This is comparable to the average State unemployment rate of 3.3% and is less than the Federal rate of 4.5%.

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 6.4% over the value from fiscal year 2005. This was approximately 3% more than the increase Bannock County experienced the prior year.

The population of Bannock County has remained about the same from the prior year.

The Idaho legislature met in a special August 2006 session and passed legislation to increase the homeowner's exemption from \$50,000 to \$75,000. They also replaced the school district's maintenance and operation (M&O) levy with State revenues. These measures are expected to provide property tax relief for future years.

## Bannock County's Assets and Liabilities

Bannock County  
Comparative Statement of Net Assets  
September 30, 2005 and 2006

	Governmental Activities		Business-Type Activities		Total	
	FY 2006	FY 2005	FY 2006	FY 2005	FY 2006	FY2005
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 13,602,909	\$ 920,664	\$ 7,911,288	\$ 508,900	\$ 21,514,197	\$ 1,429,564
Investments	5,603,126	16,494,452	3,259,693	9,156,814	8,862,819	25,651,266
Receivables, (Net of Uncollectibles)	425,890	461,723	474,820	406,847	900,710	868,570
Taxes Receivable	544,190	523,601	-	-	544,190	523,601
Intergovernmental Receivable	1,832,140	1,699,006	-	-	1,832,140	1,699,006
Leases Receivable	-	-	104,531	77,815	104,531	77,815
Inventory	199,430	230,309	-	-	199,430	230,309
Capital Assets, (Net of Depreciation)						
Land	1,107,893	1,087,510	9,178,911	9,279,298	10,286,804	10,366,808
Buildings and Improvements	9,742,800	9,972,676	1,079,905	770,569	10,822,705	10,743,245
Machinery and Equipment	2,330,826	2,476,079	1,893,523	1,084,569	4,224,349	3,560,648
Infrastructure	4,851,557	4,954,347	-	-	4,851,557	4,954,347
Construction in Progress	-	-	-	269,946	-	269,946
<b>Total Assets</b>	<b>40,240,761</b>	<b>38,820,367</b>	<b>23,902,671</b>	<b>21,554,758</b>	<b>64,143,432</b>	<b>60,375,125</b>
<b>LIABILITIES</b>						
Accounts Payable	2,132,103	1,620,587	780,702	501,516	2,912,805	2,122,103
Direct Deposit Payable	328,483	296,106	9,504	10,435	337,987	306,541
Interest Payable	20,401	23,367	-	-	20,401	23,367
Health Insurance Payable	325,000	218,012	-	-	325,000	218,012
Deferred Revenues	90,000	175,000	-	-	90,000	175,000
Long-Term Debt						
Due within one year	1,597,089	1,537,082	228,103	220,637	1,825,192	1,757,719
Due in more than one year	3,730,011	4,358,984	1,518,863	1,372,628	5,248,874	5,731,612
<b>Total Liabilities</b>	<b>8,223,087</b>	<b>8,229,138</b>	<b>2,537,172</b>	<b>2,105,216</b>	<b>10,760,259</b>	<b>10,334,354</b>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	14,055,894	13,975,023	12,152,339	11,134,436	26,208,233	25,109,459
Restricted for Debt Service	668,657	767,021	-	-	668,657	767,021
Unrestricted	17,293,123	15,849,185	9,213,160	8,315,106	26,506,283	24,164,291
<b>Total Net Assets</b>	<b>\$ 32,017,674</b>	<b>\$ 30,591,229</b>	<b>\$ 21,365,499</b>	<b>\$ 19,449,542</b>	<b>\$ 53,383,173</b>	<b>\$ 50,040,771</b>

**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.

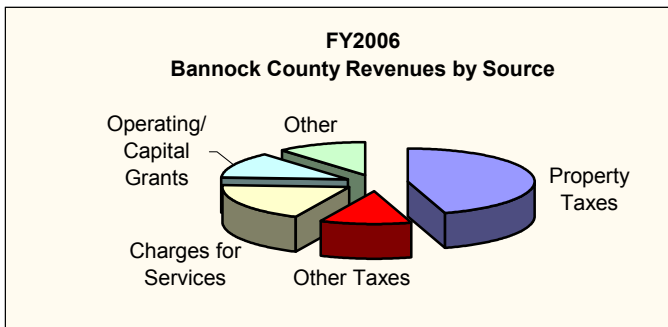
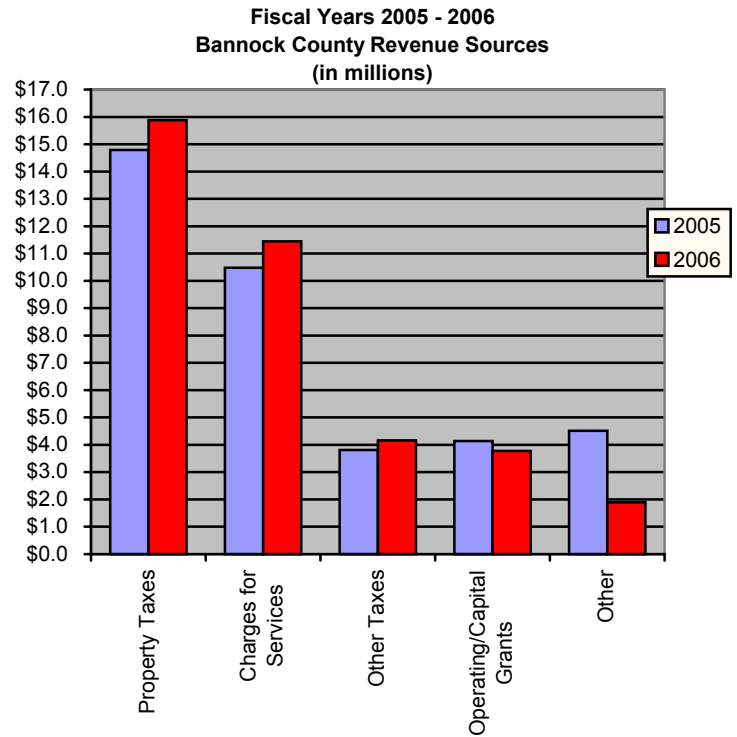
**Unrestricted Net Assets** are assets that may be used according to the County's desires.

## Where the Money Comes From

Total Bannock County revenues were \$37,731,305 for fiscal year 2005 and \$37,164,412 for fiscal year 2006. Property taxes, comprising 43% of total fiscal year 2006 Bannock County funding, are Bannock County's largest source of income. Property tax revenues increased by \$1,086,342, from fiscal year 2005 to 2006.

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.



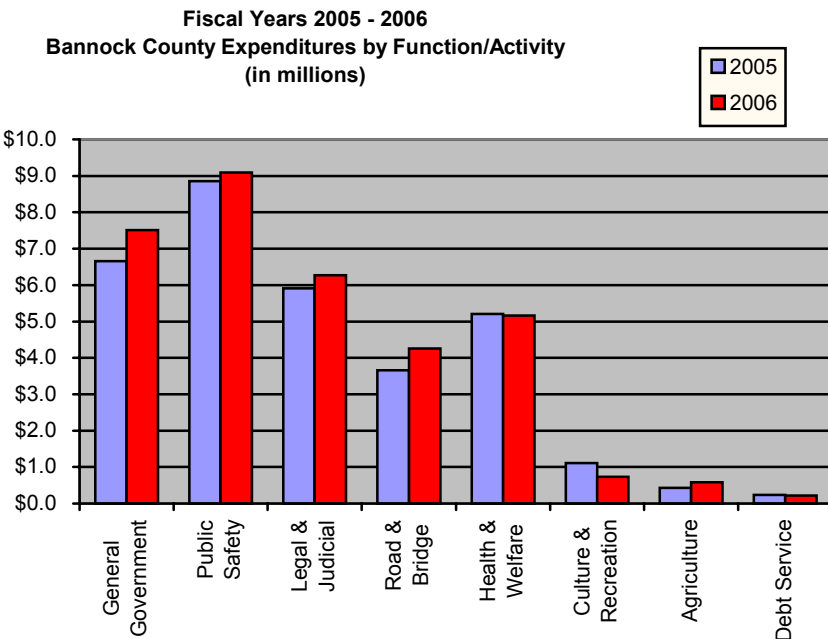
## Where the Money Goes

Total Bannock County expenditures for fiscal year 2005 were \$32,082,042 and for fiscal year 2006 they were \$33,822,010.

**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.



# 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 75,565. The majority of the County’s population resides in the county seat of Pocatello, with a population numbering over 50,000.



Pocatello is the home of Idaho State University, one of Idaho’s three principal universities. Bannock County’s economy revolves around a strong regional agricultural base. The Pocatello area has evolved a strong high tech and service industry emphasis as the more traditional heavy industry sectors have downsized or disappeared. 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 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.



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 FY2006 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.

### Other Elected Officials

- Assessor – Diane Bilyeu
- Coroner – James W Allen
- Prosecuting Attorney – Mark L Hiedeman
- Sheriff – Lorin W Neilsen
- Treasurer – Genie Alexander

### Newly Elected Officials to take office

**January 8, 2007:**

- Assessor – JoLynn Anderson
- Coroner – Kim Quick
- Treasurer – Radene Barker
- Commissioner District #1 – Lin Whitworth

### Bannock County, Idaho

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