CITY OF RUPERT IDAHO

Financial Statements

Year Ended September 30, 2015

CITY OF RUPERT, IDAHO
Financial Statements
For the year ended September 30, 2015

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DRB
Dennis Brown
CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

February 10, 2016

To the Honorable Mayor and City Council
City of Rupert, Idaho

Report on the Financial Statements

I have audited the accompanying financial statements of the government activities, the business-type activities, and the discretely presented component unit of the City of Rupert, Idaho (City), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City'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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 City'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 City's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the discretely presented component unit of the City of Rupert, Idaho as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in 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 Management's Discussion and Analysis (MD&A), budgetary comparison, and public employee pension information on pages 3-10, 35-37 and 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

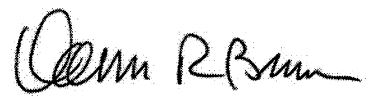
Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rupert, Idaho's basic financial statements. The accompanying other supplementary information on page 33-55 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated February 10, 2016, on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



DENNIS R BROWN
Certified Public Accountant
Twin Falls, Idaho

THE HISTORIC CITY OF RUPERT
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Management's Discussion and Analysis
For the Year Ended September 30, 2015

The City of Rupert, Idaho's general purpose external financial statements are presented in this report. The components of the general purpose external financial statements include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Other Required Supplementary Information (RSI).

FINANCIAL HIGHLIGHTS

- The total of all fund assets of the City of Rupert exceeded liabilities at the close of the most recent fiscal year by $ 24,009,227. Of that amount, $842,789 (unrestricted net position) may be used to meet future obligations and programs.

- Governmental Fund Revenues were $3,630,520 and expenditures were $3,558,258.

- Proprietary Fund Operating Revenues were $8,758,279 and operating expenses were $9,400,444.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Rupert's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the City's net position changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds.

Continued...

Table 1: Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements	
		Governmental Funds	*Proprietary Funds*
Scope	Entire City government and the City's component unit.	Activities of the City that are not proprietary.	Activities of the City that are operated similar to private businesses
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net position * Statement of revenues, expenses, and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	* Revenues for which cash is received during or soon after the end of the year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 of the financial statements for more detailed information on the elements of the financial statements. Table 1 above summarizes the major features of the basic financial statements.

CONDENSED FINANCIAL INFORMATION

Condensed Statement of Net Position

The largest component of the City's net position, $ 22,281,793, reflects its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not eligible for future spending. Restricted net position totals $884,645. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, debt service requirements, or enabling

Continued...

legislation on how they can be used. The remaining portion of net assets, $842,789, is unrestricted and can be used to finance government operations.

Table 2 below presents the City's condensed statement of net position as of September 30, 2015, derived from the government-wide Statement of Net Position.

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	$ 1,213,312	$ 2,114,196	$ 3,327,508
Capital assets	4,051,083	33,614,946	37,666,029
Restricted assets	0	1,037,677	1,037,677
Total Assets	5,264,295	36,766,819	42,031,114
Deferred Outflows of Resources	280,424	292,309	572,733
Current Liabilities	286,886	1,289,612	1,576,498
Long-term liabilities	860,679	15,331,470	16,192,149
Total Liabilities	1,166,554	16,621,082	17,768,647
Deferred Inflows of Resources	391739	434234	825,973
Net Position:			
Invested in capital assets-net of related debt	3,813,959	18,467,834	22,281,793
Restricted	0	884,645	884,645
Unrestricted	191,456	651,333	842,789
Total Net Position	$ 4,005,415	$ 20,003,812	$ 24,009,227

The amount restricted in the Business-type Activities category is for various future water and wastewater projects along with funds restricted in accordance with debt requirements.

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the fiscal year ended September 30, 2015 as derived from the government-wide Statement of Activities. Over time, increases and decreases in net position measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities increased by $ 56,601 or 1.42% percent, and the net position of the business-type activities decreased by $ 1,016,025 or 5.09%.

Continued...

	Governmental Activities	Business-type Activities	Total Primary Government
Revenue:			
Program revenues			
Charges for services	$ 231,904	$ 8,668,937	$ 8,900,841
Capital grants /contributions	61,801	35,339	97,140
Indirect expense allocation	1,342,757		1,342,757
Total program revenues	1,636,462	8,704,276	10,340,738
General revenues			
Taxes	840,432		840,432
Franchise, licenses, permits	319,212		319,212
State shared revenues	610,060		610,060
Penalties & interest on delinquencies	46,453		46,453
Gain on sale of assets	0		0
Earnings on investments	31,303	1,752	33,055
Other revenues	183,014	179,265	362,279
Total general revenues	2,030,474	181,017	2,211,491
Total revenues	3,666,936	8,885,293	12,552,229
Program expenses:			
General Government	1,371,434		1,371,434
Public Safety	1,230,667		1,230,667
Highways and Streets	428,147		428,147
Cultural and Recreation	346,906		346,906
Depreciation	233,181		233,181
Electric		5,479,951	5,479,951
Water		1,120,698	1,120,698
Wastewater		2,093,214	2,093,214
Sanitation		706,581	706,581
Interest, long-term debt		500,874	500,874
Total program expenses	3,610,335	9,901,318	13,511,653
Change in net position	56,601	(1,016,025)	(959,424)
Beginning net position	4,702,601	21,751,381	26,453,982
Prior period adjustment	(753,787)	(731,544)	(1,485,331)
Ending net position	$ 4,005,415	$ 20,003,812	$ 24,009,227

Continued...

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were therefore supported by general revenues, mainly taxes.

Table 4: Program Expenses and Revenues for Government Activities For the Fiscal Year Ended September 30, 2015

	Program Expenses	Program Revenues	Net Expense (Revenues) (a)
General Government	$ 1,371,434	$ 1,398,320	$ 26,886
Public Safety	1,230,667	107,189	(1,123,478)
Highways and Streets	428,147	0	(428,147)
Cultural and Recreation	346,906	130,953	(215,953)
Depreciation	233,181	0	(233,181)
Totals	$ 3,610,335	$ 1,636,462	$ (1,973,873)

(a) Governmental activities are mainly supported by taxes.

Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses.

Table 5: Program Expenses and Revenues for Business-type Activities For the Fiscal Year Ended September 30, 2015

City Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)
Electric	$ 5,479,951	$ 4,815,573	$ (664,378)
Water	1,120,698	932,321	(188,377)
Wastewater	2,093,214	2,308,798	215,584
Sanitation	706,581	647,584	(58,997)
Interest on long-term debt	500,874		(500,874)
Totals	$ 9,901,318	$ 8,704,276	$ (1,197,042)

Continued...

The City of Rupert, Idaho adopts an annual budget. A budgetary comparison statement of Governmental Funds is provided below. In total, any negative variances are insignificant.

Table 6: Analysis of Significant Budget Variances for Government Activities For the Fiscal Year Ended September 30, 2015

MD&A Budge/Actual 2015	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Taxes	$ 822,497	$ 834,208	$ 11,711
Franchises, licenses, permits	323,090	319,212	(3,878)
State of Idaho, Counties, and Cities	696,483	686,832	(9,651)
Fees, fines and charges for services	163,800	161,488	(2,312)
Miscellaneous	2,487,499	1,628,780	(858,719)
Total Revenue	4,493,369	3,630,520	(862,849)
General Government	1,257,804	1,189,626	68,178
Public Safety	1,290,355	1,147,572	142,783
Streets	539,383	458,712	80,671
Capital outlay	1,244,212	179,580	1,064,632
Parks and Recreation	376,001	346,906	29,095
Library	158,823	152,767	6,056
Animal Control	91,810	83,095	8,715
Total Expenditures	4,958,388	3,558,258	1,400,130
EXCESS REVENUE (EXPENDITURES)	(465,019)	72,262	537,281

BUDGET VARIANCES IN THE GENERAL FUND

The changes made to the budget format have moved the City into compliance with the budget standards developed by the Government Finance Officers of America (GFOA). An analysis of budget variances this year shows that more assets were budgeted for expenditure than were expended during the current operating cycle.

Continued...

Table 7: Comparison of Statement of Net Position
As of September 30, 2015 and 2014

		2015	2014	Percentage Change
Current Assets	$	3,327,508	3,497,584	-5.11%
Capital Assets		37,666,029	38,803,883	-3.02%
Restricted Assets		1,037,677	1,004,633	3.18%
Total Assets		42,031,114	43,306,100	-3.03%
Deferred Outflows of Resources		572,733	0	100.00%
Current Liabilities		1,576,498	1,215,428	23.82%
Long Term Liabilities		16,192,149	15,636,690	3.77%
Total Liabilities		17,768,647	16,852,118	5.56%
Deferred Inflows of Resources		825,973	0	100.00%
Net Position:				
Invested in Capital Assets net of related debt		22,281,793	22,749,122	-2.45%
Restricted		884,645	851,601	3.74%
Unrestricted		842,789	2,853,259	-238.55%
Total Net Position	$	24,009,227	26,453,982	-10.53%

CAPITAL ASSET AND LONG-TERM, ACTIVITY

Capital Asset Activity

At September 30, 2015, the City reported $4,051,083 in capital assets for governmental activities and $33,614,946 in capital assets for business-type activities, for a total of $37,666,029 in capital assets.

Long-term Debt Activity

See Note 5 of the financial statements for information on the City's long-term debt.

Continued...

Table 8: Changes in Fixed Assets
for All Funds
For the Fiscal Year Ended September 30, 2015

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 786,448	0	0	$ 786,448
Construction in Progress	0	41,859	0	41,859
Infrastructure	55,658,458	72,579	0	55,731,037
Buildings and improvements	4,087,348	0	0	4,087,348
Vehicles and equipment	5,393,673	145,351	0	5,539,024
Totals	65,925,927	259,789	0	66,185,716
Accumulated Depreciation	27,122,044	1,397,643	0	28,519,687
Net Book Value	$ 38,803,883	-1,137,854	0	$ 37,666,029

SIGNIFICANT ISSUES

The City experienced no significant issues during the last fiscal year or subsequent to the year through the date of the report.

REQUESTS FOR INFORMATION

Requests for information regarding City finances should be directed to:

City Finance Officer
624 F Street, P.O. Box 426
Rupert, ID 83350
Telephone: (208) 436-9600

CITY OF RUPERT, IDAHO
Statement of Net Position
at September 30, 2015

	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit Urban Renewal Agency
ASSETS				
Cash and Deposits	$ 1,001,500	$ 906,154	$ 1,907,654	
Accounts Receivable		767,945	767,945	
Taxes Receivable	43,052		43,052	
Due From Other Governments	157,943	0	157,943	
Restricted and Asssigned Cash	0	1,037,677	1,037,677	$ 12,463
Other Assets	10,717	440,097	450,814	
Totals	1,213,212	3,151,873	4,365,085	12,463
Capital Assets:				
Land	579,124	207,324	786,448	
Construction in Progress	41,859	0	41,859	
Infrastructure	1,001,190	54,729,847	55,731,037	
Buildings and Improvements	3,406,071	681,277	4,087,348	
Equipment and Vehicles	2,406,002	3,133,022	5,539,024	
Accumulated Deprecation	(3,383,163)	(25,136,524)	(28,519,687)	
Total Capital Assets	4,051,083	33,614,946	37,666,029	0
Total Assets	5,264,295	36,766,819	42,031,114	12,463
Deferred Outflows of Resources:				
Deferred Outflows from Pensions Activity	280,424	292,309	572,733	0
LIABILITIES				
Accounts and Payroll LiabilitiesPayable	229,010	619,174	848,184	
Refundable User Deposits	0	153,032	153,032	
Long-term Liabilities:				
Portion due or payable within one year:				
Loans Payable	57,876	517,406	575,282	
Portion due or payable after one year:				
Loans Payable	179,248	13,237,326	13,416,574	1,030,875
Premium on Bond Refunding		1,392,380	1,392,380	
Net Pension Liability	607,334	619,729	1,227,063	
Compensated Absences	74,097	82,035	156,132	
Total Liabilities	1,147,565	16,621,082	17,768,647	1,030,875
Deferred Inflows of Resources:				
Deferred Inflows from Pensions Activity	391,739	434,234	825,973	0
NET POSITION				
Invested in Capital Assets - net of related debt	3,813,959	18,467,834	22,281,793	
Restricted For:				
Debt Service		853,041	853,041	
Other Purposes	0	31,604	31,604	(1,018,412)
Unrestricted	191,456	651,333	842,789	
Total Net Position	$ 4,005,415	$ 20,003,812	$ 24,009,227	$ (1,018,412)

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Statement of Activities
For the Year Ended September 30, 2015

Activities:	Expenses	Indirect Expense Allocation	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business Type Activities	Net (Expense) Revenues and Changes in Net Position: Total	Component Unit - Urban Renewal Agency
Governmental:								
Administrative	$ 662,316	(689,664)	$ 24,226	$ 11,450	$ 63,024		$ 63,024	
Buildings	35,495	(113,701)			78,206		78,206	
City Hall Office	372,793	(376,260)			3,467		3,467	
Law Enforcement	954,909			23,923	(930,986)		(930,986)	
Streets	428,147				(428,147)		(428,147)	
Parks and Recreation	246,621		102,342	50	(144,229)		(144,229)	
Pool	100,285		28,561		(71,724)		(71,724)	
Fire Control	192,663				(192,663)		(192,663)	
Shop	80,154	(163,132)			82,978		82,978	
Library	152,767		6,359	13,528	(132,880)		(132,880)	
Capital Outlay	67,909				(67,909)		(67,909)	
Animal Control	83,095		70,416	12,850	171		171	
Depreciation	233,181				(233,181)		(233,181)	
Total Governmental Activities	3,610,335	(1,342,757)	231,904	61,801	(1,973,873)		(1,973,873)	
Business Type:								
Electric	5,479,951		4,815,573			$ (664,378)	(664,378)	
Water	1,120,698		930,321	2,000		(188,377)	(188,377)	
Wastewater	2,093,214		2,275,459	33,339		215,584	215,584	
Sanitation	706,581		647,584			(58,997)	(58,997)	
Interest - on long-term debt	500,874					(500,874)	(500,874)	
Total Business-type Activities	9,901,318		8,668,937	35,339		(1,197,042)	(1,197,042)	
Total City of Rupert, Idaho	$ 13,511,653		$ 8,900,841	$ 97,140	(1,973,873)	(1,197,042)	(3,170,915)	
Component Units:								
Urban Renewal Agency	$ 1,637							$ (1,637)
Total								(1,637)
General Revenues:								
State of Idaho liquor receipts					62,355		62,355	
State highway user collections					196,907		196,907	
State of Idaho shared revenue					181,431		181,431	
State of Idaho sales tax revenue					152,927		152,927	
Highway Road and Bridge tax					16,440		16,440	
Franchises, licenses, permits					319,212		319,212	
City Property Assessments					840,432		840,432	2,740
Penalty collection and deliquent notices					46,453		46,453	
Earnings on investments					31,303	1,752	33,055	0
County court fines					23,145		23,145	
Gain on sale of assets							0	
Miscellaneous					105,742	152,373	258,115	
Gain (Loss) on Pension Activity					54,127	26,892	81,019	
Total general revenues and transfers					2,030,474	181,017	2,211,491	2,740
Changes in net position					56,601	(1,016,025)	(959,424)	1,103
Net Position - Beginning					4,702,601	21,751,381	26,453,982	(1,019,515)
Prior Period Adjustment					(753,787)	(731,544)	(1,485,331)	
Net Position - Ending					$ 4,005,415	$ 20,003,812	$ 24,009,227	$ (1,018,412)

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Balance Sheet
Governmental Funds
for the year ended September 30, 2015

	General Fund	Other Governmental: DeMary Library Fund	Other Governmental: Animal Control Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Deposits	$ 898,587	$ 91,605	$ 11,308	$ 1,001,500
Taxes Receivable	37,584	5,468		43,052
Due From Other Governments	151,679	6,264		157,943
Other Receivables	10,660	57		10,717
Total Assets	$ 1,098,510	$ 103,394	$ 11,308	$ 1,213,212
LIABILITIES:				
Accounts Payable	$ 188,915	$ 1,844	$ 3,428	$ 194,187
Accrued Labor Payable	31,864	2,024	935	34,823
Total Liabilities	220,779	3,868	4,363	229,010
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - LID Assessments	11,281	0	0	11,281
Unavailable Revenue - Property Taxes	34,787	5,044	0	39,831
Total Deferred Inflows of Resources	46,068	5,044	0	51,112
FUND BALANCE:				
Non-spendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	21,000	0	21,000
Unassigned	831,663	73,482	6,945	912,090
Total Fund Balance	831,663	94,482	6,945	933,090
Total Liabilities and Fund Balance	$ 1,098,510	$ 103,394	$ 11,308	$ 1,213,212

Amounts reported for governmental activities in the Statement of Net Position (page 11) are different because:

Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is $ 7,481,183 and the accumulated depreciation is $ 3,430,100	4,051,083
Long-term liabilities, including bonds and compensated absences are not payable in the current period and therefore are not reported in the governmental funds	(311,221)
Pension activity is not reported in the government funds	(718,649)
Deferred Inflows of Resources are not reported in the Statement of Net Position	51,112
Net Position of Governmental Funds	$ 4,005,415

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2015

	General Fund	Other Governmental: DeMary Library Fund	Other Governmental: Animal Control Fund	Total Governmental Funds
REVENUE:				
Property taxes	$ 728,373	$ 105,835	$	$ 834,208
Franchises, licenses, permits	317,562		1,650	319,212
State of Idaho shared revenue	181,431			181,431
State of Idaho sales tax	132,209	20,718		152,927
State of Idaho liquor receipts	62,355			62,355
State highway user collections	196,907			196,907
Penalty collection and deliquent notices	46,453			46,453
County court fines	23,145			23,145
Highway Road and Bridge tax	16,440			16,440
Fees, fines and charges for services	155,129	6,359	70,416	231,904
Grants and contributions	35,423	13,528	12,850	61,801
Earnings on investments	31,303	0		31,303
Gain on Sale of Assets	23,935			23,935
Miscellaneous	86,458	129	19,155	105,742
Total Revenue	2,037,123	146,569	104,071	2,287,763
EXPENDITURES:				
Administration	701,184			701,184
Buildings	35,495			35,495
City Hall Office	372,793			372,793
Law Enforcement	954,909			954,909
Streets	458,712			458,712
Parks and Recreation	246,621			246,621
Pool	100,285			100,285
Fire Control	192,663			192,663
Shop	80,154			80,154
Capital Outlay	179,580			179,580
Library		152,767		152,767
Animal Control			83,095	83,095
Total Expenditures	3,322,396	152,767	83,095	3,558,258
EXCESS REVENUE (EXPENDITURES)	(1,285,273)	(6,198)	20,976	(1,270,495)
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	1,342,757			1,342,757
Operating transfers (to) other funds				0
NET CHANGE IN FUND BALANCES	57,484	(6,198)	20,976	72,262
FUND BALANCE - BEGINNING	774,179	100,680	(14,031)	860,828
FUND BALANCE - ENDING	$ 831,663	$ 94,482	$ 6,945	$ 933,090

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
for the year ended September 30, 2015

Net Change in Fund Balance - Total Governmental Funds (Page 14)	$	72,262
Governmental funds report capital outlays as current year expenditures. In the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.		
This is the amount of current year depreciation.		(233,181)
This is the amount of new assets paid in the Government Funds.		111,671
This is the amount of disposed of Governmental Fund assets.		(23,935)
Long term liabilities are not recorded in the Governmental funds. Principle and interest paid on capital debt are recorded as expenditures in the Governmental Funds. Principle amounts paid are not recorded as expenditures in the Statement of Net Position.		
This is the amount of current year principle payments on capital debt.		69,433
Gain (Loss) on Pension Activity		54,127
Some property taxes will not be collected for several months after the City's fiscal year end. They are not considered available revenues in the governmental funds, but are recorded as deferred tax revenues. However, they are recorded as revenues in the Statement of Activities.		
This is the change in deferred revenue in the current year.		6,224
Change in Net Position of Governmental Activities (Page 12)	$	56,601

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Statement of Net Position
Proprietary Funds
at September 30, 2015

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Totals
Assets:					
Current Assets:					
Cash and Deposits	$ 238,922	$ 11,391	$ 570,522	$ 85,319	$ 906,154
Accts receivable - customers	453,342	81,794	180,683	52,126	767,945
Inventory	289,521	112,965	37,611	0	440,097
	981,785	206,150	788,816	137,445	2,114,196
Restricted Current Assets:					
Cash and Deposits	184,636	117,835	735,206	0	1,037,677
Total Current Assets	1,166,421	323,985	1,524,022	137,445	3,151,873
Capital Assets:					
Plant and equipment	10,083,653	7,418,043	40,478,606	771,169	58,751,471
Accumulated depreciation	(5,668,177)	(2,973,683)	(15,947,221)	(547,444)	(25,136,525)
Net Plant and equipment	4,415,476	4,444,360	24,531,385	223,725	33,614,946
Total Assets	5,581,897	4,768,345	26,055,407	361,170	36,766,819
Deferred Outflows of Resources:					
Deferred Outflows from Pensions	116,922	46,770	70,155	58,462	292,309
Liabilities:					
Current Liabilities:					
Accounts and Interest Payable	441,936	63,225	53,872	25,268	584,301
Accrued Payroll Payable	13,757	5,969	8,480	6,667	34,873
Customer Deposits	153,032				153,032
Current portion long-term debt	0	45,000	443,905	28,501	517,406
Total current liabilities	608,725	114,194	506,257	60,436	1,289,612
Noncurrent Liabilities:					
Bonds and Captial Leases Payable	0	1,035,000	12,202,326		13,237,326
Premium on Bond Refunding		162,478	1,229,902		1,392,380
Net Pension Liability	247,892	99,157	148,735	123,945	619,729
Compensated Absences Payable	40,594	8,371	20,738	12,332	82,035
Total noncurrent liabilities	288,486	1,305,006	13,601,701	136,277	15,331,470
Total Liabilities	897,211	1,419,200	14,107,958	196,713	16,621,082
Deferred Inflows of Resources:					
Deferred Inflows from Pensions	173,692	69,478	104,216	86,848	434,234
Net Position:					
Investment in capital assets net of related debt	4,415,476	3,201,882	10,655,252	195,224	18,467,834
Restricted	31,604	117,835	735,206	0	884,645
Unrestricted	180,836	6,720	522,930	(59,153)	651,333
Total Net Position	$ 4,627,916	$ 3,326,437	$ 11,913,388	$ 136,071	$ 20,003,812

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
for the year ended September 30, 2015

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Totals
Operating Revenues:					
Charges for services	$ 4,815,573	$ 930,321	$ 2,275,459	$ 647,584	$ 8,668,937
Miscellaneous	37,542	14,357	25,902	11,541	89,342
Total Operating Revenue	4,853,115	944,678	2,301,361	659,125	8,758,279
Operating Expenses:					
Salaries and benefits	731,126	313,473	481,871	398,695	1,925,165
Administrative and supplies	58,482	64,878	14,180	14,739	152,279
Indirect expense allocation	699,539	169,992	354,429	118,797	1,342,757
Operations and maintenance	3,745,827	434,636	503,184	132,134	4,815,781
Depreciation	244,977	137,719	739,550	42,216	1,164,462
Total Operating Expenses	5,479,951	1,120,698	2,093,214	706,581	9,400,444
Net Operating Income	(626,836)	(176,020)	208,147	(47,456)	(642,165)
Nonoperating Revenues (Expenses):					
Interest Income	312	199	1,241	0	1,752
Interest Expense		(45,602)	(452,933)	(2,339)	(500,874)
Grants		2,000	33,339		35,339
Premium Earned on refinancing		9,557	53,474		63,031
Gain on Sale of Assets					
Gain (Loss) on Pension Activity	10,757	4,302	6,455	5,378	26,892
Total Nonoperating	11,069	(29,544)	(358,424)	3,039	(373,860)
Income before transfers	(615,767)	(205,564)	(150,277)	(44,417)	(1,016,025)
Transfers in					0
Transfers out					0
Net Income	(615,767)	(205,564)	(150,277)	(44,417)	(1,016,025)
Total Net Position - Beginning	5,559,102	3,658,168	12,252,916	281,195	21,751,381
Prior Period Adjustment	(315,419)	(126,167)	(189,251)	(100,707)	(731,544)
Total Net Position - Ending	$ 4,627,916	$ 3,326,437	11,913,388	$ 136,071	$ 20,003,812

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Statement of Cash Flows
Proprietary Funds
for the year ended September 30, 2015

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Total
Cash Flows From Operating Activities:					
Receipts from customers	$ 4,832,562	$ 936,311	$ 2,296,541	$ 655,414	$ 8,720,828
Payments to suppliers	(3,628,516)	(457,470)	(499,258)	(126,859)	(4,712,103)
Payments to employees	(731,126)	(313,473)	(481,871)	(398,695)	(1,925,165)
Payments from (to) other funds	(699,539)	(169,992)	(354,429)	(118,797)	(1,342,757)
Other receipts					0
Net cash provided (used) by operations	(226,619)	(4,624)	960,983	11,063	740,803
Cash Flows From Capital and Related Financing Activities:					
Purchase and construction of capital assets	0	(31,321)	(95,409)	(21,388)	(148,118)
Principal paid on capital debt	0	(45,000)	(432,055)		(477,055)
Interest paid on capital debt	0	(45,602)	(452,933)	(2,339)	(500,874)
Net cash provided (used) by capital and related financing activities	0	(121,923)	(980,397)	(23,727)	(1,126,047)
Cash Flows From Investing Activities:					
Grant Income		2,000	33,339		35,339
Interest Income	312	199	1,241	0	1,752
Net cash provided (used) by investing	312	2,199	34,580	0	37,091
Net Increase (Decrease) in Cash and Deposits	(226,307)	(124,348)	15,166	(12,664)	(348,153)
Balances - Beginning of the year	649,865	253,574	1,290,562	97,983	2,291,984
Balances - Ending of the year	$ 423,558	129,226	$ 1,305,728	$ 85,319	$ 1,943,831
Displayed as:					
Pooled Cash and Investments	238,922	11,391	570,522	85,319	906,154
Restricted Assets	184,636	117,835	735,206	0	1,037,677
Balances - Ending of the year	$ 423,558	129,226	$ 1,305,728	$ 85,319	$ 1,943,831
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income	(626,836)	(176,020)	208,147	(47,456)	(642,165)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	244,977	137,719	739,550	42,216	1,164,462
Changes in assets and liabilities:					
Receivables, net	(20,553)	(8,367)	(4,820)	(3,711)	(37,451)
Accounts and other payables	175,793	42,044	18,106	20,014	255,957
Transfers in (out)		0	0	0	0
Customer deposits	0	0			0
Net Cash Provided (Used) by Operating Activite	$ (226,619)	(4,624)	$ 960,983	$ 11,063	$ 740,803

The accompanying notes are a part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rupert, Idaho became an incorporated city under the laws of the State of Idaho on April 12, 1906. The accounting policies of the City of Rupert, Idaho conform to generally accepted accounting principles as applicable to governmental units. The financial statements of the City of Rupert, Idaho have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities (enterprise funds) provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies:

(A) Basis of Presentation – Basis of Accounting

Basis of Presentation:

For this reporting period, the City has conformed its financial statement model to *Governmental Auditing Standards Board (GASB) Statement No. 34*. This model presents the financial statements as follows:

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental* and *proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

-Continued

The City reports the following governmental funds:

General Fund. This is the City's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following enterprise funds:

Electric, Water, Wastewater, and Sanitation Funds. These funds account for the operation, maintenance, and development of the City's electrical distribution system, water and waste-water facilities, and sanitation collection.

Discretely Presented Component Unit

The Component unit column in the financial statements includes the financial data of the City's only discretely presented component unit, the Rupert Urban Renewal Agency. It is reported in a separate column to emphasize that it is separate from the City's operations. Complete financial statements of the Rupert Urban Renewal Agency can be requested.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting. The City adheres to City budget requirements in Title 50, Chapter 10 of the Idaho Code. The provisions of this chapter include the following procedures to establish budgetary data which is reflected in these financial statements:

-continued

A. Prior to certifying the tax levy to the County Commissioners, and prior to passing the annual appropriation ordinance, a public meeting shall be held to adopt a budget by a favorable vote of a majority of the members of the council.
B. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. Uncommitted appropriations lapse at year end.
C. There are no provisions in Title 50, Chapter 10 for budget augmentations.

Entity Classifications.

A. City-Wide Financial Statements – The City reports net position in three categories – invested in capital assets, restricted and unrestricted.

B. Fund Financial Statements – The City has adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

Non-spendable – These funds are not available for expenditures based on legal or contractual requirements. In this category, one would see inventory, long-term receivables, unless proceeds are restricted, committed, or assigned and legally or contractually required to be maintained intact (corpus or a permanent fund).

Restricted – These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, debt service or capital projects.

Committed – Fund balances in this category are limited by the governments' highest level of decision making. Any changes of designation must be done in the same manner that it was implemented and should occur prior to end of the fiscal year, though the exact amount may be determined subsequently.

Assigned – These funds are intended to be used for specific purposes, intent is expressed by governing body or an official delegated by the governing body.

Unassigned – This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the general fund. If it is, the assigned fund balance must be adjusted.

Order of Use of Fund Balance – The City's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

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Allocation of Indirect Expenses. The City allocates indirect expense, primarily comprised of central governmental services, to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions or programs include police, fire, and certain divisions with public services and parks.

(B) Assets, Liabilities, and Equity

Deposits and Investments

The cash balances of substantially all funds are pooled and deposited in either US Bank or the funds individually invest in the State of Idaho Treasurer's Office for the purpose of increasing earnings through investment activities. The State Investment Pool amounts are reported at fair value at September 30 of each year based on market prices. The individual funds' portions of the bank balance and fair value of the State Investment Pool are presented as "Cash and Deposits". Earnings from the State Investments Pool are credited each month in the individual funds where the account is reported.

Cash and Deposits

The City considers cash and deposits in proprietary funds to be cash on hand. In addition, because the State Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a deposit.

Receivables and Payable

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property Tax Calendar

Property taxes are levied each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The Minidoka County Assessor establishes assessed values. Property tax payments are due in one-half installments in December and June. Property taxes become a lien on the property when it is levied.

Budgetary Data

Prior to September 1, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. After reviewing the preliminary budget, the Council sets a public budget hearing to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance.

-Continued

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department. Budget revisions at this level are subject to final review by the City Council. The legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without Council approval. All annual appropriations lapse at year end. Budgetary data is prepared on the basis of accounting used by a particular fund as explained above. However, only current period payments on capital leases are budgeted, not the full capitalized lease amounts. Depreciation for the proprietary funds is not budgeted; however, an allowance for capital outlay is included in budgeted expenditures.

Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Use of Estimates

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

Inventory

Inventories in governmental funds are considered to be immaterial and are not reported. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis.

Capital Assets

Purchased or constructed capital assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. They are reported net of accumulated depreciation on the Statement of Net Assets. The City capitalizes assets in excess of $5,000.

Under the requirements of *GASB Statement No. 34*, the City is considered a Phase 3 government, as its total annual revenues are less than $10 million. Such governments are not required to report major general infrastructure assets retroactively. Accordingly, the City has determined not to retroactively report this type of capital asset.

Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	5-15
Office and Other Equipment	3-15
Computer Equipment	3-15

Continued

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In 2007, the Governmental Accounting Standards Board (GASB) released Concepts Statement No. 4 *Elements of Financial Statements* which provides a framework for determining the nature of financial accounting or reporting issues. Since the release of the framework, GASB has been looking at the assets and liabilities on the balance sheet to determine if they should continue to be reflected as such. GASB has concluded that, in order to improve financial reporting, there are assets and liabilities that no longer should be reflected as assets and liabilities. These changes are included in the recently-issued GASB Statement No. 65, *Items Previously Reported as Asset and Liabilities.*

These changes include two new items that are reflected on the Statement of Net Position.

- Deferred outflow of resources – the current *consumption* of net assets that is applicable to a *future* reporting period.
- Deferred inflows of resources – the current *acquisition* of net assets that is applicable to a *future* reporting period.

The City's financial statements may report a separate section for deferred inflows of resources which reflects an increase in resources that applies to a future period.

NOTE 2 – CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has no deposit policy for custodial credit risk. At year end, none of the City's bank balances were exposed to custodial credit risk because it was insured by the FDIC.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the City held the following investments:

Continued

Investment Type

Idaho State Local Government Investment Pool $ 2,271,209

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "Investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the City voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the Pool is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. The fair value of the City's position in the external investment Pool is the same as the value of the Pool shares.

Credit Risk: The City's policy is to comply with Idaho State statutes which authorize the City to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of *credit risk:* The City has no policy regarding these two investment risk categories.

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is presented on the combined balance sheet as "Cash and Deposits".

Cash and Deposits are comprised of the following at the financial statement date:

Cash on Hand	$ 50
Deposits with financial institutions:	
Demand deposits	674,072
State of Idaho Investment Pool	2,271,209
Total	$ 2,945,331

NOTE 3 – DELINQUENT TAXES RECEIVABLE

Property taxes are levied in November of each year and due in two equal installments at December 20 and June 20 following the levy date. If payment is not received upon the due dates, a 2% penalty is charged and taxes are classified as past due subject to 12% interest.

Delinquent taxes not paid within 60 days of year-end are recorded as deferred revenue in the governmental fund financial statements. In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the City regardless of when cash is received. Over time, substantially all property taxes are collected. Although small amounts of delinquent taxes are

-Continued

collected within 60 days following the close of the City's fiscal year, the City feels secure in the right of the County to take tax deeds on property for the collection of real property taxes. Therefore, an allowance for uncollectible taxes receivable has not been established and would be immaterial.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the current year ended was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets not being depreciated:				
Land	$ 579,124	$	$	$ 579,124
Construction in Progress	0	41,859	0	41,859
Total	579,124	41,859	0	620,983
Capital Assets being depreciated:				
Buildings & Improvements	3,406,071			3,406,071
Infrastructure	1,001,190			1,001,190
Vehicles and Equipment	2,336,190	69,812		2,406,002
Total	6,743,451	69,812	0	6,813,263
Less: Accumulated Depreciation:	3,149,982	233,181	0	3,383,163
Total Net Depreciated Assets	3,593,469	(163,369)	0	3,430,100
Governmental capital assets, net	$ 4,172,593	$ (121,510)	$ 0	$ 4,051,083
Business-type activities:				
Capital Assets not being depreciated:				
Land	$ 207,324	$	$	$ 207,324
Construction in Progress	0			0
Total	207,324	0	0	207,324
Capital Assets being depreciated:				
Buildings & Improvements	681,277			681,277
Infrastructure	54,657,268	72,579		54,729,847
Vehicles and Equipment	3,057,483	75,539		3,133,022
Total	58,396,028	148,118	0	58,544,146
Less: Accumulated Depreciation	23,972,062	1,164,462		25,136,524
Total Net Depreciated Assets	34,423,966	(1,016,344)	0	33,407,622
Business-type capital assets, net	$ 34,631,290	$ (1,016,344)	$ 0	$ 33,614,946

– Continued

NOTE 5 - BONDS PAYABLE

In December, 2012 the City signed documents to refinance the Sewer Bond Series 1088, 2001, 2008A, 2008B, 2008C, and 2009 by using Idaho Bond Bank Authority Revenue Bonds, Series 2012.

The Wastewater Parity Lien Revenue Refunding Bond is at the par amount of $10,570,000 plus a premium of $1,390,324 less underwriter discount of $40,070, for a net purchase price of $11,920,254. Proceeds from the municipal bond were used to pay off the prior bonds in the amount of $11,804,674, plus fees and costs of $114,315. The City was to transfer $408,100 of funds held in the reserve funds for the prior bonds, for a total reserve of $732,369. Bond repayment is scheduled to be complete in September 2038, with total interest expense of $5,316,977 over the full term of repayment. Interest rates vary from 2% to 5%. The bond premium will be amortized on a straight line basis over the life of the bonds at the rate of $53,474 per year.

Repayment of the bonds is scheduled in a later section of these financial statements.

In September 2013, the City issued the Wastewater Parity Lien Revenue Bond for the purpose of financing improvements to the wastewater system. At that time interim financing in the amount of $3,351,000 plus interest was paid off. Interest in the amount of $41,173 was capitalized and added to the project cost. The interim financing was paid upon completion of the sewer improvement project with funds provided by a USDA Rural Development Bond in the amount of $3,452,000 at an interest rate of 2.125%.

Repayment of the bond is scheduled in a later section of these financial statements.

In December of 2012 the City signed documents to refinance the Water Revenue Bond Series 2002 by issuing Idaho Bond Bank Authority Revenue Bonds, Series 2012.

The Water Revenue Refunding Bond is at the par amount of $1,225,000 plus a premium of $191,149 less underwriter discount of $4,614, for a net purchase price of $1,411,535. Proceeds from the municipal bond were used to pay off the prior bond in the amount of $1,387,421, plus fees and costs of $21,001. Of the $117,423 held in the reserve fund for the prior bond, $92,700 was applied to fund the new Reserve Fund, with the balance to be used in part to pay the prior bond. Bond repayment is scheduled to be complete in September of 2032 with total interest expense of $579,652 over the full term of repayment. Interest rates vary from 2% to 5%. The bond premium will be amortized on a straight line basis over the life of the bonds at the rate of $9,557 per year.

Repayment of the bond is scheduled in a later section of these financial statements.

NOTE 6 – CAPITAL LEASES

The City has entered into municipal lease agreements for the purchase of a 2011 Pierce Peterbilt Pumper Fire Truck to be used by the General Fund of the City, as well as a 2013 International Leach Truck to be used by the Sanitation Fund (a Proprietary Fund). The obligations are recorded in the respective funds. Annual lease payments are paid in advance. Unless sooner terminated as set forth in the lease, ownership will transfer to the City upon expiration of the lease. Depreciation expense has been computed on assets acquired under municipal lease agreements.

Capital Leases – Continued

Detail of the Capital Leases follows:

	Equip Cost	2016	2017	2018	2019-20	Total
Governmental Activities						
2014 Elgin Pelican Street Sweeper						
Mountain West Bank	196,415	30,565	30,565	30,565	61,130	152,825
Less Interest 2.95%		(4,135)	(3,356)	(2,553)	(2,603)	(12,647)
Due 10/28						
	196,415	26,430	27,209	28,012	58,527	140,178
2011 Pierce Pumper						
Oshkosh Capital	194,099	34,102	34,102	34,102		102,306
Less Interest 2.74%		(2,656)	(1,795)	(909)		(5,360)
Due 10/15						
	194,099	31,446	32,307	33,193	0	96,946
Total Governmental	390,514	57,876	59,516	61,205	58,527	237,124
Business-Type Activities						
Leach Sanitation Truck						
Key Government Fin.	183,430	29,309				29,309
Less Interest 2.825%		(808)				(808)
Due 11/1						
	183,430	28,501	0	0	0	28,501
Total Capital Leases	$ 573,944	$ 86,377	$ 59,516	$ 61,205	$ 58,527	$ 265,625

NOTE 7 – OPERATING LEASES

The City is obligated under a lease for three Police 2014 Ford Taurus Interceptor vehicles under an operating lease. Operating leases do not give rise to property rights or purchase obligations, and therefore the results of the lease agreements are not reflected in the City's capital assets. The City is obligated for three annual payments of $8,572 per vehicle for a total payment of $25,716. The final payment is due September 1, 2016.

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NOTE 8 – LITIGATION

The City, at the financial statement date, is not involved in any material litigation as either defendant or plaintiff.

NOTE 9 – RESTRICTED NET ASSETS

The ordinance authorizing the Enterprise Fund revenue bonds requires that the City establish certain restricted cash accounts to be used in the retirement of the bonds and improvements to the water and waste-water systems. In addition, certain cash amounts are restricted for use in law enforcement, zoning ordinance enforcement, and for other restrictions imposed by the City Council in the general fund; and for debt retirement in the long-term debt group of accounts. The City's policy is to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. These restricted amounts are as follows:

	General Fund	Enterprise Funds
General Fund Leases	$ 0	
Water Revenue Bond Debt Service		$ 117,835
Wastewater Bonds Debt Service		735,206
Totals	$ 0	$ 853,041

NOTE 10 – RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; injuries to the general public; and natural disasters. The City carries commercial insurance coverage for these risks to the extent deemed prudent by the City Council. The City is also protected by the Idaho Tort Claims Act, which limits exposure to tort claims against the City.

NOTE 11 – RUPERT URBAN RENEWAL AGENCY

The component unit column in the combined financial statements includes the financial data of the Rupert Urban Renewal Agency, the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City in accordance with State Urban Renewal law. The Agency has authority to construct public improvements including the acquisition of public right-of-way within the blighted area legally designated as the redevelopment district. The City appoints the governing board of the Agency. The Agency derives its funding from tax increment financing.

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NOTE 12 – ANIMAL CONTROL FACILITY JOINT VENTURE

Effective October 1, 2013, the City has agreed to accept the responsibility of handling operation of the animal control facility, including hiring of personnel and administration of financial and operational activities. Cash and capital assets were transferred to the City at that time. The City has a 29.1% ownership interest in the animal control facility improvements located on real property owned by the City of Paul, Idaho. The City of Rupert's current contribution to the operating costs under this agreement is $39,442. In the event of terminating its participation in the agreement, the City would retain an ownership interest in the animal control facility, but all personal property acquired would remain in place for use by the remaining parties. In the event of complete termination, all joint property would be sold, with the proceeds to be distributed in proportion to each entity's contribution.

NOTE 13 - PENSION PLAN

Plan Description

The City of Rupert, Idaho 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. 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 the Board. Employee membership data related to the PERSI Base Plan, as of June 30, 2015 was as follows:

Retirees and beneficiaries currently receiving benefits	42,657
Terminated employees entitled to but not yet receiving benefits	11,859
Active plan members	67,008
	121,524

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 services (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

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

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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, 2015 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 City's contributions were $ 301,861 for the year ended September 30, 2015.
Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.
At September 30, 2015, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2015, the City's proportion was .0941238 percent.
For the year ended September 30, 2015, the City recognized pension expense (revenue) of $81,019. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 456,155	$ 650,883
Changes in assumptions or other inputs	$ 45,579	$ 0
Net difference between projected and actual earnings on pension plan investments	$ 0	$ 148,584
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	$ 0	$ 26,506
City contributions subsequent to the measurement date	$ 70,999	$ 0
Total	$ 572,733	$ 825,973

$70,999 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2015.

-Continued

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2014 the beginning of the measurement period ended June 30, 2015 is 5.6 years.
Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:
Year ended:

2015	($ 12,321)
2016	($ 12,321)
2017	($ 12,321)
2018	($ 12,321)
2019	($ 12,321)
Thereafter	0

Actuarial Assumptions
Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.
The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.5 – 10.00%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

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

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

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

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

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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, 2014.

Asset Class	**Index**	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Core Fixed Income	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	6.90%
Developed Foreign Equities	MSCI EAFE	15.00%	7.55%
Assumed Inflation - Mean			3.25%
Assumed Inflation - Standard			
Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Standard Deviation			13.34%
Portfolio Long-Term Expected Rate of Return			7.50%
Assumed Investment Expenses			0.40%
Long-Term Expected Rate of Return, Net of Investment Expenses			7.10%

Discount Rate
The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all 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 Employer's proportionate share of the net pension liability to changes in the discount rate.

-Continued

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

	1% Decrease (6.10%)	**Current Discount Rate (7.10%)**	**1% Increase (8.10%)**
Employer's proportionate share of the net pension liability (asset)	$ 1,239,334	$ 1,227,063	$ 1,214,792

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

Payables to the pension plan

At September 30, 2015, the City reported payables to the defined benefit pension plan of $ 0 for legally required employer contributions and $ 0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

In the current accounting period, the City implemented Governmental Accounting Standards Board (GASB) Statement 68 – Account and Financial Reporting for Pensions. This statement requires government entities providing public pension plans to employees to disclose future pension liabilities for plan participants on current financial statements. This requirement causes an adjustment to prior periods to disclose liabilities accrued from the inception of the plan to the beginning of the current accounting period. The total calculated net pension liability attributable to the prior periods is $1,485,331.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the audit report date, February 10, 2016.

REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF RUPERT, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- General Fund
for the year ended September 30, 2015

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE:			
Property Taxes	$ 718,839	$ 728,373	$ 9,534
Franchises, licenses, permits	322,090	317,562	(4,528)
State of Idaho shared revenue	179,560	181,431	1,871
State of Idaho sales tax	145,816	132,209	(13,607)
State of Idaho liquor receipts	63,894	62,355	(1,539)
State highway user collections	183,463	196,907	13,444
Penalty collection and deliquent notices	44,000	46,453	2,453
County court fines	25,000	23,145	(1,855)
Highway Road and Bridge tax	16,500	16,440	(60)
Fees, fines, and charges for services	157,300	155,129	(2,171)
Grants and contributions	1,025,016	35,423	(989,593)
Earnings on investments	10,000	31,303	21,303
Gain on Sale of Assets	0	23,935	23,935
Miscellaneous	29,500	86,458	56,958
Total Revenue	2,920,978	2,037,123	(883,855)
EXPENDITURES:			
Administration	689,664	701,184	(11,520)
Buildings	83,751	35,495	48,256
City Hall Office	376,259	372,793	3,466
Law Enforcement	1,002,931	954,909	48,022
Streets	539,383	458,712	80,671
Parks and Recreation	274,214	246,621	27,593
Pool	101,787	100,285	1,502
Fire Control	287,424	192,663	94,761
Shop	108,130	80,154	27,976
Capital outlay	1,244,212	179,580	1,064,632
Total Expenditures	4,707,755	3,322,396	1,385,359
EXCESS REVENUE (EXPENDITURES)	(1,786,777)	(1,285,273)	501,504
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	1,342,758	1,342,757	(1)
Operating transfers (to) other funds			0
NET CHANGE IN FUND BALANCES	(444,019)	57,484	501,503
FUND BALANCE - BEGINNING	774,179	774,179	0
FUND BALANCE - ENDING	$ 330,160	$ 831,663	$ 501,503

CITY OF RUPERT, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- DeMary Memorial Library
for the year ended September 30, 2015

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE:			
Property Taxes	$ 103,658	$ 105,835	$ 2,177
County Sales tax	18,240	20,718	2,478
County membership	6,700	6,356	(344)
Fees, fines, and charges for services	6,500	6,359	(141)
Grants and contributions	2,400	7,172	4,772
Earnings on investments	0	0	0
Miscellaneous	325	129	(196)
Total Revenue	137,823	146,569	8,746
EXPENDITURES:			
Personnel expense	108,274	105,623	2,651
Operations and Maintenance	50,549	47,144	3,405
Capital outlay	0	0	0
Contingency	0	0	0
Total Expenditures	158,823	152,767	6,056
EXCESS REVENUE (EXPENDITURES)	(21,000)	(6,198)	14,802
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds			0
Operating transfers (to) other funds			0
NET CHANGE IN FUND BALANCES	(21,000)	(6,198)	14,802
FUND BALANCE - BEGINNING	100,680	100,680	0
FUND BALANCE - ENDING	$ 79,680	$ 94,482	$ 14,802

CITY OF RUPERT, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Animal Control Fund
for the year ended September 30, 2015

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE:			
Property Taxes	$ 0	$ 0	$ 0
Franchises, licenses, permits	1,000	1,650	650
City Joint Power Agreements	72,310	64,406	(7,904)
Minidoka County fees	10,000	6,010	(3,990)
Fees, fines, and charges for services	0	0	0
Grants and contributions	500	12,850	12,350
Miscellaneous	8,000	19,155	11,155
Total Revenue	91,810	104,071	12,261
EXPENDITURES:			
Personnel expense	53,193	37,811	15,382
Operations and Maintenance	38,617	45,284	(6,667)
Capital outlay	0	0	0
Contingency			0
Total Expenditures	91,810	83,095	8,715
EXCESS REVENUE (EXPENDITURES)	0	20,976	20,976
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	0	0	0
Operating transfers (to) other funds	0	0	0
NET CHANGE IN FUND BALANCES	0	20,976	20,976
FUND BALANCE - BEGINNING	(14,031)	(14,031)	0
FUND BALANCE - ENDING	$ (14,031)	$ 6,945	$ 20,976

CITY OF RUPERT, IDAHO
PUBLIC EMPLOYEE PENSION INFORMATION
For the year ended September 30, 2015

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability	
PERSI - Base Plan	
Last 10 - Fiscal Years*	
	2015
Employer's portion of net the pension liability	.0941238%
Employer's proportionate share of the net pension liability	$ 1,227,063
Employer's covered-employee payroll	$ 2,651,290
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	216.07%
Plan fiduciary net position as a percentage of the total pension liability	1950.45%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those use for which information is available.

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

Schedule of Employer Contributions	
PERSI - Base Plan	
Last 10 - Fiscal Years*	
	2015
Statutorily required contribution	$ 301,861
Contributions in relation to the statutorily required contribution	($ 301,861)
Contribution (deficiency) excess	$ 0
Employer's covered-employee payroll	$ 2,651,290
Contributions as a percentage as a percentage of covered-employee payroll	11.39%

OTHER
SUPPLEMENTARY INFORMATION

CITY OF RUPERT, IDAHO
Note and Bond-Future Principal and Interest Requirements
at September 30, 2015

	Annual Payment			
	Date	Interest Payment	Principal Payment	Balance
Revenue Bond:				
				$ 1,080,000
Water Revenue Refunding Bonds, Series 2012	3/15/2016	$ 22,325		1,080,000
$ 1,225,000 December 2012	9/15/2016	22,325	$ 45,000	1,035,000
2.00 - 5.00%	3/15/2017	21,425		1,035,000
	9/15/2017	21,425	45,000	990,000
	3/15/2018	20,525		990,000
	9/15/2018	20,525	50,000	940,000
	3/15/2019	20,025		940,000
	9/15/2019	20,025	50,000	890,000
	3/15/2020	19,025		890,000
	9/15/2020	19,025	50,000	840,000
	3/15/2021	18,025		840,000
	9/15/2021	18,025	55,000	785,000
	3/15/2022	16,925		785,000
	9/15/2022	16,925	55,000	730,000
	3/15/2023	16,100		730,000
	9/15/2023	16,100	60,000	670,000
	3/15/2024	14,600		670,000
	9/15/2024	14,600	60,000	610,000
	3/15/2025	13,100		610,000
	9/15/2025	13,100	65,000	545,000
	3/15/2026	11,475		545,000
	9/15/2026	11,475	65,000	480,000
	3/15/2027	9,850		480,000
	9/15/2027	9,850	70,000	410,000
	3/15/2028	8,100		410,000
	9/15/2028	8,100	75,000	335,000
	3/15/2029	6,225		335,000
	9/15/2029	6,225	80,000	255,000
	3/15/2030	4,625		255,000
	9/15/2030	4,625	80,000	175,000
	3/15/2031	2,625		175,000
	9/15/2031	2,625	85,000	90,000
	3/15/2032	1,350		90,000
	9/15/2032	1,350	90,000	0
		$ 452,650	$ 1,080,000	

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Note and Bond-Future Principal and Interest Requirements
at September 30, 2015

		Annual Payment		
	Date	Interest Payment	Principal Payment	Balance
	3/15/2016	$ 187,934		$ 9,450,000
Revenue Bond:	9/15/2016	187,934	$ 355,000	9,095,000
	3/15/2017	180,834		9,095,000
Wastewater Parity Lien Revenue Refunding	9/15/2017	180,834	370,000	8,725,000
Bonds Series 2012	3/15/2018	173,434		8,725,000
$ 10,570,000 issued December 2012	9/15/2018	173,434	385,000	8,340,000
2.00% - 5.00%	3/15/2019	169,584		8,340,000
	9/15/2019	169,584	390,000	7,950,000
	3/15/2020	161,784		7,950,000
	9/15/2020	161,784	405,000	7,545,000
	3/15/2021	153,684		7,545,000
	9/15/2021	153,684	420,000	7,125,000
	3/15/2022	145,284		7,125,000
	9/15/2022	145,284	440,000	6,685,000
	3/15/2023	138,684		6,685,000
	9/15/2023	138,684	455,000	6,230,000
	3/15/2024	127,309		6,230,000
	9/15/2024	127,309	475,000	5,755,000
	3/15/2025	115,434		5,755,000
	9/15/2025	115,434	500,000	5,255,000
	3/15/2026	102,934		5,255,000
	9/15/2026	102,934	525,000	4,730,000
	3/15/2027	89,809		4,730,000
	9/15/2027	89,809	550,000	4,180,000
	3/15/2028	76,059		4,180,000
	9/15/2028	76,059	575,000	3,605,000
	3/15/2029	61,684		3,605,000
	9/15/2029	61,684	560,000	3,045,000
	3/15/2030	50,484		3,045,000
	9/15/2030	50,484	355,000	2,690,000
	3/16/2031	41,609		2,690,000
	9/16/2031	41,609	370,000	2,320,000
	3/15/2032	36,059		2,320,000
	9/15/2032	36,059	305,000	2,015,000
	3/15/2033	31,484		2,015,000
	9/15/2033	31,484	310,000	1,705,000
	3/15/2034	26,641		1,705,000
	9/15/2034	26,641	320,000	1,385,000
	3/15/2035	21,641		1,385,000
	9/15/2035	21,641	330,000	1,055,000
	3/15/2036	16,484		1,055,000
	9/15/2036	16,484	340,000	715,000
	3/15/2037	11,172		715,000
	9/15/2037	11,172	350,000	365,000
	3/15/2038	5,703		365,000
	9/15/2038	5,703	365,000	0
		$ 4,251,456	$ 9,450,000	

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Note and Bond-Future Principal and Interest Requirements
at September 30, 2015

	Annual Payment			
	Date	Interest Payment	Principal Payment	Balance
Revenue Bond:				
Wastewater Parity Lien Revenue Bond 2012				$ 3,196,231
$ 3,452,000 September 17, 2012	9/17/2016	$ 67,920	$ 88,905	3,107,326
2.125%	9/17/2017	66,031	90,794	3,016,532
	9/17/2018	64,101	92,724	2,923,808
	9/17/2019	62,131	94,694	2,829,114
	9/17/2020	60,119	96,706	2,732,408
	9/17/2021	58,064	98,761	2,633,647
	9/17/2022	55,965	100,860	2,532,787
	9/17/2023	53,822	103,003	2,429,784
	9/17/2024	51,633	105,192	2,324,592
	9/17/2025	49,398	107,427	2,217,165
	9/17/2026	47,115	109,710	2,107,455
	9/17/2027	44,783	112,042	1,995,413
	9/17/2028	42,402	114,423	1,880,990
	9/17/2029	39,971	116,854	1,764,136
	9/17/2030	37,488	119,337	1,644,799
	9/17/2031	34,952	121,873	1,522,926
	9/17/2032	32,362	124,463	1,398,463
	9/17/2033	29,717	127,108	1,271,355
	9/17/2034	27,016	129,809	1,141,546
	9/17/2035	24,258	132,567	1,008,979
	9/17/2036	21,441	135,384	873,595
	9/17/2037	18,564	138,261	735,334
	9/17/2038	15,626	141,199	594,135
	9/17/2039	12,625	144,200	449,935
	9/17/2040	9,561	147,264	302,671
	9/17/2041	6,432	150,393	152,278
	9/17/2042	3,236	152,278	0
		$ 1,036,733	$ 3,196,231	

The accompanying notes are a part of these financial statements.

DRB
Dennis Brown
CERTIFIED PUBLIC ACCOUNTANT

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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*

February 10, 2016

To the Honorable Mayor and City Council
City of Rupert, Idaho

I 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 and the business-type activities, and the discretely presented component unit of City of Rupert, Idaho, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise City of Rupert, Idaho's basic financial statements, and have issued our report thereon dated February 10, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered City of Rupert, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Rupert, Idaho's internal control. Accordingly, I do not express an opinion on the effectiveness of City of Rupert, Idaho's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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.

My consideration of internal control 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 my audit I did not identify any deficiencies in internal control that I 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 City of Rupert, Idaho's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DENNIS R. BROWN
Certified Public Accountant
Twin Falls, Idaho