

**ADAMS COUNTY, IDAHO**

**FINANCIAL STATEMENTS**

**Year Ended September 30, 2016**

ADAMS COUNTY, IDAHO

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**FINANCIAL SECTION**

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## Independent Auditor's Report

Board of County Commissioners  
Adams County, Idaho

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams County, Idaho (the County) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of September 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer's share of net pension liability, schedule of employer contributions, and schedule of funded status and funding progress listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not required to be 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, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not included the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not 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, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

### *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 accompanying comparative, combining, and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative, combining, and individual nonmajor fund financial statements 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 the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative, combining, and individual nonmajor fund financial statements 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 February 20, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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.

***Quest CPAs, P.C.***

Payette, Idaho  
February 20, 2017

## **BASIC FINANCIAL STATEMENTS**



**ADAMS COUNTY, IDAHO**

Statement of Net Position

September 30, 2016

	<u>Governmental Activities Primary Government</u>	<u>Component Units</u>
<b>Assets</b>		
Current Assets		
Cash & Investments	\$5,246,294	\$185,295
Receivables:		
Taxes	153,307	10,569
Accounts		78,465
Total Current Assets	<u>5,399,601</u>	<u>274,329</u>
Noncurrent Assets		
Cash & Investments	726,066	
Nondepreciable Capital Assets	374,140	
Depreciable Net Capital Assets	4,619,309	416,471
Total Noncurrent Assets	<u>5,719,515</u>	<u>416,471</u>
<b>Total Assets</b>	<u>11,119,116</u>	<u>690,800</u>
 <b>Deferred Outflows of Resources</b>		
Pension Sources	937,107	
<b>Total Deferred Outflows of Resources</b>	<u>937,107</u>	<u>0</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$12,056,223</u>	<u>\$690,800</u>
 <b>Liabilities</b>		
Current Liabilities		
Warrants Payable & Accrued Expenses	\$302,736	\$3,718
Accrued Interest	5,312	
Long-Term Debt & Obligations, Current	331,361	13,697
Total Current Liabilities	<u>639,409</u>	<u>17,415</u>
Noncurrent Liabilities		
Long-Term Debt & Obligations, Noncurrent	215,056	60,586
Other Post-Employment Benefits	15,246	
Net Pension Liability	1,698,090	
Total Noncurrent Liabilities	<u>1,928,392</u>	<u>60,586</u>
<b>Total Liabilities</b>	<u>2,567,801</u>	<u>78,001</u>
 <b>Deferred Inflows of Resources</b>		
Pension Sources	555,379	
<b>Total Deferred Inflows of Resources</b>	<u>555,379</u>	<u>0</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>3,123,180</u>	<u>78,001</u>
 <b>Net Position</b>		
Net Investment in Capital Assets	4,532,746	342,188
Restricted - Special Programs	2,644,918	
Restricted - Debt Service	8,143	
Restricted - Capital Projects	2,144,701	
Unrestricted	(397,465)	270,611
<b>Total Net Position</b>	<u>8,933,043</u>	<u>612,799</u>
<b>Total Liabilities and Deferred Inflows of Resources and Net Position</b>	<u>\$12,056,223</u>	<u>\$690,800</u>

See Accompanying Notes

**ADAMS COUNTY, IDAHO**  
Statement of Activities  
Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges For Services	Operating Grants And Contributions	
<b>Governmental Activities - Primary Government</b>				
Current Expenditures				
Assessor	\$160,240	\$19,292		(\$140,948)
Buildings & Grounds	107,995	13,002		(94,993)
Capital Projects	123,461	14,864		(15,373)
Clerk / Auditor	143,683	17,299		(126,384)
Commissioners	97,932	11,791		(86,141)
Indigent	186,066	22,401		(163,665)
Prosecuting Attorney	90,578	10,905		(79,673)
Public Defender	39,259	4,727		(34,532)
Road & Bridge	1,211,790	145,893		(623,626)
Sheriff & Jail	1,154,434	138,988	\$120,000	(895,446)
Solid Waste	466,787	56,199		(410,588)
Treasurer / Tax Collector	113,853	13,707		(100,146)
Other General Fund Functions	544,642	65,572	5,726	(473,344)
Other Justice Fund Functions	699,343	84,197		(615,146)
Other Nonmajor Fund Functions	1,157,939	139,410	82,640	(935,889)
Debt Service - Interest	24,015	2,891		(21,124)
Capital Assets	640,807	77,150		(563,657)
<b>Total Primary Government</b>	<b>\$6,962,824</b>	<b>\$838,288</b>	<b>\$208,366</b>	<b>(\$5,380,675)</b>
<b>Component Unit</b>				
Council Valley Ambulance District	\$191,780	\$95,469	\$1,985	(25,904)
Meadows Valley Ambulance District	69,892	72,089		2,197
<b>Total Component Unit</b>	<b>\$261,672</b>	<b>\$167,558</b>	<b>\$1,985</b>	<b>(\$23,707)</b>
		<b>Changes in Net Position</b>		
		<b>Net (Expense) Revenue</b>		
				<b>Primary Government</b>
				<b>Component Units</b>
		<b>General Revenues</b>		
		Property Taxes		2,966,130
		Intergovernmental Revenue		1,703,229
		Investment Return		35,409
		Other Revenue		436,226
		Loss on Disposition of Assets		(21,420)
		<b>Total</b>		<b>5,140,994</b>
		<b>Change in Net Position</b>		<b>(239,681)</b>
		<b>Net Position - Beginning - As Previously Stated</b>		<b>9,273,286</b>
		<b>Restatement - See Note J</b>		<b>(100,562)</b>
		<b>Net Position - Beginning - As Restated</b>		<b>9,172,724</b>
		<b>Net Position - Ending</b>		<b>\$8,933,043</b>
				<b>215,354</b>
				<b>191,647</b>
				<b>421,152</b>
				<b>421,152</b>
				<b>\$612,799</b>

**ADAMS COUNTY, IDAHO**  
 Balance Sheet - Governmental Funds  
 September 30, 2016

	<b>General (Current Expense) Fund</b>	<b>Road &amp; Bridge Fund</b>	<b>Justice Fund</b>	<b>Indigent Fund</b>
<b>Assets</b>				
Cash & Investments	\$939,052	\$477,704	\$379,869	\$536,599
Receivables:				
Taxes	41,289		41,488	5,198
Due From Other Funds				
<b>Total Assets</b>	<u>\$980,341</u>	<u>\$477,704</u>	<u>\$421,357</u>	<u>\$541,797</u>
<b>Liabilities</b>				
Warrants Payable & Accrued Expenses	\$39,184	\$77,211	\$63,530	\$6,826
Due To Other Funds				
<b>Total Liabilities</b>	<u>39,184</u>	<u>77,211</u>	<u>63,530</u>	<u>6,826</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues	30,967		31,116	3,898
<b>Total Deferred Inflows of Resources</b>	<u>30,967</u>	<u>0</u>	<u>31,116</u>	<u>3,898</u>
<b>Fund Balances</b>				
Restricted - Special Programs		400,493	326,711	531,073
Restricted - Debt Service				
Restricted - Capital Projects				
Unassigned	910,190			
<b>Total Fund Balances</b>	<u>910,190</u>	<u>400,493</u>	<u>326,711</u>	<u>531,073</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$980,341</u>	<u>\$477,704</u>	<u>\$421,357</u>	<u>\$541,797</u>

**ADAMS COUNTY, IDAHO**  
 Balance Sheet - Governmental Funds  
 September 30, 2016

	<b>Solid Waste Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Cash & Investments	\$127,291	\$2,208,722	\$1,303,123	\$5,972,360
Receivables:				
Taxes	28,567		36,765	153,307
Due From Other Funds			0	0
<b>Total Assets</b>	<u>\$155,858</u>	<u>\$2,208,722</u>	<u>\$1,339,888</u>	<u>\$6,125,667</u>
<b>Liabilities</b>				
Warrants Payable & Accrued Expenses	\$20,076	\$64,021	\$31,888	\$302,736
Due To Other Funds			0	0
<b>Total Liabilities</b>	<u>20,076</u>	<u>64,021</u>	<u>31,888</u>	<u>302,736</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues	21,425		27,573	114,979
<b>Total Deferred Inflows of Resources</b>	<u>21,425</u>	<u>0</u>	<u>27,573</u>	<u>114,979</u>
<b>Fund Balances</b>				
Restricted - Special Programs	114,357		1,272,284	2,644,918
Restricted - Debt Service			8,143	8,143
Restricted - Capital Projects		2,144,701	0	2,144,701
Unassigned			0	910,190
<b>Total Fund Balances</b>	<u>114,357</u>	<u>2,144,701</u>	<u>1,280,427</u>	<u>5,707,952</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$155,858</u>	<u>\$2,208,722</u>	<u>\$1,339,888</u>	<u>\$6,125,667</u>

**ADAMS COUNTY, IDAHO**  
Balance Sheet - Governmental Funds  
September 30, 2016

**Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities**

**Total Governmental Fund Balances** \$5,707,952

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 4,993,449

Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds. 114,979

Certain liabilities, including other post-employment benefits and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. (566,975)

Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds. (1,316,362)

**Net Position of Governmental Activities** \$8,933,043

**ADAMS COUNTY, IDAHO**

Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended September 30, 2016

	<b>General (Current Expense) Fund</b>	<b>Road &amp; Bridge Fund</b>	<b>Justice Fund</b>	<b>Indigent Fund</b>
<b>Revenues</b>				
Property Taxes	\$910,573		\$886,479	\$5,304
Intergovernmental Revenue	34,006	\$1,136,556	401,527	
Investment Return	25,053			
Charges for Services	123,367		536,184	
Grants & Other	10,316	483,509	156,318	42,768
<b>Total Revenues</b>	<u>1,103,315</u>	<u>1,620,065</u>	<u>1,980,508</u>	<u>48,072</u>
<b>Expenditures</b>				
Current Expenditures				
Assessor	160,240			
Buildings & Grounds	107,995			
Capital Projects				
Clerk / Auditor	143,683			
Commissioners	97,932			
Indigent				186,066
Prosecuting Attorney			90,578	
Public Defender			39,259	
Road & Bridge		1,244,883		
Sheriff & Jail			1,154,434	
Solid Waste				
Treasurer / Tax Collector	113,853			
Other General Fund Functions	366,430			
Other Justice Fund Functions			491,131	
Other Nonmajor Fund Functions				
Debt Service				
Capital Outlay	19,600	174,496	119,671	
<b>Total Expenditures</b>	<u>1,009,733</u>	<u>1,419,379</u>	<u>1,895,073</u>	<u>186,066</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	93,582	200,686	85,435	(137,994)
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	93,582	200,686	85,435	(137,994)
<b>Fund Balances - Beginning</b>	<u>816,608</u>	<u>199,807</u>	<u>241,276</u>	<u>669,067</u>
<b>Fund Balances - Ending</b>	<u><u>\$910,190</u></u>	<u><u>\$400,493</u></u>	<u><u>\$326,711</u></u>	<u><u>\$531,073</u></u>

**ADAMS COUNTY, IDAHO**

Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended September 30, 2016

	<b>Solid Waste Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Property Taxes	\$332,516		\$772,602	\$2,907,474
Intergovernmental Revenue			131,140	1,703,229
Investment Return		\$9,825	531	35,409
Charges for Services	89,689		89,048	838,288
Grants & Other	15,878		462,835	1,171,624
<b>Total Revenues</b>	<u>438,083</u>	<u>9,825</u>	<u>1,456,156</u>	<u>6,656,024</u>
<b>Expenditures</b>				
Current Expenditures				
Assessor			0	160,240
Buildings & Grounds			0	107,995
Capital Projects		123,461	0	123,461
Clerk / Auditor			0	143,683
Commissioners			0	97,932
Indigent			0	186,066
Prosecuting Attorney			0	90,578
Public Defender			0	39,259
Road & Bridge			0	1,244,883
Sheriff & Jail			0	1,154,434
Solid Waste	466,787		0	466,787
Treasurer / Tax Collector			0	113,853
Other General Fund Functions			0	366,430
Other Justice Fund Functions			0	491,131
Other Nonmajor Fund Functions			1,157,939	1,157,939
Debt Service			222,313	222,313
Capital Outlay		269,629	23,097	606,493
<b>Total Expenditures</b>	<u>466,787</u>	<u>393,090</u>	<u>1,403,349</u>	<u>6,773,477</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(28,704)	(383,265)	52,807	(117,453)
<b>Other Financing Sources (Uses)</b>				
Transfers In	44,290		3,000	47,290
Transfers Out	(3,000)	(44,290)	0	(47,290)
<b>Total Other Financing Sources (Uses)</b>	<u>41,290</u>	<u>(44,290)</u>	<u>3,000</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	12,586	(427,555)	55,807	(117,453)
<b>Fund Balances - Beginning</b>	<u>101,771</u>	<u>2,572,256</u>	<u>1,224,620</u>	<u>5,825,405</u>
<b>Fund Balances - Ending</b>	<u>\$114,357</u>	<u>\$2,144,701</u>	<u>\$1,280,427</u>	<u>\$5,707,952</u>

**ADAMS COUNTY, IDAHO**  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended September 30, 2016

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds to the  
Statement of Activities**

**Net Change in Fund Balances - Total Governmental Funds** (\$117,453)

Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the excess of capital outlays over (under) depreciation expense in the current period as well as any gains and losses on dispositions of assets. (55,851)

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. 58,656

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position. 229,543

In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds. 1,848

In the statement of activities, other post-employment benefits and compensated absences are accrued when earned, but the expenditure is reported when due in the governmental funds. (5,710)

Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds. (350,714)

**Change in Net Position of Governmental Activities** (\$239,681)



**ADAMS COUNTY, IDAHO**  
Statement of Fiduciary Net Position  
September 30, 2016

	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>	<b>Total</b>
<b>Assets</b>			
Cash & Investments		\$2,262,221	\$2,262,221
Taxes Receivable		115,404	115,404
<b>Total Assets</b>	\$0	\$2,377,625	\$2,377,625
<b>Liabilities</b>			
Warrants Payable & Accrued Expenses		\$297,189	\$297,189
Due to Agency Groups		2,080,436	2,080,436
<b>Total Liabilities</b>	0	2,377,625	2,377,625
<b>Net Position</b>			
Restricted - Trust Recipients		0	0
<b>Total Net Position</b>	0	0	0
<b>Total Liabilities and Net Position</b>	\$0	\$2,377,625	\$2,377,625

**ADAMS COUNTY, IDAHO**  
Statement of Changes in Fiduciary Net Position  
Year Ended September 30, 2016

	<u>Private Purpose Trust Funds</u>
<b>Additions</b>	
Collections	
<b>Total Additions</b>	\$0
<b>Deductions</b>	
Distributions	
<b>Total Deductions</b>	0
<b>Change in Net Position</b>	0
<b>Net Position - Beginning - As Previously Stated</b>	2,167,026
<b>Restatement - See Note J</b>	(2,167,026)
<b>Net Position - Beginning - As Restated</b>	0
<b>Net Position - Ending</b>	\$0

## ADAMS COUNTY, IDAHO

### Notes to Financial Statements

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#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** – Adams County, Idaho (the County) provides basic county services and operates under a board of county commissioners form of government. These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to counties. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

As required by GAAP, these financial statements present the County and its two component units, entities for which the County is considered to be financial accountable. A component unit is included in the County's reporting entity if it is both fiscally dependent on the County (the primary government) and there is the potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. Aggregate discretely presented component units include the Council Valley Ambulance District (CVAD) and the Meadows Valley Ambulance District (MVAD). CVAD and MVAD were established under state law which designate the County commissioners as the governing authority. Separate financial statements for CVAD and MVAD are issued and available from the County.

**Basic Financial Statements - Government-Wide Statements** – The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business-type. Currently, all the County's activities are categorized as governmental activities.

In the government-wide statement of net position, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the County's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

The County's sole activity is providing basic county services, and substantially all expenses are directly related to this activity. Accordingly, there is no allocation of indirect costs.

## ADAMS COUNTY, IDAHO

### Notes to Financial Statements

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The government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

**Basic Financial Statements - Fund Financial Statements** – The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the County include:

*General Fund* – The general (current expense) fund is the County's primary operating fund. 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 are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the road & bridge fund, which accounts for maintenance and construction of roads and bridges, the justice fund, which accounts for basic public safety and related functions, the indigent fund, which accounts for the indigent services and programs, and the solid waste fund, which accounts for waste disposal activities.

*Capital Projects Funds* – Capital projects funds are used to account for the acquisition of capital assets. Major capital project funds include the capital projects fund, used to account for major capital additions and improvements.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County's programs. The County's fiduciary funds are presented in the fiduciary financial statements by type (private purpose trust and agency). Because by definition these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

## ADAMS COUNTY, IDAHO

### Notes to Financial Statements

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**Basis of Accounting** – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are reported on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

**Cash and Investments** – Nearly all the cash and investment balances of the County's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Investments are measured using the market approach and include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants. Investments also include the fixed income securities and are stated at fair value using Level 2 inputs (inputs other than quoted prices included in Level 1 that are observable for an asset, liability, either directly or indirectly).

**Receivables** – Receivables are reported net of any estimated uncollectible amounts.

**Inventories** – Material supplies on hand at year end are stated at cost using the first-in, first-out method.

**Capital Assets and Depreciation** – Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method.

**Compensated Absences** – The County provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is recorded as a liability in the accompanying financial statements.

**ADAMS COUNTY, IDAHO**  
Notes to Financial Statements

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**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 (the 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.

**Deferred Outflows/Inflows of Resources** – The County’s financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

**Net Position** – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

**Fund Balance Classifications** – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity’s governing body. Assigned portions represent amounts that are constrained by the government’s intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the County first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the County first utilizes committed resources then assigned resources before using unassigned resources.

**Property Taxes** – The County is responsible for levying property taxes. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20<sup>th</sup> and June 20<sup>th</sup>. A lien is filed on real property three years from the date of delinquency.

**Contingent Liabilities** – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

# ADAMS COUNTY, IDAHO

## Notes to Financial Statements

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**Interfund Activity** – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Concentrations of Credit Risk** – The County maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The County does not have a formal policy concerning concentrations of credit risk.

**Risk Management** – The County is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

**Subsequent Events** – Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

### B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

Cash - Deposits	\$4,234,035
Investments - Local Government Investment Pool	3,174,455
Investments - Fixed Income Investments	826,091
<b>Total</b>	<b><u><u>\$8,234,581</u></u></b>

**Deposits** – At year end, the carrying amounts of the County's deposits were \$4,234,035 and the bank balances were \$3,924,145. Of the bank balances, \$280,569 was insured, \$3,533,142 was collateralized, and the remainder was uninsured and uncollateralized.

**ADAMS COUNTY, IDAHO**  
Notes to Financial Statements

Change in fair value of investments (for investments that are recorded at fair value) during the year consists of the following:

Fair value - ending	\$826,091
Plus proceeds from investments sold during the year	900,000
Less cost of investments purchased during the year	(900,340)
Less fair value - beginning	(821,162)
<b>Total</b>	<b>\$4,589</b>

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

**Interest rate risk:**

Investment Type	<b>Investment Maturity Schedule (In Years)</b>				Total
	Less Than 1	1 - 5	6 - 10	Over 10	
US Gov't Agency Oblig		\$209,808	\$240,013	\$100,054	\$549,875
Certificate of Deposits	\$100,025	99,993	76,198		276,216
Local Gov't Invest Pool	3,174,455				3,174,455
<b>Total</b>	<b>\$3,274,480</b>	<b>\$309,801</b>	<b>\$316,211</b>	<b>\$100,054</b>	<b>\$4,000,546</b>

**Credit rate risk (Moody's rating scale):**

Investment Type	<b>Investment Rating Schedule</b>		Total
	AAA	Not Rated	
US Gov't Agency Oblig	\$549,875		\$549,875
Certificate of Deposits		\$276,216	276,216
Local Gov't Invest Pool		3,174,455	3,174,455
<b>Total</b>	<b>\$549,875</b>	<b>\$3,450,671</b>	<b>\$4,000,546</b>



## ADAMS COUNTY, IDAHO

### Notes to Financial Statements

**Investments** – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Treasury, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The County's investment policy complies with state statutes.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. More information on the local governmental investment pool including regulatory information, restriction on withdrawals, and rating and risk information can be found at [sto.idaho.gov](http://sto.idaho.gov). Government accounting standards board statements requires government entities to disclose credit quality ratings, concentration of credit risk, and interest rate risk on investment balances. Investments in the local government investment pool are, due to their nature, not required to be rated in terms of credit quality, and are excluded from the other disclosure requirements.

#### C. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases &amp; Reclassifications</u>	<u>Decreases &amp; Reclassifications</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$374,140			\$374,140
<b>Total</b>	<u>374,140</u>	<u>\$0</u>	<u>\$0</u>	<u>374,140</u>
Depreciable Capital Assets				
Buildings	4,141,757	63,829		4,205,586
Equipment	3,534,914	382,856	267,785	3,649,985
Infrastructure	14,679,018	174,496		14,853,514
Subtotal	<u>22,355,689</u>	<u>621,181</u>	<u>267,785</u>	<u>22,709,085</u>
Accumulated Depreciation				
Buildings	1,654,577	106,967		1,761,544
Equipment	2,814,837	236,769	231,560	2,820,046
Infrastructure	13,211,115	297,071		13,508,186
Subtotal	<u>17,680,529</u>	<u>640,807</u>	<u>231,560</u>	<u>18,089,776</u>
<b>Total</b>	<u>4,675,160</u>	<u>(19,626)</u>	<u>36,225</u>	<u>4,619,309</u>
<b>Net Capital Assets</b>	<u>\$5,049,300</u>	<u>(\$19,626)</u>	<u>\$36,225</u>	<u>\$4,993,449</u>

Depreciation expense of \$640,807 was charged to the capital assets program.

**ADAMS COUNTY, IDAHO**  
Notes to Financial Statements

**D. LONG-TERM DEBT & OBLIGATIONS**

**Bonded Debt** – At year end, the County’s bonded debt was as follows:

	<b>Outstanding</b>
2005 - \$1,910,000 - general obligation refunding bonds for capital improvements due in annual principal installments and semiannual interest payments with interest at 4.00% - 4.25% through 2016/17, secured by future taxes, paid through the debt service fund	\$215,000
<b>Total</b>	\$215,000

Maturities on the bonds are estimated as follows:

<b>Year Ended</b>	<b>Principal</b>	<b>Interest</b>
9/30/17	\$215,000	\$8,600
<b>Total</b>	\$215,000	\$8,600

**Capital Lease** – The County leases equipment that qualifies as a capital lease obligation. The equipment cost \$321,803 and at year end, related accumulated depreciation was \$111,392.

Capital lease due in annual installments of \$33,093 - \$195,000 with interest at 3.23% through 2018/19, secured by equipment, paid through the road and bridge fund	\$240,391
<b>Total</b>	\$240,391

Maturities on the capital lease are estimated as follows:

<b>Year Ended</b>	
9/30/17	\$33,093
9/30/18	33,093
9/30/19	195,000
Total Future Minimum Lease Payments	261,186
Amount Representing Interest	(20,795)
<b>Present Value of Future Minimum Lease Payments</b>	\$240,391

**ADAMS COUNTY, IDAHO**

Notes to Financial Statements

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Changes in long-term debt are as follows:

<u>Description</u>	<u>Beginning Balance*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2005 G.O.R. Bond	\$420,000		\$205,000	\$215,000	\$215,000
Capital Lease	264,934		24,543	240,391	25,335
Comp. Absences	89,939	\$114,657	113,570	91,026	91,026
<b>Total</b>	<u>\$774,873</u>	<u>\$114,657</u>	<u>\$343,113</u>	<u>\$546,417</u>	<u>\$331,361</u>

Interest costs during the year amounted to \$24,015 and were charged to the debt service – interest program. Compensated absences are normally paid through the general, justice, road & bridge, solid waste, indigent, and other governmental funds. \*Beginning balances were restated for compensated absences – see note J.

**E. DEFERRED COMPENSATION PLAN**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is funded with employee contributions only.

**F. 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.

*Pension Benefits*

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service

## ADAMS COUNTY, IDAHO

### Notes to Financial Statements

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retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

#### *Member and Employer Contributions*

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2016 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll 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 \$291,458 for the year ended September 30, 2016.

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

At September 30, 2016, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's 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 June 30, 2016, the County's proportion was 0.0837672 percent.

For the year ended September 30, 2016, the County recognized pension expense (revenue) of \$642,172. At September 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**ADAMS COUNTY, IDAHO**  
Notes to Financial Statements

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		\$169,202
Changes in assumptions or other inputs	\$37,747	
Net difference between projected and actual earnings on pension plan investments	826,495	386,177
Employer contributions subsequent to the measurement date	72,865	
<b>Total</b>	<b>\$937,107</b>	<b>\$555,379</b>

\$72,865 reported as deferred outflows of resources related to pensions resulting from County contributions made subsequent to the measurement date will be recognized as an addition to the plan pension expense or reduction of the plan pension revenue in the year ending September 30, 2017.

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, 2015 the beginning of the measurement period ended June 30, 2016 is 4.9 and 5.5 for the measurement period June 30, 2015.

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:

<b>Year Ended</b>		
9/30/17		\$1,726
9/30/18		1,726
9/30/19		197,007
9/30/20		108,405
<b>Total</b>		<b>\$308,864</b>

*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.

## ADAMS COUNTY, IDAHO

### Notes to Financial Statements

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The total pension liability in the June 30, 2016 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 for the period July 1, 2007 through June 30, 2013 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, 2016 is based on the results of an actuarial valuation date of July 1, 2016.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2016.

**ADAMS COUNTY, IDAHO**

Notes to Financial Statements

**Capital Market Assumptions**

<b>Asset Class</b>	<b>Expected Return*</b>	<b>Expected Risk</b>	<b>Strategic Normal</b>	<b>Strategic Ranges</b>
Equities			70%	66% - 77%
Broad Domestic Equities	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
			<b>Expected</b>	
<b>Total Fund</b>	<b>Expected Return*</b>	<b>Expected Inflation</b>	<b>Real Return</b>	<b>Expected Risk</b>
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

\*Expected arithmetic return net of fees and expenses

**Actuarial Assumptions**

Assumed Inflation - Mean	3.25%
Assumed Inflation - Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	0.40%
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>	<b>7.10%</b>

*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 periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the County'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 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

**ADAMS COUNTY, IDAHO**

Notes to Financial Statements

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
County's proportionate share of the net pension liability (asset)	\$3,331,050	\$1,698,090	\$340,103

*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).

**G. OTHER POST-EMPLOYMENT BENEFITS**

The County's Post-Retirement Healthcare Plan is a single-employer defined benefit healthcare plan administered by GemPlan. GemPlan contracts with Blue Cross of Idaho to provide medical and prescription drug insurance benefits to eligible retirees and their eligible dependents. A retiree who retires while participating in the Public Employee Retirement System of Idaho (PERSI) is eligible to keep the County's health insurance until age 65 or until the retiree is eligible for coverage under Medicare. Retirement eligibility is determined based on a minimum age of 55 with at least five years of service with an employer that participates in PERSI. Retirees are on the same medical plan as the County's active employees.

Other post-employment benefits (OPEB) have historically been funded on a pay-as-you-go basis. Under government accounting standards, plan sponsors may set up a trust and pre-fund benefits. There is no requirement to pre-fund benefits. However, if benefits are not pre-funded, a net OPEB obligation is created and will grow over time. The County has not pre-funded these benefits. The contribution requirement of plan members is established by the Board of Commissioners in conjunction with the insurance provider. Monthly contribution rates in effect for retirees under age 65 during fiscal year 2016 were \$723 for a single person or \$1,411 with a spouse.

Post-employment benefits are determined on an actuarial basis. Actuarial valuations of these benefits were done as of October 1, 2015, and are determined on a prospective basis. The County's plan is considered unfunded, since there are no plan assets. Therefore, the actuarial accrued liability and the unfunded actuarially accrued liability are equal. The unfunded actuarially accrued liability is \$29,524 or 1.4% of covered payroll. The annual required contribution (ARC) for fiscal year 2016 is \$5,633. The ARC is made up of benefits earned in the current period and an amortized portion of the unfunded actuarially accrued liability. The expense and offsetting liability are reflected in the government-wide financial statements. The table below summarizes the OPEB costs.



**ADAMS COUNTY, IDAHO**  
Notes to Financial Statements

Annual required contribution	\$5,633
Interest on net OPEB obligation	372
ARC adjustment with interest	(568)
Estimated employer contribution	(814)
Change in net OPEB obligation	4,623
Net OPEB obligation - beginning of year	10,623
Net OPEB obligation - end of year	\$15,246

The County's annual OPEB contribution, annual OPEB cost, the percentage of annual OPEB cost to be contributed to the plan, and the net OPEB obligation for the current and two preceding fiscal years are as follows:

<b>Year Ended</b>	<b>Annual OPEB Contribution</b>	<b>Annual OPEB Cost</b>	<b>Estimated Contribution as a % of Annual OPEB Cost</b>	<b>Net OPEB Obligation</b>
9/30/14	\$1,466	\$3,306	44%	\$9,065
9/30/15	\$1,712	\$3,270	52%	\$10,623
9/30/16	\$814	\$5,437	15%	\$15,246

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

The required schedule of funding progress immediately following the notes is intended to present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

In the October 1, 2015, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.5% discount rate assuming the County will fund the retirement benefit on a pay-as-you-go basis. The valuation assumes 30% of eligible retirees and, of that 30%, 25% of their spouses will participate in the plan; an annual healthcare cost trend rate

## ADAMS COUNTY, IDAHO

### Notes to Financial Statements

of 7.25%, decreasing gradually over 9 years until reaching an ultimate rate of 5%; and the UAAL is being amortized as a level dollar of projected payrolls over a 30 period on a closed basis.

#### H. LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. Based upon the portion of the landfill used, closure and post-closure costs are estimated at \$859,802 as of the end of the fiscal year. The County does not assure this obligation through a financial test, but instead, follows 40 CRF 258.74(f)(4)(i) which allows the County to provide this assurance by confirming these costs do not exceed 43% of the County's taxing ability. The County is currently working with DEQ on closure plan options.

#### I. INTERFUND TRANSFERS

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
Solid Waste	\$44,290	\$3,000	Support
Capital Projects		44,290	Support
Nonmajor Governmental	3,000		Support
<b>Total</b>	<u>\$47,290</u>	<u>\$47,290</u>	

#### J. PRIOR PERIOD ADJUSTMENT

During the year, the County implemented GASB No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*. To implement GASB 45 and to begin including other compensated absence balances on the statement of net position, the County's net position has been restated by \$100,562. In addition, the County reclassified its private purpose trust funds to agency funds resulting in a restatement of \$2,167,026 to fiduciary net position.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ADAMS COUNTY, IDAHO**  
 Budgetary Comparison Schedule -  
 General and Major Special Revenue Funds  
 Year Ended September 30, 2016

<b>General (Current Expense) Fund</b>	<b>Budgeted Amounts (GAAP Basis)</b>		<b>Actual Amounts</b>	<b>Final Budget Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Positive Negative</b>
<b>Revenues</b>				
Property Taxes	\$907,131	\$907,131	\$910,573	\$3,442
Intergovernmental Revenue	16,000	16,000	34,006	18,006
Investment Return	10,000	10,000	25,053	15,053
Charges for Services	85,190	85,190	123,367	38,177
Grants & Other	2,500	2,500	10,316	7,816
<b>Total Revenues</b>	<u>1,020,821</u>	<u>1,020,821</u>	<u>1,103,315</u>	<u>82,494</u>
<b>Expenditures</b>				
<b>Current Expenditures</b>				
Assessor	159,100	159,100	160,240	(1,140)
Buildings & Grounds	187,620	187,620	107,995	79,625
Capital Projects			0	0
Clerk / Auditor	144,850	144,850	143,683	1,167
Commissioners	93,990	93,990	97,932	(3,942)
Indigent			0	0
Prosecuting Attorney			0	0
Public Defender			0	0
Road & Bridge			0	0
Sheriff & Jail			0	0
Solid Waste			0	0
Treasurer / Tax Collector	124,038	124,038	113,853	10,185
Other General Fund Functions	541,223	541,223	366,430	174,793
Other Justice Fund Functions			0	0
Other Nonmajor Fund Functions			0	0
Debt Service			0	0
Capital Outlay	50,000	50,000	19,600	30,400
<b>Total Expenditures</b>	<u>1,300,821</u>	<u>1,300,821</u>	<u>1,009,733</u>	<u>291,088</u> *
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	(280,000)	(280,000)	93,582	373,582
<b>Other Financing Sources (Uses)</b>				
Transfers In	0		0	0
Transfers Out	0		0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(280,000)	(280,000)	93,582	373,582
<b>Fund Balances - Beginning</b>	280,000	280,000	816,608	536,608
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$910,190</u>	<u>\$910,190</u>
<i>*Total expenditures (over) under appropriations are:</i>				<u>\$291,088</u>

**ADAMS COUNTY, IDAHO**  
 Budgetary Comparison Schedule -  
 General and Major Special Revenue Funds  
 Year Ended September 30, 2016

<b>Road &amp; Bridge Fund</b>	<b>Budgeted Amounts (GAAP Basis)</b>		<b>Actual Amounts</b>	<b>Final Budget Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
Property Taxes			\$0	\$0
Intergovernmental Revenue	\$1,070,851	\$1,070,851	1,136,556	65,705
Investment Return			0	0
Charges for Services			0	0
Grants & Other	410,903	410,903	483,509	72,606
<b>Total Revenues</b>	<u>1,481,754</u>	<u>1,481,754</u>	<u>1,620,065</u>	<u>138,311</u>
<b>Expenditures</b>				
<b>Current Expenditures</b>				
Assessor			0	0
Buildings & Grounds			0	0
Capital Projects			0	0
Clerk / Auditor			0	0
Commissioners			0	0
Indigent			0	0
Prosecuting Attorney			0	0
Public Defender			0	0
Road & Bridge	1,387,300	1,387,300	1,244,883	142,417
Sheriff & Jail			0	0
Solid Waste			0	0
Treasurer / Tax Collector			0	0
Other General Fund Functions			0	0
Other Justice Fund Functions			0	0
Other Nonmajor Fund Functions			0	0
Debt Service			0	0
Capital Outlay	245,000	245,000	174,496	70,504
<b>Total Expenditures</b>	<u>1,632,300</u>	<u>1,632,300</u>	<u>1,419,379</u>	<u>212,921</u> *
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	(150,546)	(150,546)	200,686	351,232
<b>Other Financing Sources (Uses)</b>				
Transfers In			0	0
Transfers Out			0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(150,546)	(150,546)	200,686	351,232
<b>Fund Balances - Beginning</b>	150,546	150,546	199,807	49,261
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$400,493</u>	<u>\$400,493</u>
				<u>\$212,921</u>

\*Total expenditures (over) under appropriations are:

**ADAMS COUNTY, IDAHO**  
 Budgetary Comparison Schedule -  
 General and Major Special Revenue Funds  
 Year Ended September 30, 2016

<b>Justice Fund</b>	<b>Budgeted Amounts (GAAP Basis)</b>		<b>Actual Amounts</b>	<b>Final Budget Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property Taxes	\$883,731	\$883,731	\$886,479	\$2,748
Intergovernmental Revenue	365,000	365,000	401,527	36,527
Investment Return			0	0
Charges for Services	501,655	501,655	536,184	34,529
Grants & Other	209,210	206,560	156,318	(50,242)
<b>Total Revenues</b>	<u>1,959,596</u>	<u>1,956,946</u>	<u>1,980,508</u>	<u>23,562</u>
<b>Expenditures</b>				
<b>Current Expenditures</b>				
Assessor			0	0
Buildings & Grounds			0	0
Capital Projects			0	0
Clerk / Auditor			0	0
Commissioners			0	0
Indigent			0	0
Prosecuting Attorney	98,525	98,525	90,578	7,947
Public Defender	57,100	57,100	39,259	17,841
Road & Bridge			0	0
Sheriff & Jail	1,301,271	1,301,271	1,154,434	146,837
Solid Waste			0	0
Treasurer / Tax Collector			0	0
Other General Fund Functions			0	0
Other Justice Fund Functions	555,700	555,700	491,131	64,569
Other Nonmajor Fund Functions			0	0
Debt Service			0	0
Capital Outlay	102,000	99,350	119,671	(20,321)
<b>Total Expenditures</b>	<u>2,114,596</u>	<u>2,111,946</u>	<u>1,895,073</u>	<u>216,873</u> *
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	(155,000)	(155,000)	85,435	240,435
<b>Other Financing Sources (Uses)</b>				
Transfers In			0	0
Transfers Out			0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(155,000)	(155,000)	85,435	240,435
<b>Fund Balances - Beginning</b>	155,000	155,000	241,276	86,276
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$326,711</u>	<u>\$326,711</u>
<i>*Total expenditures (over) under appropriations are:</i>				<u>\$216,873</u>

**ADAMS COUNTY, IDAHO**  
 Budgetary Comparison Schedule -  
 General and Major Special Revenue Funds  
 Year Ended September 30, 2016

<b>Indigent Fund</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Final Budget</b>
	<b>(GAAP Basis)</b>			
	<b>Original</b>	<b>Final</b>		<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Property Taxes	\$3,500	\$3,500	\$5,304	\$1,804
Intergovernmental Revenue			0	0
Investment Return			0	0
Charges for Services			0	0
Grants & Other	10,000	10,000	42,768	32,768
<b>Total Revenues</b>	<u>13,500</u>	<u>13,500</u>	<u>48,072</u>	<u>34,572</u>
<b>Expenditures</b>				
Current Expenditures				
Assessor			0	0
Buildings & Grounds			0	0
Capital Projects			0	0
Clerk / Auditor			0	0
Commissioners			0	0
Indigent	319,650	319,650	186,066	133,584
Prosecuting Attorney			0	0
Public Defender			0	0
Road & Bridge			0	0
Sheriff & Jail			0	0
Solid Waste			0	0
Treasurer / Tax Collector			0	0
Other General Fund Functions			0	0
Other Justice Fund Functions			0	0
Other Nonmajor Fund Functions			0	0
Debt Service			0	0
Capital Outlay			0	0
<b>Total Expenditures</b>	<u>319,650</u>	<u>319,650</u>	<u>186,066</u>	<u>133,584</u> *
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(306,150)	(306,150)	(137,994)	168,156
<b>Other Financing Sources (Uses)</b>				
Transfers In			0	0
Transfers Out			0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(306,150)	(306,150)	(137,994)	168,156
<b>Fund Balances - Beginning</b>	306,150	306,150	669,067	362,917
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$531,073</u>	<u>\$531,073</u>
<i>*Total expenditures (over) under appropriations are:</i>				<u>\$133,584</u>

**ADAMS COUNTY, IDAHO**  
 Budgetary Comparison Schedule -  
 General and Major Special Revenue Funds  
 Year Ended September 30, 2016

<b>Solid Waste Fund</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Final Budget</b>
	<b>(GAAP Basis)</b>			<b>Amounts</b>
	<b>Original</b>	<b>Final</b>		<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Property Taxes	\$325,100	\$325,100	\$332,516	\$7,416
Intergovernmental Revenue			0	0
Investment Return			0	0
Charges for Services	39,300	39,300	89,689	50,389
Grants & Other	2,000	2,000	15,878	13,878
<b>Total Revenues</b>	<u>366,400</u>	<u>366,400</u>	<u>438,083</u>	<u>71,683</u>
<b>Expenditures</b>				
<b>Current Expenditures</b>				
Assessor			0	0
Buildings & Grounds			0	0
Capital Projects			0	0
Clerk / Auditor			0	0
Commissioners			0	0
Indigent			0	0
Prosecuting Attorney			0	0
Public Defender			0	0
Road & Bridge			0	0
Sheriff & Jail			0	0
Solid Waste	457,690	457,690	466,787	(9,097)
Treasurer / Tax Collector			0	0
Other General Fund Functions			0	0
Other Justice Fund Functions			0	0
Other Nonmajor Fund Functions			0	0
Debt Service			0	0
Capital Outlay			0	0
<b>Total Expenditures</b>	<u>457,690</u>	<u>457,690</u>	<u>466,787</u>	<u>(9,097) *</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(91,290)	(91,290)	(28,704)	62,586
<b>Other Financing Sources (Uses)</b>				
Transfers In	44,290	44,290	44,290	0
Transfers Out	(3,000)	(3,000)	(3,000)	0 *
<b>Total Other Financing Sources (Uses)</b>	<u>41,290</u>	<u>41,290</u>	<u>41,290</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(50,000)	(50,000)	12,586	62,586
<b>Fund Balances - Beginning</b>	50,000	50,000	101,771	51,771
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$114,357</u>	<u>\$114,357</u>
<i>*Total expenditures (over) under appropriations are:</i>				<u><u>(\$9,097)</u></u>



**ADAMS COUNTY, IDAHO**  
Schedule of Employer's Share of Net Pension Liability  
**PERSI - Base Plan**  
Last 10 - Fiscal Years\*

	<u>2016</u>	<u>2015</u>
County's portion of the net pension liability	0.0837672%	0.0779868%
County's proportionate share of the net pension liability	\$1,698,090	\$1,026,959
County's covered-employee payroll	\$2,574,717	\$2,210,848
County's proportional share of the net pension liability as a percentage of its covered-employee payroll	65.95%	46.45%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	91.38%

\*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of June 30.

**ADAMS COUNTY, IDAHO**  
**Schedule of Employer Contributions**  
**PERSI - Base Plan**  
**Last 10 - Fiscal Years\***

	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$291,458	\$250,268
Contributions in relation to the statutorily required contribution	\$291,458	\$250,268
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>
County's covered-employee payroll	<u>\$2,574,717</u>	<u>\$2,210,848</u>
Contributions as a percentage of covered-employee payroll	11.32%	11.32%

\*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of each year's fiscal year end.

**ADAMS COUNTY, IDAHO**  
Schedule of Funded Status and Funding Progress  
Other Post-Employment Benefits  
Year Ended September 30, 2016

<b>Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Value of Liabilities</b>	<b>Unfunded Actuarial Accrued Liabilities (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a % of Covered Payroll</b>
10/1/2012	\$0	\$22,502	\$22,502	0%	\$1,602,000	1.4%
10/1/2015	\$0	\$29,524	\$29,524	0%	\$2,150,550	1.4%

Future amounts may present factors that significantly affect the identification of trends in the amounts reported, such as changes in benefit provisions, the size or composition of the employee group covered by the plan, or the actuarial methods and assumptions used. Prior year amounts will not be restated.

**SUPPLEMENTARY INFORMATION**

**ADAMS COUNTY, IDAHO**

Comparative Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Years Ended September 30, 2016, 2015, and 2014

<b>General (Current Expense) Fund</b>	<b>Year Ended September 30,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>			
Property Taxes	\$910,573	\$825,015	\$780,054
Intergovernmental Revenue	34,006	72,052	71,017
Investment Return	25,053	19,544	14,093
Charges for Services	123,367	112,767	130,348
Grants & Other	10,316	7,517	4,560
<b>Total Revenues</b>	<b>1,103,315</b>	<b>1,036,895</b>	<b>1,000,072</b>
<b>Expenditures</b>			
Current Expenditures			
Assessor	160,240	144,402	140,397
Buildings & Grounds	107,995	164,099	133,313
Capital Projects			
Clerk / Auditor	143,683	121,839	117,157
Commissioners	97,932	88,932	83,545
Indigent			
Prosecuting Attorney			
Public Defender			
Road & Bridge			
Sheriff & Jail			
Solid Waste			
Treasurer / Tax Collector	113,853	100,775	99,750
Other General Fund Functions	366,430	328,636	327,454
Other Justice Fund Functions			
Other Nonmajor Fund Functions			
Debt Service			
Capital Outlay	19,600		
<b>Total Expenditures</b>	<b>1,009,733</b>	<b>948,683</b>	<b>901,616</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>93,582</b>	<b>88,212</b>	<b>98,456</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In			
Transfers Out			
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>93,582</b>	<b>88,212</b>	<b>98,456</b>
<b>Fund Balances - Beginning</b>	<b>816,608</b>	<b>728,396</b>	<b>629,940</b>
<b>Fund Balances - Ending</b>	<b>\$910,190</b>	<b>\$816,608</b>	<b>\$728,396</b>

**ADAMS COUNTY, IDAHO**

Comparative Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Years Ended September 30, 2016, 2015, and 2014

<b>Road &amp; Bridge Fund</b>	<b>Year Ended September 30,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>			
Property Taxes			
Intergovernmental Revenue	\$1,136,556	\$855,449	\$799,293
Investment Return			
Charges for Services			
Grants & Other	483,509	167,820	11,728
<b>Total Revenues</b>	<u>1,620,065</u>	<u>1,023,269</u>	<u>811,021</u>
<b>Expenditures</b>			
Current Expenditures			
Assessor			
Buildings & Grounds			
Capital Projects			
Clerk / Auditor			
Commissioners			
Indigent			
Prosecuting Attorney			
Public Defender			321,803
Road & Bridge	1,244,883	1,081,662	1,008,916
Sheriff & Jail			
Solid Waste			
Treasurer / Tax Collector			
Other General Fund Functions			
Other Justice Fund Functions			
Other Nonmajor Fund Functions			
Debt Service			33,093
Capital Outlay	174,496		
<b>Total Expenditures</b>	<u>1,419,379</u>	<u>1,081,662</u>	<u>1,363,812</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	200,686	(58,393)	(552,791)
<b>Other Financing Sources (Uses)</b>			
Transfers In	0		
Transfers Out	0	0	0
Capital Lease Proceeds	0	0	321,803
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>321,803</u>
<b>Net Change in Fund Balances</b>	200,686	(58,393)	(230,988)
<b>Fund Balances - Beginning</b>	<u>199,807</u>	<u>258,200</u>	<u>489,188</u>
<b>Fund Balances - Ending</b>	<u>\$400,493</u>	<u>\$199,807</u>	<u>\$258,200</u>

Comparative Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Years Ended September 30, 2016, 2015, and 2014

<b>Justice Fund</b>	<b>Year Ended September 30,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>			
Property Taxes	\$886,479	\$831,254	\$784,516
Intergovernmental Revenue	401,527	388,798	381,347
Investment Return			
Charges for Services	536,184	534,228	507,770
Grants & Other	156,318	124,072	25,604
<b>Total Revenues</b>	<b>1,980,508</b>	<b>1,878,352</b>	<b>1,699,237</b>
<b>Expenditures</b>			
Current Expenditures			
Assessor			
Buildings & Grounds			
Capital Projects			
Clerk / Auditor			
Commissioners			
Indigent			
Prosecuting Attorney	90,578	78,801	67,654
Public Defender	39,259	41,469	(2,192)
Road & Bridge			
Sheriff & Jail	1,154,434	1,201,811	1,131,045
Solid Waste			
Treasurer / Tax Collector			
Other General Fund Functions			
Other Justice Fund Functions	491,131	489,202	444,887
Other Nonmajor Fund Functions			
Debt Service			
Capital Outlay	119,671		
<b>Total Expenditures</b>	<b>1,895,073</b>	<b>1,811,283</b>	<b>1,641,394</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>85,435</b>	<b>67,069</b>	<b>57,843</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In			
Transfers Out			
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>85,435</b>	<b>67,069</b>	<b>57,843</b>
<b>Fund Balances - Beginning</b>	<b>241,276</b>	<b>174,207</b>	<b>116,364</b>
<b>Fund Balances - Ending</b>	<b>\$326,711</b>	<b>\$241,276</b>	<b>\$174,207</b>

**ADAMS COUNTY, IDAHO**

Comparative Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Years Ended September 30, 2016, 2015, and 2014

<b>Indigent Fund</b>	<b>Year Ended September 30,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>			
Property Taxes	\$5,304	\$234,530	\$253,462
Intergovernmental Revenue	0	3,061	
Investment Return			
Charges for Services			
Grants & Other	42,768	96,869	93,130
<b>Total Revenues</b>	<u>48,072</u>	<u>334,460</u>	<u>346,592</u>
<b>Expenditures</b>			
Current Expenditures			
Assessor			
Buildings & Grounds			
Capital Projects			
Clerk / Auditor			
Commissioners			
Indigent	186,066	140,838	206,118
Prosecuting Attorney			
Public Defender			
Road & Bridge			
Sheriff & Jail			
Solid Waste			
Treasurer / Tax Collector			
Other General Fund Functions			
Other Justice Fund Functions			
Other Nonmajor Fund Functions			
Debt Service			
Capital Outlay	0		
<b>Total Expenditures</b>	<u>186,066</u>	<u>140,838</u>	<u>206,118</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(137,994)	193,622	140,474
<b>Other Financing Sources (Uses)</b>			
Transfers In			
Transfers Out			
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(137,994)	193,622	140,474
<b>Fund Balances - Beginning</b>	669,067	475,445	334,971
<b>Fund Balances - Ending</b>	<u>\$531,073</u>	<u>\$669,067</u>	<u>\$475,445</u>



**ADAMS COUNTY, IDAHO**

Comparative Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Years Ended September 30, 2016, 2015, and 2014

<b>Solid Waste Fund</b>	<b>Year Ended September 30,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>			
Property Taxes	\$332,516	\$343,054	\$339,791
Intergovernmental Revenue			
Investment Return			
Charges for Services	89,689	57,200	64,715
Grants & Other	15,878	3,486	
<b>Total Revenues</b>	<u>438,083</u>	<u>403,740</u>	<u>404,506</u>
<b>Expenditures</b>			
Current Expenditures			
Assessor			
Buildings & Grounds			
Capital Projects			
Clerk / Auditor			
Commissioners			
Indigent			
Prosecuting Attorney			
Public Defender			
Road & Bridge			
Sheriff & Jail			
Solid Waste	466,787	413,606	364,150
Treasurer / Tax Collector			
Other General Fund Functions			
Other Justice Fund Functions			
Other Nonmajor Fund Functions			
Debt Service			
Capital Outlay	0		
<b>Total Expenditures</b>	<u>466,787</u>	<u>413,606</u>	<u>364,150</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(28,704)	(9,866)	40,356
<b>Other Financing Sources (Uses)</b>			
Transfers In			
Transfers Out	(3,000)	(67,560)	(152,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(3,000)</u>	<u>(67,560)</u>	<u>(152,000)</u>
<b>Net Change in Fund Balances</b>	(31,704)	(77,426)	(111,644)
<b>Fund Balances - Beginning</b>	101,771	179,197	290,841
<b>Fund Balances - Ending</b>	<u>\$70,067</u>	<u>\$101,771</u>	<u>\$179,197</u>

Comparative Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Years Ended September 30, 2016, 2015, and 2014

<b>Capital Projects Fund</b>	<b>Year Ended September 30,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>			
Property Taxes			
Intergovernmental Revenue			
Investment Return	\$9,825	\$3,954	\$2,243
Charges for Services			
Grants & Other	0	342,343	512,125
<b>Total Revenues</b>	<u>9,825</u>	<u>346,297</u>	<u>514,368</u>
<b>Expenditures</b>			
Current Expenditures			
Assessor			
Buildings & Grounds			
Capital Projects	123,461	148,895	182,506
Clerk / Auditor			
Commissioners			
Indigent			
Prosecuting Attorney			
Public Defender			
Road & Bridge			
Sheriff & Jail			
Solid Waste			
Treasurer / Tax Collector			
Other General Fund Functions			
Other Justice Fund Functions			
Other Nonmajor Fund Functions			
Debt Service			
Capital Outlay	269,629		
<b>Total Expenditures</b>	<u>393,090</u>	<u>148,895</u>	<u>182,506</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(383,265)	197,402	331,862
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	64,560	152,000
Transfers Out	(44,290)	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>(44,290)</u>	<u>64,560</u>	<u>152,000</u>
<b>Net Change in Fund Balances</b>	(427,555)	261,962	483,862
<b>Fund Balances - Beginning</b>	2,572,256	2,310,294	1,826,432
<b>Fund Balances - Ending</b>	<u>\$2,144,701</u>	<u>\$2,572,256</u>	<u>\$2,310,294</u>

**ADAMS COUNTY, IDAHO**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 September 30, 2016

	<b>Special Revenue Funds</b>			
	<b>Council Ambulance</b>	<b>District Court</b>	<b>County Fair</b>	<b>Emergency Comm. 911</b>
<b>Assets</b>				
Cash & Investments	\$12,551	\$391,484	\$8,766	\$46,421
Receivables:				
Taxes		6,651	1,993	
Due From Other Funds				
<b>Total Assets</b>	<u>\$12,551</u>	<u>\$398,135</u>	<u>\$10,759</u>	<u>\$46,421</u>
<b>Liabilities</b>				
Warrants Payable & Accrued Expenses	\$2,226	\$10,159	\$2,470	\$2,660
Due To Other Funds				
<b>Total Liabilities</b>	<u>2,226</u>	<u>10,159</u>	<u>2,470</u>	<u>2,660</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues		4,988	1,495	
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>4,988</u>	<u>1,495</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted - Special Programs	10,325	382,988	6,794	43,761
Restricted - Debt Service				
Restricted - Capital Projects				
Unassigned				
<b>Total Fund Balances</b>	<u>10,325</u>	<u>382,988</u>	<u>6,794</u>	<u>43,761</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$12,551</u>	<u>\$398,135</u>	<u>\$10,759</u>	<u>\$46,421</u>

**ADAMS COUNTY, IDAHO**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 September 30, 2016

	<b>Special Revenue Funds</b>			
	<b>Health District</b>	<b>Junior College</b>	<b>Parks &amp; Recreation</b>	<b>Pest</b>
<b>Assets</b>				
Cash & Investments	\$9,355	\$26,200	\$142,168	\$7,809
Receivables:				
Taxes	1,106	410	1,970	218
Due From Other Funds				
<b>Total Assets</b>	<u>\$10,461</u>	<u>\$26,610</u>	<u>\$144,138</u>	<u>\$8,027</u>
<b>Liabilities</b>				
Warrants Payable & Accrued Expenses		\$450	\$12	
Due To Other Funds				
<b>Total Liabilities</b>	<u>\$0</u>	<u>450</u>	<u>12</u>	<u>\$0</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues	829	307	1,478	163
<b>Total Deferred Inflows of Resources</b>	<u>829</u>	<u>307</u>	<u>1,478</u>	<u>163</u>
<b>Fund Balances</b>				
Restricted - Special Programs	9,632	25,853	142,648	7,864
Restricted - Debt Service				
Restricted - Capital Projects				
Unassigned				
<b>Total Fund Balances</b>	<u>9,632</u>	<u>25,853</u>	<u>142,648</u>	<u>7,864</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$10,461</u>	<u>\$26,610</u>	<u>\$144,138</u>	<u>\$8,027</u>

**ADAMS COUNTY, IDAHO**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 September 30, 2016

	<b>Special Revenue Funds</b>			
	<b>Revaluation</b>	<b>Tort</b>	<b>Veterans Memorial</b>	<b>Noxious Weed</b>
<b>Assets</b>				
Cash & Investments	\$74,821	\$115,222	\$4,912	\$83,898
Receivables:				
Taxes	8,261	4,494	327	3,068
Due From Other Funds				
<b>Total Assets</b>	<u>\$83,082</u>	<u>\$119,716</u>	<u>\$5,239</u>	<u>\$86,966</u>
<b>Liabilities</b>				
Warrants Payable & Accrued Expenses	\$7,079			\$2,567
Due To Other Funds				
<b>Total Liabilities</b>	<u>7,079</u>	<u>\$0</u>	<u>\$0</u>	<u>2,567</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues	6,196	3,371	245	2,301
<b>Total Deferred Inflows of Resources</b>	<u>6,196</u>	<u>3,371</u>	<u>245</u>	<u>2,301</u>
<b>Fund Balances</b>				
Restricted - Special Programs	69,807	116,345	4,994	82,098
Restricted - Debt Service				
Restricted - Capital Projects				
Unassigned				
<b>Total Fund Balances</b>	<u>69,807</u>	<u>116,345</u>	<u>4,994</u>	<u>82,098</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$83,082</u>	<u>\$119,716</u>	<u>\$5,239</u>	<u>\$86,966</u>

**ADAMS COUNTY, IDAHO**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 September 30, 2016

	<b>Special Revenue Funds</b>			<b>Consolidated Election</b>
	<b>Snowmobile</b>	<b>County Boat</b>	<b>Grants</b>	
<b>Assets</b>				
Cash & Investments	\$19,449	\$21,663	\$101,252	\$231,076
Receivables:				
Taxes				
Due From Other Funds				
<b>Total Assets</b>	<u>\$19,449</u>	<u>\$21,663</u>	<u>\$101,252</u>	<u>\$231,076</u>
<b>Liabilities</b>				
Warrants Payable & Accrued Expenses		\$1,170	\$1,334	\$1,761
Due To Other Funds				
<b>Total Liabilities</b>	<u>0</u>	<u>1,170</u>	<u>1,334</u>	<u>1,761</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues				
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted - Special Programs	19,449	20,493	99,918	229,315
Restricted - Debt Service				
Restricted - Capital Projects				
Unassigned				
<b>Total Fund Balances</b>	<u>19,449</u>	<u>20,493</u>	<u>99,918</u>	<u>229,315</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$19,449</u>	<u>\$21,663</u>	<u>\$101,252</u>	<u>\$231,076</u>

**ADAMS COUNTY, IDAHO**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 September 30, 2016

	<b>Debt Service Bond Redemption</b>	<b>Total</b>
<b>Assets</b>		
Cash & Investments	\$6,076	\$1,303,123
Receivables:		0
Taxes	8,267	36,765
Due From Other Funds		0
<b>Total Assets</b>	<b>\$14,343</b>	<b>\$1,339,888</b>
<b>Liabilities</b>		
Warrants Payable & Accrued Expenses		\$31,888
Due To Other Funds		0
<b>Total Liabilities</b>	<b>\$0</b>	<b>31,888</b>
<b>Deferred Inflows of Resources</b>		
Unavailable Tax Revenues	6,200	27,573
<b>Total Deferred Inflows of Resources</b>	<b>6,200</b>	<b>27,573</b>
<b>Fund Balances</b>		
Restricted - Special Programs		1,272,284
Restricted - Debt Service	8,143	8,143
Restricted - Capital Projects		0
Unassigned		0
<b>Total Fund Balances</b>	<b>8,143</b>	<b>1,280,427</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$14,343</b>	<b>\$1,339,888</b>

**ADAMS COUNTY, IDAHO**

Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended September 30, 2016

	<b>Special Revenue Funds</b>			
	<b>Council Ambulance</b>	<b>District Court</b>	<b>County Fair</b>	<b>Emergency Comm. 911</b>
<b>Revenues</b>				
Property Taxes		\$166,146	\$43,071	
Intergovernmental Revenue		100,428		
Investment Return				
Charges for Services		19,178		
Grants & Other	\$123,000	2,474	18,700	\$60,300
<b>Total Revenues</b>	<u>123,000</u>	<u>288,226</u>	<u>61,771</u>	<u>60,300</u>
<b>Expenditures</b>				
Current Expenditures				
Assessor				
Buildings & Grounds				
Capital Projects				
Clerk / Auditor				
Commissioners				
Indigent				
Prosecuting Attorney				
Public Defender				
Road & Bridge				
Sheriff & Jail				
Solid Waste				
Treasurer / Tax Collector				
Other General Fund Functions				
Other Justice Fund Functions				
Other Nonmajor Fund Functions	117,474	196,179	64,538	48,181
Debt Service				
Capital Outlay				
<b>Total Expenditures</b>	<u>117,474</u>	<u>196,179</u>	<u>64,538</u>	<u>48,181</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	5,526	92,047	(2,767)	12,119
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	5,526	92,047	(2,767)	12,119
<b>Fund Balances - Beginning</b>	4,799	290,941	9,561	31,642
<b>Fund Balances - Ending</b>	<u>\$10,325</u>	<u>\$382,988</u>	<u>\$6,794</u>	<u>\$43,761</u>



**ADAMS COUNTY, IDAHO**

Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended September 30, 2016

	<b>Special Revenue Funds</b>			
	<b>Health District</b>	<b>Junior College</b>	<b>Parks &amp; Recreation</b>	<b>Pest</b>
<b>Revenues</b>				
Property Taxes	\$22,887	\$14,953	\$43,152	\$5,936
Intergovernmental Revenue				
Investment Return				
Charges for Services			2,778	
Grants & Other		2,050		
<b>Total Revenues</b>	<u>22,887</u>	<u>17,003</u>	<u>45,930</u>	<u>5,936</u>
<b>Expenditures</b>				
Current Expenditures				
Assessor				
Buildings & Grounds				
Capital Projects				
Clerk / Auditor				
Commissioners				
Indigent				
Prosecuting Attorney				
Public Defender				
Road & Bridge				
Sheriff & Jail				
Solid Waste				
Treasurer / Tax Collector				
Other General Fund Functions				
Other Justice Fund Functions				
Other Nonmajor Fund Functions	24,705	5,850	3,981	3,200
Debt Service				
Capital Outlay				
<b>Total Expenditures</b>	<u>24,705</u>	<u>5,850</u>	<u>3,981</u>	<u>3,200</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,818)	11,153	41,949	2,736
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(1,818)	11,153	41,949	2,736
<b>Fund Balances - Beginning</b>	<u>11,450</u>	<u>14,700</u>	<u>100,699</u>	<u>5,128</u>
<b>Fund Balances - Ending</b>	<u><u>\$9,632</u></u>	<u><u>\$25,853</u></u>	<u><u>\$142,648</u></u>	<u><u>\$7,864</u></u>

**ADAMS COUNTY, IDAHO**

Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended September 30, 2016

	<b>Special Revenue Funds</b>			
	<b>Revaluation</b>	<b>Tort</b>	<b>Veterans Memorial</b>	<b>Noxious Weed</b>
<b>Revenues</b>				
Property Taxes	\$177,161	\$104,652	\$10,000	\$56,988
Intergovernmental Revenue	4,861			
Investment Return				
Charges for Services	1,281			12,807
Grants & Other				1,761
<b>Total Revenues</b>	<u>183,303</u>	<u>104,652</u>	<u>10,000</u>	<u>71,556</u>
<b>Expenditures</b>				
Current Expenditures				
Assessor				
Buildings & Grounds				
Capital Projects				
Clerk / Auditor				
Commissioners				
Indigent				
Prosecuting Attorney				
Public Defender				
Road & Bridge				
Sheriff & Jail				
Solid Waste				
Treasurer / Tax Collector				
Other General Fund Functions				
Other Justice Fund Functions				
Other Nonmajor Fund Functions	213,613	101,035	10,000	91,950
Debt Service				
Capital Outlay				
<b>Total Expenditures</b>	<u>213,613</u>	<u>101,035</u>	<u>10,000</u>	<u>91,950</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(30,310)	3,617	0	(20,394)
<b>Other Financing Sources (Uses)</b>				
Transfers In	3,000			
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(27,310)	3,617	0	(20,394)
<b>Fund Balances - Beginning</b>	<u>97,117</u>	<u>112,728</u>	<u>4,994</u>	<u>102,492</u>
<b>Fund Balances - Ending</b>	<u><u>\$69,807</u></u>	<u><u>\$116,345</u></u>	<u><u>\$4,994</u></u>	<u><u>\$82,098</u></u>

**ADAMS COUNTY, IDAHO**

Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended September 30, 2016

	Special Revenue Funds			Consolidated Election
	Snowmobile	County Boat	Grants	
<b>Revenues</b>				
Property Taxes				
Intergovernmental Revenue			\$12,000	\$13,851
Investment Return				
Charges for Services	\$6,763	\$46,241		
Grants & Other		6,747	206,165	41,638
<b>Total Revenues</b>	<u>6,763</u>	<u>52,988</u>	<u>218,165</u>	<u>55,489</u>
<b>Expenditures</b>				
Current Expenditures				
Assessor				
Buildings & Grounds				
Capital Projects				
Clerk / Auditor				
Commissioners				
Indigent				
Prosecuting Attorney				
Public Defender				
Road & Bridge				
Sheriff & Jail				
Solid Waste				
Treasurer / Tax Collector				
Other General Fund Functions				
Other Justice Fund Functions				
Other Nonmajor Fund Functions	7,500	19,947	234,554	15,232
Debt Service				
Capital Outlay		23,097		
<b>Total Expenditures</b>	<u>7,500</u>	<u>43,044</u>	<u>234,554</u>	<u>15,232</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(737)	9,944	(16,389)	40,257
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(737)	9,944	(16,389)	40,257
<b>Fund Balances - Beginning</b>	<u>20,186</u>	<u>10,549</u>	<u>116,307</u>	<u>189,058</u>
<b>Fund Balances - Ending</b>	<u>\$19,449</u>	<u>\$20,493</u>	<u>\$99,918</u>	<u>\$229,315</u>

**ADAMS COUNTY, IDAHO**

Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended September 30, 2016

	<u>Debt Service</u>	
	<u>Bond</u>	
	<u>Redemption</u>	<u>Total</u>
<b>Revenues</b>		
Property Taxes	\$127,656	\$772,602
Intergovernmental Revenue		131,140
Investment Return	531	531
Charges for Services		89,048
Grants & Other		462,835
<b>Total Revenues</b>	<u>128,187</u>	<u>1,456,156</u>
<b>Expenditures</b>		
Current Expenditures		
Assessor		0
Buildings & Grounds		0
Capital Projects		0
Clerk / Auditor		0
Commissioners		0
Indigent		0
Prosecuting Attorney		0
Public Defender		0
Road & Bridge		0
Sheriff & Jail		0
Solid Waste		0
Treasurer / Tax Collector		0
Other General Fund Functions		0
Other Justice Fund Functions		0
Other Nonmajor Fund Functions		1,157,939
Debt Service	222,313	222,313
Capital Outlay		23,097
<b>Total Expenditures</b>	<u>222,313</u>	<u>1,403,349</u>
<b>Excess (Deficiency) of Revenues</b>		
<b>Over Expenditures</b>	(94,126)	52,807
<b>Other Financing Sources (Uses)</b>		
Transfers In		3,000
Transfers Out		0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>3,000</u>
<b>Net Change in Fund Balances</b>	(94,126)	55,807
<b>Fund Balances - Beginning</b>	102,269	1,224,620
<b>Fund Balances - Ending</b>	<u>\$8,143</u>	<u>\$1,280,427</u>

## **OTHER REPORTS**

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**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Board of County Commissioners  
Adams County, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Adams County, Idaho (the County), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 20, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County'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 the County'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 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*.

## **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 County's internal control or compliance. This 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. Accordingly, this communication is not suitable for any other purpose.

***Quest CPAs, P.C.***

Payette, Idaho  
February 20, 2017