CASSIA COUNTY, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2019

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May 11, 2020

TO: BOARD OF COUNTY COMMISSIONERS
CITIZENS OF CASSIA COUNTY

Idaho statute requires that all general-purpose local governments with annual expenditures that exceed two hundred fifty thousand dollars ($250,000.00) submit a complete set of financial statements to the legislative council. The financial statements presented must conform to Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the attached Basic Financial Statements with Management's Discussion and Analysis of Cassia County, Idaho, for the fiscal year ended September 30, 2019. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Zwygart John and Associates, an accounting firm of licensed certified public accountants, has audited the county's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the county for the fiscal year ended September 30, 2019, are free of material misstatements. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the county's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with General Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A is designed to complement the letter of transmittal and should be read in conjunction with it. The county's MD&A can be found immediately following the report of the independent auditors.

Cassia County Government Profile

Cassia County is located, geographically, in the south central plain of the Snake River, bordered to the south by the State of Utah and surrounded by Oneida, Power, Blaine, Minidoka, Jerome, and Twin Falls Counties. It is comprised of 2,565.08 square miles of land. The estimated

Cassia County population base increase from April 1, 2010 until July 1, 2019 was approximately 4.7%. The U.S. Census Bureau report in 2010 was a population of 22,952 with population estimates in 2019 at 24,030.

A three-member elected County Commission with overlapping terms governs the county. Responsibilities of the County Commissioners include passing ordinances and resolutions, adopting the budget, and appointing the heads of various departments. Six other elected officials in Cassia County include the Clerk of the District Court who serves as ex-officio Auditor and ex-officio Recorder, Assessor, Coroner, Prosecutor, Sheriff, and Treasurer.

The county provides a full range of services under its general governmental functions. These services include public safety and protection, sanitation services, health and social services, culture and recreation, road and bridge construction and maintenance, planning and zoning, and general administrative services. Also included are services related to property assessment, budget development and administration, financial management, tax collection, investment of county assets, court and jury service management, indigent public defense, public records maintenance, conducting and directing of elections, directing indigent medical and non-medical services, noxious weed and invasive species control, and educational extension services in conjunction with the University of Idaho. In addition, landfill sanitation and emergency 9-1-1 communications services are provided under an enterprise fund concept, with user charges to provide revenue to meet operating expenses.

Of note during FY2019, the Idaho Public Defense Commission continues to be charged with the statutory duty of adopting rules and grant funding for the defense of indigent citizens. Those rules have been updated by action of the legislature to assure adequate legal services that include funding by state and county government. This is in part in response to litigation from the ACLU for inadequate indigent defense in certain Idaho counties, all necessitating additional costs to the State of Idaho and to all counties. Recruitment of qualified attorneys to perform indigent legal services has been difficult at best. Cassia County enhanced all attorney compensation during FY2019 to assist in the recruiting effort. Additionally, the Public Defense Commission provide some funding for expansion of the Minidoka and Cassia joint Public Defender office space to accommodate an additional attorney. That was necessitated by growing needs and to stay within case workload standards for each attorney.

The County Commission is required to annually adopt a final budget by no later than the first Tuesday following the first Monday in September. This annual budget serves as the foundation for Cassia County's financial planning and control. The budget is prepared by fund, department, activity, and object. Each elected official and department head are required to submit a budget request to the County Auditor which is to include a projection of operating and capital expenditures and identified revenues from which to allocate for those expenditures. The Clerk submits to the Board of County Commissioners such department requests including their recommendations, which follow directions of the Board of what is deemed appropriate. Funding must fall within the constraints of available and estimated revenue and income funding sources. The final governing authority, the Board of County Commissioners then considers and contrasts or modifies such budget recommendations to present at public hearing before approval. In addition, the County Auditor maintains ongoing internal budgetary controls throughout the fiscal year to ensure compliance with legal provisions embodied in the annual adopted budget process, adhering to Idaho budget statutes, and to comply with federal

regulations. The adopted budget is then integrated with the county's accounting system to ensure reasonable and timely management control over County expenditures throughout the year. Final budget amounts are as originally adopted or as amended either by judicial order or by action of the Commissioners through scheduled budget hearing procedures. The necessity of budget amendments would be appropriate and legal for receipt of unscheduled revenues and to meet unexpected expenses above appropriated amounts approved following a public hearing and in compliance with Idaho statute.

Reconciliation of FY2018 ending balances in our old financial accounting software with our newly acquired Computer Arts, Inc software required careful efforts from our software vendor, with our Auditor's Office, and with our independent auditor, Zwygart John and Associates. That data migration and reconciliation is now complete.

During the fiscal year, the Board of County Commissioners may amend the annual appropriated budget by unanimous resolution in case of an emergency, through the courts, or by the budget hearing process. The appropriated budget can only be increased by an amount equal to unscheduled revenues and available reserves. In no event can property taxes be increased. Management at the departmental level does not have authority to amend the budget but only to request such to the governing Board of County Commissioners and when statutorily appropriate.

Local Economy

Cassia County's Comprehensive Plan reflects the preservation of an agriculture-based economy. Included are dairy and dry farm operations as well as waterway and deep well irrigation crop farms. Production crops include potatoes, sugar beets, beans, alfalfa, wheat, barley, and seed crop production. Some industrial development has occurred with many having a direct relationship to agricultural production. Ethanol production and wind power generation are part of the local economy as well.

Cassia County, as well as the rest of Idaho has seen considerable increases with both domestic and international industrial development. Recreation activities in Cassia County include those associated with the Snake River, a ski resort, mountain streams and lakes, the City of Rocks National Reserve, camping, hiking, hunting, and recreational vehicle exploration. The federal government continues to close miles of roads on BLM and US Forest Service ground previously used for that recreation and exploration, much to the dismay of most county officials and numerous recreationists.

Ongoing discussions and considerations surround the relocation of the current City of Burley-sponsored municipal airport from its current landlocked location adjacent to concentrated business and population to a more rural location. The amount of land needed to adequately facilitate a new airport in nearly all prospective locations identified, will include the purchase of at least some private agriculture property and the possible consideration of the use of eminent domain to secure some portions of the needed real estate. Those dynamics leave the decision of such a move to local municipalities as well as to both Minidoka and Cassia Counties. The City of Burley approached both Minidoka County and Cassia County Commissioners to suggest the formation of an airport authority to carry that project forward. At present, it appears certain that the current City of Burley Airport will not receive further Federal Aviation Administration funding and will likely be abandoned. In the absence of a desire or interest of

both counties to pursue an airport authority, it doesn't appear the City of Burley is looking at annexation of proposed property to continue their airport sponsorship. Sadly, a real possibility includes that the Mini-Cassia area could eventually be without an airport which would clearly elicit negative results to economic recruitment of industry and business to the Mini-Cassia area. Agricultural crop spraying, air freight, mail, emergency medical, and commerce activities could be adversely affected with the demise of the City of Burley Airport.

Financial Planning

Cassia County's 9-1-1/Emergency Communication services continues to evolve with telephone use funding to maintain and enhance communication ability throughout difficult and remote areas of the county. The cost to the county property taxpayer is very minimal to accomplish those needs.

The old 9-1-1 system was upgraded to include reverse 9-1-1 and eventually it is anticipated may include functions of cell phone text dissemination. The FCC-mandated narrow banding and all licenses and repeaters continue to be updated to be compatible with that mandate. Preparations are ongoing for a national implementation in the future of enhancements, improvements, and multi-agency and multi-geographical integration of 9-1-1 communications.

The County Road and Bridge department continues to work with roads within their jurisdiction to assist with the repair and maintenance needs of rural county roads that are within the boundaries of this district. Culvert and bridge maintenance repair in the Elba and Almo areas continue to be necessary. Work continues with grading roads and application of magnesium chloride for dust control in the areas most traveled. Grants that have been received in the past for the magnesium chloride treatment are no longer available which presents a problem for funding that important road preservation and maintenance process. Following the Idaho Transportation Department (ITD) taking control over the road from Connor Creek to Elba and Almo, a cooperative agreement continues between ITD and the County Road and Bridge, where plowing of snow by the County is provided in exchange for road sand and salt from the State. Of note for FY2019, Cassia County received grand and reimbursement funding from the Idaho Office of Emergency Management (OEM) and Federal Emergency Management Agency (FEMA).

The Auditor's Office continues recommendations for prudent placement of funds in reserve each fiscal year for future capital needs. Some budgeted expenditures continue to merit more aggressive scrutinization of the Board of Commissioners to minimize optional or non-statutory services and other expenditures that may affect the building of or the depletion of critical reserve funds.

The ongoing and clear concern of this budget officer is the reality of potential catastrophic results for continual reliance on Federally funded Payment in Lieu of Taxes (PILT) as an ongoing expected funding mechanism for critical services in Cassia County. Federal appropriations for ongoing full funding of PILT, though supported by all of Idaho's federal legislative delegates, continues to be in the balance year to year. A federal government impasse between the legislative and administrative branches presents a viable threat that could result in the loss of portions of or all of PILT funding. The end result to Cassia County would be the

potential loss of 10% of Cassia County's annual budget or up to $2.3 million of the current full funding of PILT, which would be devastating to essential County services.

The continued dedication of Auditor's Office Lead Auditor Heather Evans as well as Deputy Auditors Sharene Ahlin and Michelle Wallace are worthy of commendation amidst the complexities of current accounting and reporting requirements. Those requirements include changes in Government Accounting Standards Board (GASB) publication compliance, PERSI retirement plan monitoring and oversight, Affordable Care Act (ACA) daily and annual record-keeping and reporting to the IRS, federal Department of Labor compliance for compensation of county employees and unemployment processing, county taxing district levy oversite, public defense grant processing and tracking, grant funds auditing, and Legislative Services Office oversite and reporting. This office continues to require appropriate accountability and safeguarding of the financial resources of Cassia County. That ongoing commitment and effort will include in-house auditing in areas where the need arises and where quality control and efficiency can be improved. The Board of County Commissioners' engaged outside auditor, Zwygart John and Associates have been instrumental and extremely valuable in our migration from our previous financial accounting software to our new system of accounting. Their experience with numerous other counties in Idaho and Oregon and in particular with our CAI accounting and programming professionals and our new financial accounting software has been invaluable. Moreover, the additional advice and counsel in establishing best practices and internal auditor control has been very helpful. Findings and recommendations for appropriate accounting processes as identified by Zwygart John and Associates will prove helpful for improvement and fulfilling of the Auditor's Office stewardship to maintain sound financial management and accounting. The ongoing goal of the Cassia County Auditor's Office is to mitigate any and all adverse findings and implement all recommendations of the outside auditor.

The submission of this annual financial report for Cassia County is, hereby, offered for consideration and review of the Board of County Commissioners, interested parties, and the citizens of Cassia County.

Respectfully,



Joseph W. Larsen
Clerk of the District Court
ex-officio Auditor/Recorder

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Independent Auditor's Report

Board of Commissioners
Cassia County, Idaho
Burley, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Cassia County, Idaho (the County) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Governmental Activities

Management has not performed the actuarial calculations for other post-employment benefits for the governmental activities and, accordingly, has not considered the County's other post-employment benefit liability. Accounting principles generally accepted in the United States of America require that a liability be recorded for other post-employment benefits, which would decrease net position, increase liabilities, and increase expenses in the governmental activities. The amount by which this departure would affect net position, liabilities, and expenses in the governmental activities is not reasonably determinable.

Qualified Opinion
In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities: paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Cassia County, Idaho as of September 30, 2019, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Cassia County, Idaho, as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-5, budgetary comparison information, schedule of the County's proportionate share of the net pension liability, and schedule of County contributions on pages 31 through 39 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cassia County, Idaho's basic financial statements. The combining and individual nonmajor fund financial statements, the combining and individual fiduciary fund financial statements, and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U. S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2020 on our consideration of Cassia County, Idaho's internal control over financial reporting and on our 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 our 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 Cassia County, Idaho's internal control over financial reporting and compliance.

Zwygart John & Associates CPAS, PLLC

Nampa, Idaho
May 13, 2020

Cassia County
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2019

I, Joseph W. Larsen, am the ex-officio auditor of Cassia County, Idaho. As such I function as budget officer and financial manager pursuant Idaho Statute § 31-160. My duties thereunder are to oversee financial accountability and to ensure that provisions of the budget are complied with by each elected official, department head, and their appointees or designees. This narrative overview, analysis, and accompanying financial statements for the fiscal year ended September 30, 2019, is presented. Included are financial performance and activities of the governmental services of Cassia County for the Fiscal Year beginning October 1, 2018, through September 30, 2019.

The County implements the reporting model as adopted by the Governmental Accounting Standards Board (GASB) in their statements. Most recently, that includes the following that apply, along with previous GASB Statements, to Fiscal Year ended September 30, 2018, and thereafter:

- GASB Statement No. 91 – Conduit Debt Obligations
    - Involved three parties; issuer, third-party obligor, and a debt holder/trustee
    - Issuer and third-party obligor are not within the same financial reporting entity
    - Debt obligation is not a parity bond of the issuer nor cross-collateralized with other debt of the issuer
    - Third party obligor or its agent ultimately received the proceeds from debt issuance
    - Third party obligor is primarily obligated for the payment with debt service payments
- Implementation Guide No. 2019-1 – Implementation Guidance Update – 2019
- Implementation Guide No. 2019-2 – Fiduciary Activities
    - Provides clarifications and elaborates on requirements of Statement No. 84, Fiduciary Activities
- Implementation Guide No. 2019-3 – Leases
    - Provides clarifications and elaborates on requirements of Statement No. 87, Leases

Most new GASB Statements and Implementations Guides have little or no significant impact on accounting and financial statements for Cassia County for fiscal year 2019. However, some obligations under GASB Statement No. 91 may have some reporting requirements as part of our financial statements for reporting periods beginning after December 15, 2020.

Elected Officials

A political subdivision of the State of Idaho, Cassia County has nine elected officials; three county commissioners, sheriff, prosecuting attorney, clerk, treasurer, assessor, and coroner. Every two years, two county commissioner terms are up for election; one for a two-year term and one for a four-year term. The two-year term of District 1 Commissioner Paul Christensen and the four-year term of District 3 Commissioner Tim Darrington expired in January of 2019. Taking the Oath of Office on January 11, 2019, as new Cassia County Commissioners were District 1 Commissioner-elect Leonard M. Beck for a two-year term and District 3 Commissioner-elect Kent R. Searle for a four-year term. District 2 Commissioner Bob Kunau has two years remaining in his term of office and had been serving as Board Chair until January 11, 2019, when Commissioner Beck was selected by the Board of Commissioners to serve as in that capacity.

Elected officials at fiscal year ending on September 30, 2019, included the following:

Board of County Commissioners:

District 1 – Leonard M. Beck, Chair
District 2 – Bob Kunau
District 3 – Kent R. Searle

The Board of County Commissioners is "the chief executive authority of the county government" under Idaho Statute § 31-828. As such, they manage, preside over and are responsible for statutory compliance and adherence, more particularly relative to financial accounting and fiscal responsibility as follows:

- "…supervise the official conduct of all county officers, and appointed boards or commissions of the county charged with assessing, collecting, safekeeping, management of disbursement of the public moneys and revenues; see that they faithfully perform their duties…and when necessary, require them to make reports, and to present their books and accounts for inspection." Idaho Code § 31-802
- "…lay out, maintain, control and manage public roads…and bridges within the county, and levy such tax therefor as authorized by law…" Idaho Code § 31-805
- "…preserve, take care of, manage and control the county property…" Idaho Code § 31-807
- "…examine and audit the accounts of all officers having the care, management, collection or disbursement of moneys belonging to the county, or appropriated by law, or otherwise, for its use and benefit." Idaho Code § 31-809
- "…funds deposited in the county election fund…shall be used to pay for all costs in conducting political subdivision elections." Idaho Code § 31-809A
- "…examine, settle, and allow all accounts legally chargeable against the county…" Idaho Code § 31-810
- "…levy such taxes annually on the taxable property of the county as may be necessary not exceeding the amount authorized by law…" Idaho Code § 31-811
- "…fix the compensation of all county officers and employees, and provide for the payment of the same." Idaho Code § 31-816
- "…hold public fairs or exhibitions, to care for and maintain the same, regulate the use thereof…" Idaho Code § 31-822
- "…levy a tax…for the purpose of creating a fund to be used for collecting, preparing and maintaining an exhibition of the products and industries of the county…for the purpose of encouraging immigration and increasing trade in the products of the State of Idaho, to pay premiums or prizes for, and any costs or expenses of collecting, preparing, maintaining, exhibiting and advertising of like exhibitions, exhibited by others than the county at any such domestic or foreign exposition." Idaho Code § 31-823
- "…employ inmates of the county jail upon public road work or other county work in the county…" Idaho Code § 31-824
- "…contract to purchase and to purchase and provide for care by clerk of district court of such law books and pamphlets…as necessary…" Idaho Code § 31-825
- "…appropriate funds for demonstration work in agriculture and home economics…for the employment of a county agent or county agents in cooperation with the University of Idaho…" Idaho Code § 31-826

- "…authority and power to enter into contracts…to promote, maintain, and administer projects and programs…of public benefit, and the purpose of which is to carry on programs concerning the aged." Idaho Code § 31-866
- "…may impose and collect fees for those services provided by the county…" Idaho Code § 31-870
- "…shall provide misdemeanor probation services…shall not be obligated beyond the funds generated by the fees collected…and any additional funds that may be annually appropriated…" Idaho Code § 31-878
- "…shall cause to be made, annually, a full and complete audit of the financial transactions of the county." Idaho Code § 31-1701
- "…shall…evaluate the need and provide to indigent person(s) nonmedical assistance in a temporary situation only when no alternative exists." Idaho Code § 31-3401
- "…shall…pay for necessary medical services for the medically indigent residents…" Idaho Code § 31-3503 (1)
- "…estimate of expenditures…required…as finally fixed and adopted as the county budget…shall constitute the appropriations for the county for the ensuing fiscal year. Each and every county official or employee shall be limited in making expenditures or the incurring of liabilities to the respective amounts of such appropriations." Idaho Code § 31-1606
- "…shall cause to be made, annually, a full and complete audit of financial transactions of the county. Such audit shall be made by and under the direction of the board of county commissioners…" Idaho Code § 31-1707
- "…Audits…are to be performed by independent auditors in accordance with generally accepted governmental auditing standards, as defined by the United States general accountability office." Idaho Code § 67-450B

Clerk of the District Court:

Joseph W. Larsen

The Clerk of the District Court serves also as ex-officio Auditor, ex-officio Recorder, Chief Elections Officer, Social Services Officer, and Clerk of the Board of Commissioners.

Larsen was re-elected to a four-year term in the 2018 General Election and received the Oath of Office on January 11, 2019.

Assessor:

Dwight Davis

The Assessor determines property valuations, administers the property taxation system, and provides vehicle registration through the Idaho Department of Transportation.

Davis was re-elected to a four-year term in the 2018 General Election and received the Oath of Office on January 11, 2019.

Treasurer:

Laura Greener

The Treasurer is the County Tax Collector and ex-officio Public Administrator.

Laura Greener, was appointed Treasurer in August of FY2018 as the Republican nominee to fill the vacancy created by the resignation of elected Treasurer Patty Justesen.

Greener was elected to a four-year term in the 2018 General Election and received the Oath of Office on January 11, 2019.

Prosecuting Attorney:

Douglas Abenroth

The Prosecuting Attorney prosecutes crimes and is counsel to County government.

Sheriff:

Jay Heward

The Sheriff is the Chief Law Enforcement Officer of the County with supervisory oversight of the Minidoka and Cassia Counties joint Adult Misdemeanor Probation Office and the Mini-Cassia Criminal Justice Center.

Coroner:

Craig Rinehart

The Coroner determines and certifies the manner and cause of death.

Statutory Budget Requirements

The common goal of each elected official, each department head, and every employee of Cassia County is to provide the best possible service with available resources to every member of the public, in a courteous, equitable, efficient, and cost-effective way as prescribed in the constitution and laws of the State of Idaho. Objectives of department heads and elected officials should be to utilize any sensible means possible to prudently collect any and all available revenues as allowed by law, including proceeds from property and sales tax, grants, fees for services rendered, and fines. Those resources are to be used for goods and services rendered on behalf of the citizens and taxpayers of Cassia County. The County's elected officials and department heads have the fiduciary responsibility and are accountable to the taxpayers and citizens of Cassia County and to all members of the public to sensibly and ethically:

- Promote any revenue generating functions of their respective departments with all due diligence and in compliance with the Constitution of the State of Idaho, all Idaho Statutes, and any applicable and required rules and regulations and provide an accurate and honest accounting of such.
- Request, explain, and appropriately account for all requirements of funding in carrying out the duties of each office and elected position to the County Auditor during the budgeting process and account for and remain within the parameters of the approved budget throughout the fiscal year.
- Preserve all budgeted amounts that are not required to conduct the legitimate duties of each office and elected position during the current fiscal year to maintain positive beginning fund balances for the ensuing fiscal year.

The ***Budget or Financial Officer*** of Cassia County has the fiduciary responsibility for and is accountable to the Board of County Commissioners, the taxpayers and citizens of Cassia County, and to all members of the public to sensibly and ethically:

- Prepare a preliminary budget for consideration of the Board of County Commissioners. Idaho Code § 31-1602
- See that the provisions of the adopted budget are complied with. *Id*.
- Notify each county official in writing to file with the budget officer an itemized estimate of probable revenues from sources other than taxation that will accrue to each county official's office and all expenditures required and a brief explanatory statement of the request for the fiscal year being budgeted for. *Id*.

- Prepare and file with the Board of County Commissioners a suggested budget for Cassia County for the ensuing fiscal year showing all contemplated expenditures and the source of revenues with which to pay the same. Idaho Code § 31-1603
- Submit to the Board of County Commissioners a statement showing the expenditures and liabilities against each separate budget appropriation before the last day of each quarter of the fiscal year. That must include any and all facts indicating any possible deficit or excessive expenditure from any appropriation. Idaho Code § 31-1611

The ***Board of County Commissioners*** of Cassia County has the fiduciary responsibility for and is accountable to the taxpayers and citizens of Cassia County and to all members of the public to sensibly and ethically:

- Convene to consider the proposed budget of the Budget Officer in detail and make any alterations allowable by law and which they deem advisable to agree upon a tentative budget to be allowed and appropriated for each office of Cassia County for the ensuing fiscal year. *Idaho Statute § 31-1604*
- Following establishment of tentative appropriations, to cause the Budget Officer to make notice to be published in the county-designated newspaper setting forth statutorily-required financial information regarding the ensuing fiscal year's proposed budget. *Idaho Statute § 31-1604*
- Fixing a time and place for a hearing to allow any taxpayer to appear and be heard upon any part or parts of the budget. Idaho Code §§ 31-1604-5.
- Fix and determine a final budget and make appropriations to each county entity for the ensuing fiscal year. *Id*.
- Fix the levies for the ensuing fiscal year to raise the amount of expenditures prescribed by the adopted budget. Idaho Statute § 31-1605.
- Amend an adopted budget during the fiscal year to reflect unscheduled revenues, grants, or donations only after the annual budget procedure is complied with as nearly as practicable prior to such adjustment. *Id*.

Each ***County Official and Employee*** of Cassia County has the fiduciary responsibility for and is accountable to the Cassia County Board of Commissioners, the taxpayers and citizens of Cassia County, and to all members of the public to sensibly and ethically:

- Limit expenditures or the incurring of liabilities to the respective amounts of such appropriations. Idaho Code § 31-1606
- Be aware that expenditures made, liabilities incurred, or warrants issued in excess of any budget appropriations shall not be the liability of the county, but the official incurring such shall be liable. Idaho Code § 31-1607

Financial Actions of the Board of Commissioners and Items of Fiscal Note for FY2019

The Board of County Commissioners have regularly-scheduled meetings each Monday and at other times as planned and posted for the public during the fiscal year. All of their meetings, actions, and resolutions are public information. Fiscal actions during FY2019 include but are not limited to the following:

- ***August 27, 2018*** – The Board of Commissioners culminated the FY2019 budget process which included:
    - Fixing of the annual salaries of county officers (Idaho Code § 31-3106)
    - Approval and publishing of Tentative Budget (Idaho Code § 31-1604)
    - Public Hearing, fixing and determining the amount of the budget, and adopting by resolution said budget. (Idaho Code § 31-1605)
        - $303,441 budgeted from savings following identification of all probable revenues.
        - $95,000 budgeted for the County Fair from Cassia County Fair fund reserve balances.
        - Funding from savings was to cover costs related to wages and salaries, which included two full time and one part time additional employee.
        - Road and Bridge budget was adopted at $395,870.
        - The overall Cassia County Budget, which includes the Road and Bridge budget was adopted at $18,461.952.
- ***October 1, 2018*** – At the recommendation of this Budget Officer, Cassia County joined 34 other counties by implementing a more robust and consistent financial software package for FY2019 through Computer Arts, Inc. (CAI) of Idaho to replace older customized programming. The old programming platform is based on the aged IBM iSeries AS400 server first implemented in 1988. With expert veterans in that system programming reaching or surpassing retirement age, knowledge and expertise is increasingly difficult to obtain. Additionally, large volumes of data storage critical in county government is problematic and expensive with the IBM iSeries system. Integrated database management is much improved with the newer CAI programming platform.
- ***October 1, 2018*** – This Budget Officer has encouraged the Board of Commissioners to adopt a procurement policy to vet some purchases before they are made rather than expressing concerns following purchases where there appeared to be little or no due diligence to obtain the best value and the best vendor when spending public funds. Two model Procurement Agreements were provided to examine; one from Teton County and another from Ada Country. Though the County Attorney worked on the matter, the Board did not act on this Budget Officer recommendation during FY2019.
- ***October 9, 2018*** – Following an Executive Session on personnel, the Board of Commissioners approved an action to increase fixed FY2019 budgeted personnel-related amounts in the Cassia County Prosecutor's Office for FY2019 by $39,400 effective immediately. As it included no discussion with the Auditor's Office or the public, this Budget Officer had concerns as the budget was fixed for FY2019 and approved at a public Budget Hearing just six weeks earlier on August 27, 2018.
- ***October 15, 2018*** – The Board of County Commissioners approved engagement of Zwygart John and Associates, PLLC, CPA's to conduct the FY2019 required independent outside audit (Idaho Code § 31-1701).
- ***October 22, 2018*** – This budget officer recommended that the Board of Commissioners rescind the Board's action from October 9, 2018 to amend the FY2019 budget. The basis of that recommendation was to be harmonious with statutory requirement to follow the adopted budget so far as is practicable prior to adjusting or amending the budget (Idaho Code § 31-1605). The Board concurred and rescinded their action to amend the FY2019 budget. The fiscal year concluded with no need to amend the Prosecutor's Office budget as they met all expenditures, including increases in employee compensation, within the confines of the original fixed budget.

- ***October 22, 2018*** – Some department heads and other employees expressed concern regarding the fairness of increasing one department's fixed rate of pay and not that of others who were denied doing so during the regular budget process. The Board explained there were staffing problems with attorneys in Cassia County and throughout the State of Idaho.
- ***October 29, 2018*** – The Board of Commissioners entertained discussion with employees of the County in looking at options for equalizing compensation for County employees. Following an Executive Session, the Board determined to look at an additional pay increase for County employees after consultation with the Auditor's Office. This Budget Officer assured the Board an increase in rate of pay could likely be done with little or no amendment to the FY2019 budget if elected officials and department heads were conscientious in curtailing spending during the fiscal year. FY2019 concluded with only a couple of departments that necessitated amendment of the established budget. The County largely bore the brunt of all additional pay increases from within individual budgets after the fixing of the FY2019 budget.
- ***October 29, 2018*** – Once again, discussion included implementation of a County-wide standardized step and grade system for employee compensation. Without that, disparities in fair and equitable pay scales continue. This Budget Officer has been a strong proponent of such an established system to allay ongoing and repetitive employee compensation disarray during every budget cycle for the past 10 years. That system should be based on the requirements of each pay grade such as educational and training requirements, continuing education, difficulty of duties, and exposure to personal risk. Steps within that pay grade should be based on years of service, documented and approved matters that warrant promotions within the grade, required certifications pertaining to job descriptions, and overall efforts and personal commitment to workplace requirements. During FY2019, the Board has chosen not to act on this recommendation.
- ***November 19, 2018*** – In addition to FY2019 budgeted employee compensation increases of a 3% equivalency for all employees, the Board approved a 5% fixed pay increase effective November 25, 2018. An additional 2% discretional increase was approved and to be determined by department heads. Those increases did not include attorneys as they had already been approved for increases on October 9, 2018. The Board stressed the critical nature of reducing operating expenses, identifying additional revenues, and examining the economy along the way.
- ***January 14, 2019*** – A swearing in ceremony was held to for the following Cassia County elected officials: Laura Greener (assumed office upon resignation of elected Treasurer/newly elected), Dwight Davis (incumbent), Joseph Larsen (incumbent), Craig Rinehart (incumbent), Leonard Beck (newly elected/District #1), and Kent Searle, (newly-elected/District #3). Leonard Beck was nominated and approved by the Board to be the new Chair of the Board.
- ***January 14, 2019*** – A remodel of the Assessor's Office was awarded to Big Timber Construction in the amount of $58,500.
- ***March 4, 2019*** – City of Burley Administrator Mark Mitton updated the Board on the status of the Burley Airport. He stressed the insufficiency and lack of safety of the airport and that the FAA would no longer fund improvements there. Larger governance than the City of Burley and relocation of the airport was the desire of the FAA according to Mitton. He stated that the only way right now to fund the airport and its maintenance was for both Minidoka County and Cassia County to be the sponsors of an airport authority collectively in lieu of the City of Burley continuing in that role. He reviewed the City of Burley's planning on how that new authority should proceed, not only with shedding their governance, but also detailed what some of the costs would be for a new proposed airport authority. The Board took no action or made any commitment regarding the Burley Airport in FY2019.

- ***March 25, 2019*** – The Board contracted with copier consultant NuQuo group to manage the purchase of copiers and printers in Cassia County.
- ***April 1, 2019*** – The County's obligation with NuQuo group would be to pay roughly $78,000 for new copiers and printers. The County would also continue with the obligation to pay monthly contractual obligations on the old copiers and printers until those contracts were completed.
- ***April 4, 2019*** – The Board approve the purchase from Lemhi County of a used and unbudgeted pack and roll for County Road and Bridge in the amount of $10,000. It was paid from revenues received during FY2019 from FEMA and IOEM for flood mitigation.
- ***April 25, 2019*** – Idaho Central Credit Union agreed to provide the Cassia County Fair Foundation $500,000 to be used for improvements at the fairgrounds including replacement of some bleachers, a new announcer's stand and new bucking chutes, and new marquee signage.
- ***June 3, 2019*** – Assessor Davis projected preliminary property valuation increases of approximately $500,000,000 and net taxable value increases of approximately $100,000,000.
- ***August 19, 2019*** – A Uniform/Clothing Policy was adopted by resolution for the County detailing what is acceptable to be funded by Cassia County for those attendant costs.
- ***August 26, 2019*** – The FY2020 Road and Bridge Budget Hearing was held. That budget was fixed and adopted by the Board in the amount of $487,239. Additionally, the FY2020 Cassia County Budget Hearing was held (which includes Road and Bridge budgeted amounts). That budget was fixed and adopted by the Board in the amount of $20,401,919. A resolution was adopted the recover foregone taxes in the amount of $43,523.

Economic Conditions and Financial Outlook

Cassia County Demographics and Dilemmas

Located in South Central Idaho on the Snake River Plain, Cassia County is driven by and is primarily an agriculturally-oriented area of commerce. Irrigation means include canal systems originating from the Snake River as well as deep wells relying significantly on the aquifer system. County Planning and Zoning makes recommendations to the Board of County Commissioners for approval of livestock and dairy operations. Crop farming includes primarily potatoes, sugar beets, wheat, barley, and beans. Retail and service industries and businesses are important secondary sources of employment and tax revenue to the County.

The U.S. economy continued improvements throughout this fiscal year which has precipitated unscheduled and unbudgeted County revenues from property taxation as well as revenue sharing from the State of Idaho through sales tax. Those revenues have assisted Cassia County in meeting ever increasing demands on our infrastructure and in the administration of justice. Additionally, as it bolsters County reserve funds, it will serve to allay costs associated with future identified expansion and improvement projects and well as any unforeseen emergencies.

An objective of this Budget Officer has always been to utilize current unrealized and unscheduled revenues to future years budgets to lessen the reliance year-to-year on federally-funded PILT (Payment in Lieu of Taxes) payments. Nearly 9% of our annual budgeted revenue historically has relied on those unappropriated funds. The current push of Idaho's federal legislators is to pass a bill in the 2020 Legislative Session to at least approve funding of PILT for the next two years.

FY2019 has experienced the following:

- Improved interest rates realized from invested idle County funds
- Medicaid Expansion going into effect on January 1, 2020, which will be funded in part from what has been levied for Indigent or Social Services funds that will be diverted to the State of Idaho.

- Despite Medicaid Expansion, there will continue to be a poverty gap that will require County funds to be used for indigent and worthy poor residents entitled to County assistance.
- There has been continued escalation of costs associated with health care providers and medical service facilities in caring for the indigent and worthy poor.
- The Affordable Care Act's requirement of individuals and families to have health insurance coverage still has many indigent and worthy poor residents who present to the County for medical assistance who either cannot afford or who have chosen not to purchase health insurance.
- Underestimated costs related to the Affordable Care Act and overestimated anticipation of revenues from young healthy premium payers has continued to drive healthcare costs upward which adversely affects the indigent and worthy poor residents of the County who then require County assistance.
- Additional time and resources are required to maintain reporting compliance with the IRS as part of the Affordable Care Act
- Continued Diminishing federal and state-funded grant availability important historically to supplement county programs for safety, enforcement of the law, prosecution of offenders of the law, court provisions for administering justice, specialty court implementations, and other needs of funding, which are ever-increasing.
- Additional implemented standards of the Idaho Public Defense Commission for continuing education, workload standards, and reporting have made it difficult to recruit and keep indigent defenders.
- Ongoing reduction of available financial resources to counties to accommodate the sustained and elevated mandates or requirements of the federal and state governments to counties makes it more difficult to sustain providing services and qualified employees.
- Our justice system has experienced escalating crimes relating to drug trafficking, substance abuse, and sexual crimes.
- Inadequate mitigation for the scores of mentally ill in dire need of critical care, facilities, counseling, medications and financial resources, and suicide prevention has reached a crisis point.
- Ever-increasing incarceration, investigation, prosecution, indigent defense, jury trials, and court actions required for offenders of the law.
- Increased and costly court service security facilitation to afford protection of the officers of the court, legal counsel, the accused, and the public.

Urban Renewal and Personal Property Tax Relief

Economic development and construction have improved some in recent years through recruitment with tax relief options as enticements through the Burley Development Authority by utilization of Urban Renewal and Revenue Allocation Areas. Legislative advocacy efforts have also resulted in substantial reductions in personal property taxation exemption designed to entice establishment of and the conducting of business in Idaho. The consequential impact to county government is the reduction or elimination of personal property-taxation receipts to the Cassia County taxing district along with attendant increases in county services required. It has also spawned a tax shift to small business owners and homeowners.

Efforts of the Burley Development Association to expand commerce and economic development, though positive in many aspects, does have an adverse effect with diverting of property taxes away from County government. The enigma created includes increased competition for the skills and services of county employees through higher wages and salaries, enhanced benefit packages, and

higher starting compensation than entry level positions currently offered in the county. Current expiration of Urban Renewal and Revenue Allocation Area property tax relief is about four to five years out, at which time there will hopefully be an increase in taxing district property tax proceeds to fund County needs as they increase.

PILT and SRS Funding

There continues to be considerable concern in potential reduction, sequestration, or even elimination of payments from the Federal Government with Payments in Lieu of Taxes (PILT) for federally-owned land with the Bureau of Land Management (BLM) and U.S. Forest Service. 31 U.S.C. 39-6901 *et seq*.

Payment for Entitlement Land was enacted to prescribe federal funding to a unit of local government to "…use the payment for any governmental purposes." 31 U.S.C. 39-6902(a). Determination of payment under federal code is based on a complex formula involving population, published Consumer Price Index, acquisition or dissolution of governmental property, and specific geographical regions of the U.S. For the range of years from 2008 to 2014, PILT was formulated with an index-based change and was authorized by appropriations. 31 U.S.C. 39-6906.

Since 2014, appropriations of PILT have been year by year, and only after protracted legislative negotiations to identify a funding source from which to appropriate this critical payment of non-taxed county properties.

The uncertainty year-to-year is particularly concerning to Cassia County in that 65% of full funding of PILT has historically been budgeted and is expected to meet ongoing operational expenditures. Much of that allocation is already expended before federal funding is authorized and subsequently paid. On February 15, 2019, President Trump signed into law a $333 billion omnibus package to avoid a government shutdown. In that omnibus bill, full funding for PILT at $414.7 million was authorized for FY2019.

In the event PILT appropriations are reduced or discontinued during the year when it is relied on during budgeting, we realistically could have already expended nearly $1,000,000 in budgeted PILT allocations to operate Cassia County. Should that ever happen, funding out of necessity would have to come directly from County reserves and fund balances. That difficult scenario would leave Cassia County dangerously close to the inability to function as usual even in the short run. Then, in just a few short months, financial exhaustion of fund balances and County reserves would change the way we comply with our statutory obligations and likely necessitate emergency measures under the statute to carry on with the administration of justice and providing of required county services.

The Secure Rural School (SRS) program was enacted in 2000 in response to the decline of revenue-generating activities curtailed by the enactment of federal policies. It was designed to allay lost revenues spawned by those policies in an effort to revive rural counties and school districts. In 2008, SRS was reauthorized to continue on a sliding payment scale. Most recently, SRS was reauthorized retroactive on April 16, 2015 for fiscal years 2014 and 2015. SRS expired at the end of 2015. Under Title I and II funding, a potential final SRS payment was received by Cassia County. SRS is important to the funding of Cassia County Road and Bridge road maintenance. Fortunately, SRS was re-authorized for FY2019.

It is important to note that going forward, any lost federal allocations of PILT and SRS funds to Cassia County would create an impacting revenue shortfall. A sustainable long-term federal solution for permanent funding would best facilitate the needs of rural counties with federal lands which are not taxable.

Funding of PILT for FY2019 was authorized by way of an omnibus bill approved during the fiscal year. An amount of $2,346.684 was received by Cassia County in June of 2019. That amount was an

increase of $86,196 over FY2018. Full funding has been received for both years as designated by United States Code, Title 31 – Money and Finance, Subtitle IV – General Assistance Administration, Chapter 69 – Payment for Entitled Land.

Cassia County has historically been the second highest recipient of PILT of all 44 counties in Idaho as a result of the approved formulation which largely includes acreage of land owned by the United States Government in each county.

Other Revenue Source Reductions

Reduction of historical revenues have impacted available resources in funding Cassia County government. Those include, but are not limited to the following:

- Ever-diminishing sources of revenue by way of grant reimbursements and receipts.
- Elimination of some personal property taxes.
- Waning fees from fines and citations
- Uncollectable court fees from offenders with less ability to satisfy their obligatory fees.
- Increases in Mini-Cassia incarcerations and compliance with jail standards aimed at preventing overcrowding have consequently reduced income-producing inmates from other jurisdictions.

Considering the aforementioned factors, recruiting efforts from business and industry growth have created a conundrum of competition for skilled employees of County government. That is further exacerbated by statutory caps with tax levies.

In summary, additional revenues must be sought after and identified, expenditures must decrease or be eliminated, or taxation must be increased to cover funding shortfalls. The only other solution is to use County reserve funds.

Government–wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Taxation and Finance

Counties, as political subdivisions of the State of Idaho, but with closer relationships with the people, have a right and a responsibility to raise, within levy limitations, the necessary revenues in order to finance critical, basic public services of a wide variety, many of which are federally or state-mandated.

Property Taxes raise a substantial amount of money and are in fact, the largest single source of taxation revenue. The assessment of property valuations is required to be completed in a timely basis utilizing the most accurate procedures and in accordance with the standards of the International Association of Assessing Officers, as required under Idaho Statute and as promulgated by rule from the Idaho State Tax Commission. Property tax revenues continue to be insufficient to support all the functions of local government. The volatility of receipt of PILT funds are critical as they currently are appropriated late in the year at the will of the federal government rather than as an ongoing and permanent appropriation. As the enormous federal debt is accumulating with little relief in sight, reduction or discontinuance of those payments may happen without much advanced notice. Critical to Cassia County is the continual reliance on the majority of those annual proceeds to fund ongoing expenditures. Critical increases in Justice Fund expenditures year to year with decreasing ability to fund that is a valid and continual concern.

The collection of property taxes is administered and completed by the County Treasurer. Property tax drives occur two times a year with tax collection dates of December 20th and June 20th for

the previous year's tax assessments. The seasonality of those proceeds emphasizes the critical nature of preserving carryover balances at the end of each fiscal year.

Fund Financial Statements

Fund financial statements are accounting devices that the County uses to track sources of funding and spending for specific programs and to demonstrate compliance with various regulatory requirements. Fund financial statements generally report operation in more detail than the government-wide statements. This statement focuses on its most significant or "major" funds and not on the County as a whole.

County Funds

The taxing funds listed below have their own individual levy limits which are set by Idaho Statute and cannot exceed maximum levy rates nor can they be intermingled with other funds. Those levied funds are derived from taxation of property which are calculated by a formula of assessed property values multiplied by the current calculated levy rates.

Property levies for FY2019 were received for the following funds at the current levy rate listed. All levied amounts are required to not exceed the maximum levy rate listed. The current levy rate is derived from the 2018 Certification of Budget Request to Board of County Commissioners L-2 as presented to and approved by that governing board. Certification is made to the Idaho State Tax Commission of balances to be levied by reducing from the FY2019 total approved budget the cash forward balance, other revenue, and property tax replacement.

Fund	Current Levy Rate	Maximum Levy Rate
Major Funds:		
Current Expense	**0.000616306**	**0.00260**
Justice	**0.001751798**	**0.00200**
Other Funds:		
Indigent Defense/Social Services	0.000188665	0.00100
County Fair Operations	0.000035183	0.00010
County Fair Exhibits	0.000088569	0.00020
Revaluation	0.000172943	0.00040
Ambulance	0.000128921	0.00020
Junior College Tuition	0.000091188	0.00060
District Court	0.000094332	0.00040
Historical Society/Museum	0.000018866	0.00012
Noxious Weeds	0.000153448	0.00060

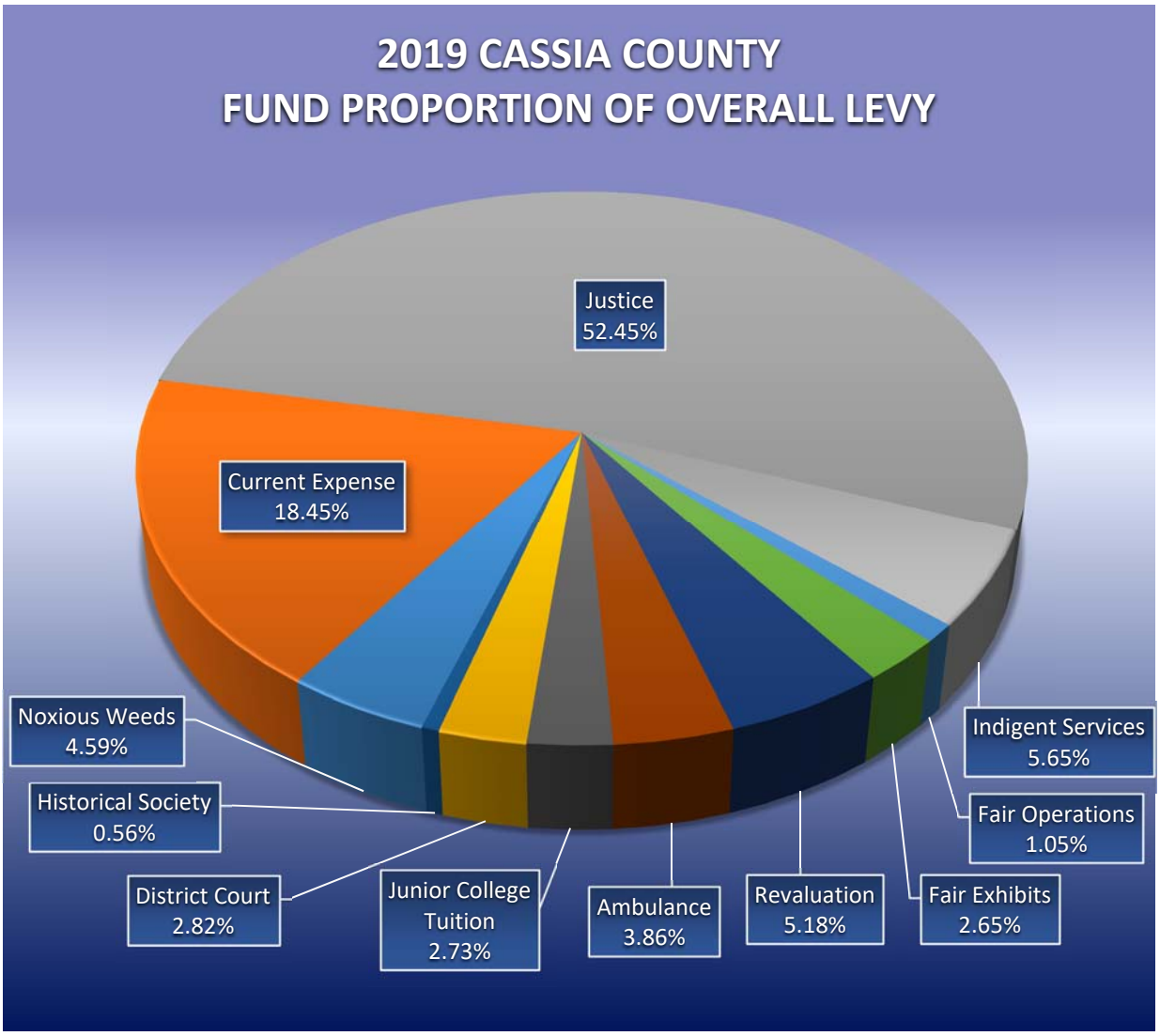
2018 Total Net Levy to be Received in 2019:

.003340219

The chart below depicts the funds of Cassia County

By proportion of assessed market value

Of overall 2019 property tax proceeds.



Cassia County Operations Revenue

Fee Collections

Collection of Solid Waste Fees
Parks & Recreation/Snowmobile
Domestic Abuse
Optional Grants
Forest Service
Juvenile Justice Lottery Proceeds
Drug Enforcement Seizures
Waterways
Emergency Medical Services
Disaster Services Support
Interlock Fund
911 Emergency Services
Industrial Property Litigation
Noxious Weed Enforcement
Misdemeanor Probation
Court Facilities
DMV Administrative Fee

Revenues for Major Funds

Remaining Cash Balance
(This is cash forward or carryover of fund balances critical to funding the first quarter of the ensuing budget year until the December property tax drive)
State Sales Tax Base and Excess Allocations
State Liquor Allocations
Federal Payment in Lieu of Taxes
State Licenses & Fees
County Licenses & Fees
Interest on Investments
Consolidated and Presidential Election Reimbursements
Federal Grant and Reimbursements
Agricultural Equipment Property Tax Replacement
Property Tax Levy
Other Miscellaneous Receipts

Financial Information

Accounting System and Budgetary Control: In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal control is a process affected by the County's governing board, elected officials, administration, department heads, and staff. It is designed to provide reasonable, but not absolute, assurance regarding the achievements of objectives in the following categories:

1) the effectiveness and efficiency of operations
2) reliability of financial reporting
3) compliance with applicable laws and regulations.

The concept of reasonable assurance recognizes that the cost of control should not exceed the benefit likely to be derived and that the evaluation of costs and benefits require estimates and judgments by management.

Budgetary control is maintained by the issuance of monthly financial statements which reflect current and year to date expenditures and encumbrances, in comparison to budgeted amounts. The portion of the year gone is compared to the portion of the budget amount expended when presented to the Board for authorization of payment. Anticipated expenditures are reviewed to determine that sufficient funds will be available prior to issuance of purchase approval or other commitments.

The financial statements meet requirements as set forth by the Governmental Accounting Standards Board (GASB) and with Generally Accepted Accounting Principles (GAAP) as applied to government units.

County Funds Financial Analysis

Major Funds – Cassia County's two major established statutory funds are the following:

Current Expense Fund and **Justice Fund**.

The Current Expense, or General Fund of the County includes funds related to the general operational expenditures of the county political subdivision. The Justice Fund of the County includes funds related to the administration of justice in the county political subdivision.

Following is a comparative of beginning and ending balances from FY2018 and FY2019:

Remaining Cash Balance

	Ending FY2018	Ending FY2019	Difference	Change
Current Expense Fund:	**$1,485,481.22**	**$899,162.30**	**$586,318.92**	**-39.47%**
Justice Fund:	**$1,063,398.90**	**$1,075,461.45**	**$12,062.55**	**+1.13%**
Payment in Lieu of Taxes **(reserve fund)**	**$3,049,912.07**	**$4,475,754.44**	**$1,425,842.37**	**+46.75%**
TOTAL FUND BALANCES	**$11,529,171.28**	**$14,135,972.32**	**$2,606,801.04**	**+18.44%**

This provides a clear portrayal of this Budget Officer's goal to shift levied funds to where they are needed most, as with the Justice Fund, and to maintain other county revenues and reserves for future projects and unforeseen emergencies. The net result was the following:

- Current Expense Fund balances from levy allocations were shifted to other levied funds in the County where needs were greater.
- PILT (reserve fund) balances were preserved by reducing other budgeted revenue allocations in favor of the shifted levy funds from the Current Expense Fund.
- Justice Fund balances, where budgeted expenditures have increased beyond any other fund in the County, did not decrease.
- Reserve Fund balances were increased by that shift as well as by unbudgeted revenue receipts by just shy of $1.5 million.
- Total fund balances to begin FY2020 were increased by just over $2.5 million.

City of Burley Law Enforcement Agreement

Cassia County was in the second of a three-year contractual agreement with the City of Burley during FY2019 for providing their law enforcement services. That arrangement has undeniably provided financial advantages to both entities. Mutual benefits come by the minimizing of duplicated service, through reduction in costs of operating expenditures, and from the benefits derived from overall economy of scales. However, increasing differences in opinion as to the appropriate cost for both sides of the agreement has been challenging with the inherent benefit realized by both parties. Waning trust

and difference of opinions spawned the formation of a Law Enforcement Committee to explore the matter and make recommendations to both parties. That committee gathered information and made some recommendations, though they fell short of including all financial implications (i.e. workers compensation costs, unforeseen and needed emergency allocations, costs of conducting business that sometimes exceed agreed upon contractual increases, higher than expected inflation for fuel and other high cost items, deductibles on vehicular insurance claims, costs relating to the mitigation of liability and tort claims, elimination in participation of the City of Burley with dispatch costs, service costs for services within the boundaries of the City of Burley that are in Minidoka County, vehicle insurance and accessories, law enforcement building capital and repair costs and insurance, departmental bookkeeping, accounting, auditing, etc.)

Budgeting each year is a fluid process for that agreement. It includes ongoing variables in calculations as per cost. Employees with seniority retire or quit and are replaced with entry level officers. POST training levels and frequency varies with each officer. Fuel prices are volatile and comprise a large part of overall costs. Levels of crime, patrol needs, infractions, costs of conducting business, and general law enforcement vary by need and by management style. Most critical to the Auditor's Office is that those service costs are required to balance with agreed to costs of service and carryover balances. That must also fall in line with overall county budget constraints as well as with the needs of all other statutorily-required services.

It is increasingly difficult to financially manage the fluid needs of law enforcement through the course of a year with all these volatile factors in play. Accounting and expenditures are required to be differentiated by agreement of both parties between City of Burley costs and that required by County law enforcement. At best, accounting can be difficult in differentiating every cost that pertains to county-obligated services and that which is specific to city-related services. City resident property owners are already taxed for basic justice-related services of the county. That includes operations, support, and administering all levels of court requirements, misdemeanor probation, the jail, public defense, felony prosecution, basic felony law enforcement services, and costs of liability management for property and personnel. The contract with the City of Burley is for enhanced services that would normally be provided by a municipal police service department. Questions are difficult to define regarding levels of cost pertaining to dispatch, 9-1-1, the buffer zone between the City of Burley and the balance of the county, crossover and differentiation between the two entities, and levels of service required.

This budget officer continues to see the inherent benefit financially and otherwise for keeping this unique contract in place. It has been perceived by some that it is a partnership. That is correct from the standpoint of cooperation and meeting the needs of both parties. In business structure, accounting, and legally, it is not a partnership. It is a contractual agreement. As such, for more predictable ability and to be fair to both parties, my recommendation remains that the Board of Commissioners, as the vendor providing a service should examine all aspects of needs of the City of Burley and compare that with the overall costs of conducting City of Burley-related services, determine the level of each and every related cost required and expected to comply with contractual obligations, and offer those services for the amount they determine is required to conduct those services. If that is acceptable to the City of Burley, the agreement should continue. On the contrary, if it is not acceptable, neither party to the contract should suffer financially. In that event, it clearly wouldn't be prudent for the City of Burley to be expected to carry forward. They then could conduct the level of law enforcement-related services as desired in the manner nearly all municipalities do in the State of Idaho to meet those needs.

Budget Officer Conclusions

It is the opinion of this budget officer that economic and financial situations at the conclusion of FY2019 warrant prudent evaluation of actual individual departmental expenditures to identify what is needed in direct contrast to what was approved and budgeted. Following unprecedented increases in rate of pay for employees after fixing of the budget for FY2019, it was clear that nearly all of those unbudgeted increases were met from allocated revenues already included in the final FY2019 budget. A number of factors likely played into that result including but not limited to the following:

- Department head prudence in reducing "B" Budget expenditures as they were challenged to do by the Board of Commissioners.
- An excess of "B" Budget amounts over that which was required for departmental operations.
- Departments forgoing larger budgeted purchases that they otherwise would have made.

Actual revenues for FY2019 exceeded identified and allocated revenues as budgeted. Likely factors contributing to that positive outcome were the following:

- Too conservative approach to budgeting revenues.
- Considerable increases in the amount of new construction resulting in larger property tax revenues realized during FY2019.
- Additional sales tax receipts from eCommerce through online vendors as compared to the past.
- More than expected excess revenue and revenue sharing allocations from the State of Idaho.

I recommend continued and consistent diligence from the governing authority, the Board of County Commissioners in scrutinize spending. Decreased funding that is anticipated in the future from both the federal and state resources should require all optional services and personnel expenses to be seriously evaluated for attrition or elimination prior to an unanticipated financial setback rather than having to do so as a result of one.

In the past, the receipt of fully funded PILT has been a tremendous boost to County fund balances, most notably for the Justice Fund. It also serves to fund reserves to allow response to unexpected emergencies that may occur during the year as happened in the previous fiscal year with flooding. Loss or reduction of federal PILT funding would clearly and obviously compromise conducting business as usual, would erode fund balances, and could potentially put the County at risk to make difficult budget adjustments immediately after such an unexpected event would occur. It continues to be even more paramount than ever that the Board of Commissioners make a continued concentrated effort in establishing, as well as holding, to the confines of a realistic approved budget and conscientiously review actual revenues to make certain they are in line with what was budgeted. When those funds are not received as budgeted, attendant decreases in expenditure is best to accompany the shortfall. Without such, reserve funds or unanticipated revenues must bridge that gap. It is wise for department heads to monitor spending in direct relation to actual revenues received and to be certain those expenditures are operationally essential. Often lost in the consideration of fund balances at fiscal yearend is how imperative carryover balances are in being able to meet expenditures during the first quarter of the subsequent fiscal year when County revenues are typically scarce.

Cassia County does not have a fixed salary scale with grades and steps, although the budget officer has in the past, and will continue in the future, to recommend such. In conjunction with our Minidoka County partners, it was decided to pursue together the concept a consistent and equitable step and grade compensation model.

The County has a superior partially self-funded benefits package. Increased employee participation in funding will continue to be recommended due to the ever-increasing costs of healthcare

service providers and facilities. Additionally, maintained vigilance in monitoring benefit trust fund balances to meet those county obligations is important. This budget officer continues to recommended an enhanced willingness of the Board of Commissioners to place all options on the table with the services and workforce of the County to decrease costs and to maintain healthy fund and trust balances. This goal allows for appropriate accountability to the taxpayers of Cassia County who fund its operations.

Idaho Law allows counties to levy for 3% over the highest of the last 3 years non-exempt property tax budget; plus New Construction roll values times the previous year's non-exempt tax levy; plus value of property newly annexed in the previous year times the previous year's non-exempt levy; plus any recaptured foregone amount; minus agricultural equipment exemption replacement and property tax relief monies. Those levies are processed by the Auditor's Office in consultation with the Board of Commissioners.

The non-property tax portion of the budget has no percentage limit; however, it is limited to the reasonably anticipated amounts of all other revenue sources.

A focus for FY2020 will be to continue with internal operational and funding auditing of certain functions of a few departments, verification of all contracted obligations of the county, required documentation of all expenditures relating to petty cash and credit cards, and timely response from all department heads to accomplish this. The Auditor's Office procedures will be for appropriately applying relevant accounting principles and standards, to ensure applicable tax rule compliance, and to recommend adoption of sound best practices of the Auditor's Office to accomplish such.

Cassia County has purchasing procedures enumerated by the Personnel Policy Handbook which is important to be followed for all procurements in the county. Accounting of inventory in Cassia County has been modeled after recommendations of our independent outside auditor to meet all reasonable General Accepted Accounting Principles and in compliance with the requirements of GASB 34.

The County relies considerably on the payment of property taxes and consistently receives in excess of a 90% tax collection. This is imperative to the funding of legitimate County expenditures and to the elected officials and employees who are expected to do their best to provide a superior service to the public. The Assessor's Office has been required to resolve only a small number of Protests of Valuation of Property Tax Assessments during the annual Board of Equalization hearing period. The Board of Commissioners hear appeals during the Board of Equalization hearing period which has experienced minimal requirements of the Board. Cassia County appraisers continue the challenge of revaluation of properties to a fair value relative to the market. The challenge continues to be that there are people who have occupied the same property for long periods of time, possibly on fixed incomes, who continue to experience property tax increases even with the homeowner's exemptions and circuit breaker benefits. Personal property taxation will continue to be a major item of legislative discussion for continued elimination of all or additional portions of those taxes.

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances. Any questions or request for additional information should be directed to the Cassia County Clerk.

Respectfully Submitted,

Joseph W. Larsen

Joseph W. Larsen
Cassia County Clerk/Auditor/Recorder

BASIC FINANCIAL STATEMENTS

Cassia County, Idaho
Statement of Net Position
September 30, 2019

	Primary Government	Component Unit
	Governmental Activities	Fair Board
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 9,831,961	$ 140,196
Investments	3,563,178	-
Receivables		
Taxes	208,702	-
Intergovernmental	690,549	106,942
Interest	15,376	-
Total Current Assets	14,309,766	247,138
Capital Assets		
Land	1,667,051	-
Building, Net	3,171,755	-
Improvements, Net	294,118	98,895
Infrastructure, Net	10,701	-
Equipment, Net	1,910,513	-
Total Capital Assets	7,054,138	98,895
Total Assets	21,363,904	346,033
Deferred Outflows		
Pension Related Items	724,530	-
Total Deferred Outflows	724,530	-
Liabilities		
Current Liabilities		
Vouchers Payable	801,045	6,214
Accrued Liabilities	329,840	-
Total Current Liabilities	1,130,885	6,214
Non-Current Liabilities		
Due Within One Year:		
Compensated Absences	396,896	-
Due in More Than One Year:		
Net Pension Liability	2,332,539	-
Total Liabilities	3,860,320	6,214
Deferred Inflows		
Pension Related Items	1,131,345	-
Total Deferred Inflows	1,131,345	-
Net Position		
Invested in Capital Assets, Net of Related Debt	7,054,138	98,895
Restricted for:		
County Employee Benefits	257,972	-
Special Revenue Purposes	6,428,110	-
Unrestricted	3,356,549	240,924
Total Net Position	17,096,769	339,819

The accompanying notes are an integral part of the financial statements.

Cassia County, Idaho
Statement of Activities
For the Year Ended September 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Fair Board
Primary Government:						
Governmental Activities:						
General Government	$ 4,290,837	$ 671,661	$ -	$ -	$ (3,619,176)	
Indigent Assistance	787,866	-	-	-	(787,866)	
Highways and Roads	370,543	4,210	136,273	-	(230,060)	
Public Safety	10,796,763	3,215,552	130,982	-	(7,450,229)	
Other Public Services	1,103,341	137,997	50,000	-	(915,344)	
Culture and Recreation	130,282	57,775	5,226	-	(67,281)	
Total Primary Government	$ 17,479,632	$ 4,087,195	$ 322,481	$ -	(13,069,956)	
Component Unit:						
Fair Board	$ 425,794	$ 356,701	$ -	$ -		$ (69,093)
General Revenues:						
Property Taxes					6,048,347	-
In Lieu of Taxes					2,264,510	-
Intergovernmental					5,215,754	-
Investment Earnings (Losses)					351,632	469
Other Income					1,123,155	-
Total General Revenues					15,003,398	469
Special Items:						
Transfer Between Primary Government and Component Unit					(212,167)	212,167
Total General Revenues and Special Items					14,791,231	212,636
Change in Net Position					1,721,275	143,543
Net Position, Beginning of Year - Previously Stated					10,891,760	196,276
Prior Period Adjustment					4,483,734	-
Net Position, Beginning of Year					15,375,494	196,276
Net Position, End of Year					$ 17,096,769	$ 339,819

The accompanying notes are an integral part of the financial statements.

Cassia County, Idaho
Balance Sheet -
Governmental Funds
September 30, 2019

	General Fund	Justice Fund	Fair Exhibit	DMV Trust
Assets				
Cash and Cash Equivalents	$ 909,876	$ 1,075,461	$ 156,190	$ 325,979
Investments	-	-	-	-
Receivables				
Taxes	30,196	86,150	6,063	-
Intergovernmental	211,906	348,066	14,852	-
Interest	15,376	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	$ 1,167,354	$ 1,509,677	$ 177,105	$ 325,979
Liabilities				
Vouchers Payable	$ 39,306	$ 164,773	$ 104,550	$ 324,223
Accrued Liabilities	82,311	201,309	1,510	-
Due to Other Funds	-	-	222,317	-
Total Liabilities	121,617	366,082	328,377	324,223
Deferred Inflows				
Unearned Revenue - Property Taxes	29,241	83,677	5,891	-
Total Deferred Inflows	29,241	83,677	5,891	-
Fund Balances				
Assigned	-	1,059,918	-	1,756
Unassigned	1,016,496	-	(157,163)	-
Total Fund Balances	1,016,496	1,059,918	(157,163)	1,756
Total Liabilities, Deferred Inflows, and Fund Balances	$ 1,167,354	$ 1,509,677	$ 177,105	$ 325,979

The accompanying notes are an integral part of the financial statements.

Cassia County, Idaho
Balance Sheet -
Governmental Funds (continued)
September 30, 2019

	Jail Trust	County Reserve	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 724,479	$ 912,576	$ 5,727,400	$ 9,831,961
Investments	-	3,563,178	-	3,563,178
Receivables				
Taxes	-	-	86,293	208,702
Intergovernmental	7,583	-	108,142	690,549
Interest	-	-	-	15,376
Due from Other Funds	-	222,317	-	222,317
Total Assets	$ 732,062	$ 4,698,071	$ 5,921,835	$ 14,532,083
Liabilities				
Vouchers Payable	$ -	$ -	168,193	$ 801,045
Accrued Liabilities	-	-	44,710	329,840
Due to Other Funds	-	-	-	222,317
Total Liabilities	-	-	212,903	1,353,202
Deferred Inflows				
Unearned Revenue - Property Taxes	-	-	84,524	203,333
Total Deferred Inflows	-	-	84,524	203,333
Fund Balances				
Assigned	-	-	5,624,408	6,686,082
Unassigned	732,062	4,698,071	-	6,289,466
Total Fund Balances	732,062	4,698,071	5,624,408	12,975,548
Total Liabilities, Deferred Inflows, and Fund Balances	$ 732,062	$ 4,698,071	$ 5,921,835	$ 14,532,083

The accompanying notes are an integral part of the financial statements.

Cassia County, Idaho
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
September 30, 2019

Total Fund Balances - Governmental Funds		$ 12,975,548
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. Those assets consist of:		
Land	$ 1,667,051	
Infrastructure, Net of $9,534,776 Accum. Depreciation	10,701	
Buildings, Net of $2,466,733 Accum. Depreciation	3,171,755	
Improvements, Net of $122,673 Accum. Depreciation	294,118	
Equipment, Net of $3,183,533 Accum. Depreciation	1,910,513	
		7,054,138
Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures and, therefore, are deferred in the funds.		203,333
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.		
Compensated Absences	$ (396,896)	
		(396,896)
The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.		
Net Pension Liability	$ (2,332,539)	
Pension Related Deferred Inflows	(1,131,345)	
Pension Related Deferred Outflows	724,530	
		(2,739,354)
Net Position of Governmental Activities		$ 17,096,769

The accompanying notes are an integral
part of the financial statements.

Cassia County, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2019

	General Fund	Justice Fund	Fair Exhibit	DMV Trust
Revenues				
Property Taxes	$ 983,519	$ 2,791,276	$ 196,850	$ -
Intergovernmental	761,076	1,016,105	34,565	-
Payment in Lieu of Taxes	-	-	-	-
Grants	86,479	144,098	-	-
Charges for Services	602,807	1,936,765	-	1,756
Investment Earnings (Losses)	295,619	14,619	887	-
Other Income	63,637	135,739	8,610	-
Total Revenues	2,793,137	6,038,602	240,912	1,756
Expenditures				
Current:				
General Government	3,738,215	-	-	-
Indigent Assistance	-	-	-	-
Highways and Roads	-	-	-	-
Public Safety	-	8,888,459	-	-
Other Public Services	-	-	-	-
Culture and Recreation	-	-	54,496	-
Total Expenditures	3,738,215	8,888,459	54,496	-
Excess (Deficiency) of Revenues Over Expenditures	(945,078)	(2,849,857)	186,416	1,756
Other Financing Sources (Uses)				
Sale of Assets	-	-	-	-
Transfers In	399,186	2,848,393	-	-
Transfers Out	(4,860)	(10,012)	(212,167)	-
Total Other Financing Sources (Uses)	394,326	2,838,381	(212,167)	-
Net Change in Fund Balances	(550,752)	(11,476)	(25,751)	1,756
Fund Balances - Beginning - Previously Stated	1,567,248	1,071,394	(131,412)	-
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning	1,567,248	1,071,394	(131,412)	-
Fund Balances - Ending	$ 1,016,496	$ 1,059,918	$ (157,163)	$ 1,756

The accompanying notes are an integral
part of the financial statements.

Cassia County, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds (continued)
For the Year Ended September 30, 2019

	Jail Trust	County Reserve	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$ -	$ -	$ 2,064,543	$ 6,036,188
Intergovernmental	2,327,151	-	1,076,857	5,215,754
Payment in Lieu of Taxes	-	2,264,510	-	2,264,510
Grants	6,930	-	84,974	322,481
Charges for Services	8,430	-	1,537,437	4,087,195
Investment Earnings (Losses)	-	3,067	37,440	351,632
Other Income	252	46,063	868,854	1,123,155
Total Revenues	2,342,763	2,313,640	5,670,105	19,400,915
Expenditures				
Current:				
General Government	-	-	503,171	4,241,386
Indigent Assistance	-	-	787,907	787,907
Highways and Roads	-	-	375,840	375,840
Public Safety	-	-	1,733,782	10,622,241
Other Public Services	-	-	1,096,095	1,096,095
Culture and Recreation	-	-	58,879	113,375
Total Expenditures	-	-	4,555,674	17,236,844
Excess (Deficiency) of Revenues Over Expenditures	2,342,763	2,313,640	1,114,431	2,164,071
Other Financing Sources (Uses)				
Transfers In	-	245,519	205,001	3,698,099
Transfers Out	(2,087,154)	(911,000)	(685,073)	(3,910,266)
Total Other Financing Sources (Uses)	(2,087,154)	(665,481)	(480,072)	(212,167)
Net Change in Fund Balances	255,609	1,648,159	634,359	1,951,904
Fund Balances - Beginning - Previously Stated	-	-	5,036,017	7,543,247
Prior Period Adjustment	476,453	3,049,912	(45,968)	3,480,397
Fund Balance - Beginning	476,453	3,049,912	4,990,049	11,023,644
Fund Balances - Ending	$ 732,062	$ 4,698,071	$ 5,624,408	$ 12,975,548

The accompanying notes are an integral
part of the financial statements.

Cassia County, Idaho
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2019

Total Net Change in Fund Balance - Governmental Funds		$ 1,951,904
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. Conversely, disposals of capital assets do not report a gain or loss in the governmental funds but in the Statement of Activities the remaining cost of the asset(s) is written off. In the current period these amounts are:		
Capital Outlay	$ 323,321	
Depreciation Expense	(526,894)	
Net		(203,573)
Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities.		12,159
Compensated absences and other post-employment benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the net change in compensated absences and other post-employment benefits.		(68,443)
The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities.		29,228
Change in Net Position of Governmental Activities		$ 1,721,275

The accompanying notes are an integral
part of the financial statements.

Cassia County, Idaho
Statement of Fiduciary Net Position
For the Year Ended September 30, 2019

	Custodial Funds	Private -Purpose Trust Funds	Total Fiduciary Funds
Assets			
Cash and Investments	$ 734,167	$ 17,374	$ 751,541
Property Taxes Receivable	366,300	-	366,300
Other Assets	-	-	-
Total Assets	1,100,467	17,374	1,117,841
Liabilities			
Vouchers Payable	448,766	120	448,886
Total Liabilities	448,766	120	448,886
Net Position			
Restricted for:			
Individuals, Organizations, and other Governments	651,701	17,254	668,955
Total Net Position	$ 651,701	$ 17,254	$ 668,955

The accompanying notes are an integral part of the financial statements.

Cassia County, Idaho
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2019

	Custodial Funds	Private -Purpose Trust Funds	Total Fiduciary Funds
Additions:			
Fees collected for other governments	$ 6,019,929	$ -	$ 6,019,929
Property taxes collected for other governments	21,250,330	-	21,250,330
Contributions	-	17,254	17,254
Total Additions	27,270,259	17,254	27,287,513
Deductions			
Fees distributed to other governments	5,911,904	-	5,911,904
Taxes distributed to other governments	20,883,683	-	20,883,683
Total Deductions	26,795,587	-	26,795,587
Change in Net Position	474,672	17,254	491,926
Net Position - Beginning	-	-	-
Net Position - Ending	$ 474,672	$ 17,254	$ 491,926

The accompanying notes are an integral part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cassia County, Idaho (the County) operates under the direction of a Board of Commissioners, who are responsible for the various operations of the County. The accompanying basic financial statements present the County (the primary government) and its component units. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

The accounting policies of the County conform to generally accepted accounting principles as applicable to governmental units.

Discretely Presented Component Units

Component units are legally separate organizations for which the County is financially accountable. Financial accountability exists if the County appoints a voting majority of the organization's governing board and either 1) is able to impose its will on the organization or 2) a potential exists for the organization to provide financial benefits to, or impose financial burdens on, the County. Based on the foregoing criteria, the following entities are considered component units of the County:

- Cassia County Fair Board was created for the purpose of conducting fair activities within the County. The Fair Board is governed by a board appointed by the county commissioners and the County is able to impose its will on the organization. The Fair Board was audited along with the County and its financial statements are presented as a discretely presented component unit.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall County, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses - expenses of the County related to the administration and support of the County's programs, such as personnel and accounting, are not allocated to programs.
- Program revenues include (a) 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 and state formula aid, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category - *governmental and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- *General fund*. This is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.
- *Justice fund*. This fund accounts for the law enforcement activities of the County.
- *Fair Exhibit fund*. This fund accounts the building, maintaining, and operating of capital improvements on the County fairgrounds.
- *DMV Trust Fund*. This fund accounts the building, maintaining, and operating of capital improvements on the Department of Motor Vehicles collection facilities.
- *Jail Trust Fund*. This fund accounts for maintaining and operating jail facilities with a joint venture with surrounding government entities.
- *County Reserve*. This fund accounts for all payments in lieu of taxes received from the federal government and their distribution to other funds for County expenditures.

The County reports the following fiduciary fund types:

- *Custodial funds.* These funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.
- *Private-Purpose Trust funds*. These funds report trust arrangements under which principal and income benefits individuals, private organizations, other governments, and/or other funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The government-wide and fiduciary 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 County receives value without directly giving equal value in return, include property taxes, grants, 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 and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 County considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, 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 liabilities and acquisitions under capital leases are reported as other financing sources.

Property Taxes

In accordance with Idaho law, ad-valorem property taxes are levied in September for each calendar year. Taxes are recorded by the County using the modified accrual basis of accounting. Levies are made on or before the 2nd Monday of September. All of the personal property taxes and one-half of the real property taxes are due on or before the 20th of December. The remaining one-half of the real property tax is due on or before June 20th of the following year. A lien is filed on property three years from the date of delinquency. The property tax calendar is as follows:

Date property is valued	Second Monday of July
Date tax is levied	Second Monday of September
Date taxes are billed	November 20
Date taxes are collected	One half on December 20 and one half on the following June 20
Date taxes become a lien	First day of January of the succeeding year

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Reporting in Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide Statement of Net Position and in the governmental fund Balance Sheet. The District uses the following fund balance categories in the governmental fund Balance Sheet:

- *Nonspendable.* Balances, for example, in permanent funds, prepaid expenses, and inventories that are permanently precluded from conversion to cash.
- *Restricted.* Balances constrained for a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Committed.* Balances that can only be used for specific purposes as a result of constraints imposed by the Board of Commissioners. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Board. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned.* Balances that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the Board of Commissioners, or (b) an appointed body (e.g. a budget or finance committee) or an official to which the Board has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balance includes: (a) all remaining amounts that are reported in government funds (other than the general fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital project, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.
- *Unassigned.* Balances available for any purpose.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position/fund balances available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

There is also no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the County's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the County considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

C. Assets and Liabilities

Cash Equivalents

The County requires all cash belonging to the County to be placed in custody of the Treasurer. A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the pooled cash and investment accounts are considered to be cash and cash equivalents. See Note 2.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are shown below:

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$2,500	Straight-Line	10 – 52 Years
Equipment	$2,500	Straight-Line	3 – 15 Years

The County (a phase three government) has elected not to report major general infrastructure assets retroactively. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2003. Since October 1, 2003, the County has acquired no new infrastructure assets.

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivable of the governmental activities consists of property taxes, sales taxes, use taxes, state grants, federal grants and other miscellaneous receivables. The allowance for doubtful accounts for the governmental activities is zero as of September 30, 2019.

Warrants and Accounts Payable

Warrants, vouchers, and accounts payable represent debt obligations that will be paid within the next billing cycle. Amounts shown are not over 60 days past due.

Compensated Absences

The total portion of unpaid personal leave is budgeted in the next year's budget. Personal leave compensation is calculated on an individual basis according to an employee's total years worked and total hours worked per week.

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Changes in Accounting Principle

For the fiscal year ended September 30, 2019, the County implemented a new accounting standard issued by the Governmental Accounting Standards Board (GASB), Statement No. 84, *Fiduciary Activities.* This statement establishes criteria for reporting of fiduciary activity. As a result, the County now reports some activities in special revenue funds which were previously reported as fiduciary funds.

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2019, the carrying amount of the County's deposits was $8,384,891 and the respective bank balances totaled $7,632,374. All of the total bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the County.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2019, all of the County's deposits were covered by the federal depository insurance or by collateral held by the County's agent or pledging financial institution's trust department or agent in the name of the County, and thus were not exposed to custodial credit risk. The County does not have a formal policy limiting its exposure to custodial credit risk. The County also had $1,000 of cash on hand at the end of the year.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The U.S. government bonds, the asset back securities, and all of the certificates of deposit are held by Multi-Bank Securities, Inc. totaling $3,046,094. The certificates of deposits are issued through FDIC insured banks and, therefore, are insured. The County does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The County voluntarily participates in the State of Idaho Investment Pool, which was not rated. 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. The fair value of the County's investment in the pool is the same as the value of the pool shares.

2. CASH AND INVESTMENTS (continued)

The County also holds other investments. The County follows Idaho Statute that outlines qualifying investment options as follows:

> Idaho Code authorizes the County to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

The County's investments at September 30, 2019, are summarized below:

			Investment Maturities (in Years)		
Investment Type	Rating	Fair Value	Less than 1	1 - 5	>5
Certificates of Deposit	N/A	1,218,385	656,445	561,940	-
U.S. Treasuries	AAA	201,602	-	201,602	-
U.S. Government Bonds	AAA	2,143,191	797,128	1,048,576	297,487
		$3,563,178	$ 1,453,573	$ 1,812,118	$ 297,487

At year-end, the cash and cash equivalents reported in the basic financial statements are made up of the following categories:

	Governmental Activities	Component Unit	Total	Fiduciary Funds
Cash and cash equivalents	$ 7,633,350	$ 140,196	$ 7,773,546	$ 751,502
Investments categorized as deposits	2,197,611	-	2,197,611	-
	$ 9,830,961	$ 140,196	$ 9,971,157	$ 751,502

The following accounts are not recorded on the County's books:

Tax Collector	$ 139,791
Sheriff Evidence	$ 31,776
Civil Sheriff	5,325
	$ 176,892

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments consists of State Sales Tax due of $ 690,549 .

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2019, was as follows:

	Balance 9/30/18	Adjustments	Additions	Disposals	Balance 9/30/19
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 1,667,051	$ -	$ -	$ -	$ 1,667,051
Capital Assets Being Depreciated:					
Buildings	5,595,242	43,246	-	-	5,638,488
Improvements Other Than Building	397,373	19,418	-	-	416,791
Infrastructure	9,545,477	-	-	-	9,545,477
Equipment	4,341,029	429,696	323,321	-	5,094,046
Total Historical Cost	19,879,121	492,360	323,321	-	20,694,802
Less: Accumulated Depreciation					
Buildings	2,551,532	(208,972)	124,173	-	2,466,733
Improvements Other Than Building	97,879	4,535	20,259	-	122,673
Infrastructure	9,495,546	35,664	3,566	-	9,534,776
Equipment	3,121,865	(317,227)	378,895	-	3,183,533
Total Acc. Depr.	15,266,822	(486,000)	526,893	-	15,307,715
Net Depreciable Assets	4,612,299	978,360	(203,572)	-	5,387,087
Governmental Activities Capital Assets - Net	$ 6,279,350	$ 978,360	$(203,572)	$ -	$ 7,054,138
Component Unit					
Capital Assets Being Depreciated:					
Equipment	$ 125,470	$ -	$ -	$ -	$ 125,470
Total Historical Cost	125,470	-	-	-	125,470
Less: Accumulated Depreciation					
Equipment	111,344	-	7,684	-	119,028
Total Acc. Depr.	111,344	-	7,684	-	119,028
Net Depreciable Assets	$ 14,126	$ -	$ (7,684)	$ -	$ 6,442

4. CAPITAL ASSETS (continued)

Depreciation expense was charged to the functions of the County as follows:

Governmental Activities:	
General Government	$ 117,610
Highways and Streets	4,161
Culture and Recreation	13,565
Public Safety	391,557
	$ 526,893

5. PENSION PLAN

Plan Description

Cassia County contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

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

5. PENSION PLAN (continued)

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2019, 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% general employees and 11.66% for police and firefighters. Cassia County's contributions were $814,216 for the year ended September 30, 2019.

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

At September 30, 2019, Cassia County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Cassia County's proportion of the net pension liability was based on Cassia County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2019, Cassia County's proportion was .2034345 percent.

For the year ended September 30, 2019, Cassia County recognized pension expense (revenue) of $784,986 . At September 30, 2019, Cassia County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

5. PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	$ 216,774	$ 274,901
Changes in assumptions or other inputs	129,749	-
Net difference between projected and actual earnings on pension plan investments	-	794,628
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	179,091	61,815
Owhyee County's contributions subsequent to the measurement date	198,916	-
Total	$ 724,530	$ 1,131,344

$198,916 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, 2019.

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, 2016, the beginning of the measurement period ended June 30, 2019, is 4.8 and 4.8 for the measurement period June 30, 2018.

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:

For the Year Ended September 30:	PERSI
2020	$140,838
2021	(333,933)
2022	(154,020)
2023	(85,676)
2023	25,976

5. PENSION PLAN (continued)

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 June, 30 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expense
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:

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

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2019 is based on the results of an actuarial valuation date of July 1, 2019.

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.

5. PENSION PLAN (continued)

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, 2019.

Asset Class		Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	Barclays Aggre	30.00%	3.05%	0.80%
Broad US Equities	Wilshire 5000/I	55.00%	8.30%	6.05%
Developed Foreign Equities	MSCI EAFE/W	15.00%	8.45%	6.20%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.75%	4.50%
Portfolio Standard Deviation			12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.13%	3.77%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expense				4.19%
Portfolio Standard Deviation				14.16%
Valuation Assumptions Chosen by PERSI Board				
Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.05%
Assumed Inflation				3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses				**7.05%**

5. PENSION PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. 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.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, 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 (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	**Current Discount Rate (7.05%)**	**1% Increase (8.05%)**
Employer's proportionate share of the net pension liability (asset)	$ 7,045,167	$ 2,332,539	$ (1,564,654)

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.

6. COMPENSATED ABSENCES

The County presently accumulates unused vacation days and compensatory time calculated on an individual basis according to an employee's total years worked and total hours per week worked. All accumulated vacation time and compensatory time represents a potential liability to the County.

	9/30/18	Increase	Decrease	9/30/19	Current
Governmental Activities	$328,452	$ 603,037	$ 534,593	$ 396,896	$396,896

7. OTHER COMMITMENTS

The County currently holds several credit cards with a combined credit limit of $200,000. As of September 30, 2019, $28,936 of the available credit was in use.

8. RISK MANAGEMENT

The County is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) worker's compensation, i.e. employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

9. TRANSFERS

Transfers between funds were as follows:

$ 10,012	From the Justice fund to the General fund to reimburse operating expenses
389,173	From nonmajor funds to the General fund to reimburse operating expenses
1,240	From the General fund to the Justice fund to cover operating expenses
3,620	From the General fund to nonmajor funds to cover operating expenses
2,837,154	From nonmajor funds to the Justice fund to cover operating expense
201,381	From nonmajor funds to other nonmajor funds to reimburse operating expenses
$ 3,442,580	

10. DUE TO/FROM OTHER FUNDS

During the 2016 – 2017 fiscal year, the Fair Exhibit Fund borrowed $245,519 from the Physical Facilities Fund in order to purchase bleachers for the fair grounds. The amount is to be repaid within ten years and bears interest at 1.25%. The outstanding balance at year end was $222,317.

11. RESTATEMENT

With the adoption of GASB 84, funds were added to the financial statements from the trust funds. The net amounts of $3,480,3297 Governmental Funds and an additional amount of $17,876 Governmental Activities are listed below.

In prior years the fixed assets were understated by $89,583 and the accumulated depreciation was overstated by $895,078. This caused the Net Position to be restated as $985,461.

	Governmental Funds
Fund Balance, Beginning - As Previously Stated	$ 7,543,247
Increase in Fund Balance due to funds being reclassified from trust funds	3,480,397
Fund Balance, Beginning - Restated	$ 11,023,644

	Governmental Activities
Net Position, Beginning - As Previously Stated	$ 10,891,760
Increase in Net Position due to Capitalization and Depreciation policy changes	985,461
Increase in Net Position due to funds being relassified from trust funds	3,480,397
Other Items	17,876
Net Position, Beginning - Restated	$ 15,375,494

12. DEFICIT FUND BALANCE

The Fair Exhibit Fund has a deficit fund balance at September 30, 2019 of $157,163.

The Non-Major Fund Misdemeanor Probation had a deficit fund balance at September 30, 2019 of $7,461.

REQUIRED SUPPLEMENTARY INFORMATION

Cassia County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended September 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 987,500	$ 987,500	$ 983,519	$ (3,981)
Intergovernmental	795,103	795,103	761,076	(34,027)
Grants	100,000	100,000	86,479	(13,521)
Charges for Services	1,174,205	1,174,205	602,807	(571,398)
Investment Earnings (Losses)	60,000	60,000	295,619	235,619
Other Income	48,820	48,820	63,637	14,817
Total Revenues	3,165,628	3,165,628	2,793,137	(372,491)
Expenditures				
General Government:				
Commissioners	236,440	236,440	223,510	12,930
Auditor	322,325	322,325	293,760	28,565
Treasurer	208,665	208,665	205,349	3,316
Assessor	438,015	455,015	452,625	2,390
Public Defender	699,580	699,580	670,414	29,166
Ag. Extension	216,685	220,735	219,085	1,650
Buildings	413,275	413,275	311,873	101,402
Planning and Zoning	399,127	399,127	399,383	(256)
General Government	582,830	635,555	630,559	4,996
Civil Defense	48,130	48,130	50,905	(2,775)
Elections	113,260	113,260	89,263	23,997
Information Technology	246,455	246,455	172,933	73,522
Veterans Officer	18,560	18,560	18,556	4
Total Expenditures	3,943,347	4,017,122	3,738,215	278,907
Excess (Deficiency) of Revenues Over Expenditures	(777,719)	(851,494)	(945,078)	(93,584)
Other Financing Sources (Uses)				
Sale of Assets	500	500	-	(500)
Transfers In	27,000	27,000	399,186	372,186
Transfers Out	-	-	(4,860)	(4,860)
Total Other Financing Sources (Uses)	27,500	27,500	394,326	366,826
Net Change in Fund Balances	(750,219)	(823,994)	(550,752)	273,242
Fund Balances - Beginning	750,219	823,994	1,567,248	743,254
Fund Balances - Ending	$ -	$ -	$ 1,016,496	$ 1,016,496

Cassia County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Justice Fund
For the Year Ended September 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 2,850,570	$ 2,850,570	$ 2,791,276	$ (59,294)
Intergovernmental	3,280,556	3,280,556	1,016,105	(2,264,451)
Grants	81,610	81,610	144,098	62,488
Charges for Services	1,923,827	1,923,377	1,936,765	13,388
Investment Earnings (Losses)	-	-	14,619	14,619
Other Income	958,600	958,600	135,739	(822,861)
Total Revenues	9,095,163	9,094,713	6,038,602	(3,056,111)
Expenditures				
Public Safety:				
Discretionary Compensation	16,200	16,200	-	16,200
District Court Salaries	530,770	530,770	525,650	5,120
Juvenile Probation	117,807	117,807	117,807	-
Prosecuting Attorney	534,845	539,845	541,305	(1,460)
Coroner	-	68,190	54,911	13,279
Sheriff - County Law Enforcement	2,273,783	2,300,073	2,320,896	(20,823)
Criminal Justice Center	3,079,420	3,290,320	3,221,191	69,129
Juvenile Detention Center	385,383	385,383	385,382	1
Sheriff - City Law Enforcement	1,647,927	1,739,927	1,721,317	18,610
Total Expenditures	8,586,135	8,988,515	8,888,459	100,056
Excess (Deficiency) of Revenues Over Expenditures	509,028	106,198	(2,849,857)	(2,956,055)
Other Financing Sources (Uses)				
Sale of Assets	-	-	-	-
Transfers In	1,033,862	1,033,862	2,848,393	1,814,531
Transfers Out	-	-	(10,012)	(10,012)
Total Other Financing Sources (Uses)	1,033,862	1,033,862	2,838,381	1,804,519
Net Change in Fund Balances	1,542,890	1,140,060	(11,476)	(1,151,536)
Fund Balances - Beginning	(1,542,890)	(1,140,060)	1,071,394	2,211,454
Fund Balances - Ending	$ -	$ -	$ 1,059,918	$ 1,059,918

Cassia County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Fair Exhibit
For the Year Ended September 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 199,980	$ 199,980	$ 196,850	$ (3,130)
Intergovernmental	32,692	32,692	34,565	1,873
Investment Earnings (Losses)	-	-	887	887
Other Income	-	-	8,610	8,610
Total Revenues	232,672	232,672	240,912	8,240
Expenditures				
Culture and Recreation:				
Cassia Fair	55,945	55,945	54,496	1,449
Total Expenditures	55,945	55,945	54,496	1,449
Excess (Deficiency) of Revenues Over Expenditures	176,727	176,727	186,416	9,689
Other Financing Sources (Uses)				
Transfers Out	(235,835)	(235,835)	(212,167)	23,668
Total Other Financing Sources (Uses)	(235,835)	(235,835)	(212,167)	23,668
Net Change in Fund Balances	(59,108)	(59,108)	(25,751)	33,357
Fund Balances - Beginning - Previously	59,108	59,108	(145,712)	(204,820)
Prior Period Adjustment	-	-	14,300	14,300
Fund Balances - Beginning	59,108	59,108	(131,412)	(190,520)
Fund Balances - Ending	$ -	$ -	$ (157,163)	$ (157,163)

Cassia County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
DMV Trust
For the Year Ended September 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Charges for Services	$ -	$ -	$ 1,756	$ 1,756
Investment Earnings (Losses)	-	-	-	-
Other Income	-	-	-	-
Total Revenues	-	-	1,756	1,756
Expenditures				
Public Safety:				
Public Safety	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	1,756	1,756
Other Financing Sources (Uses)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	1,756	1,756
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	$ -	$ -	$ 1,756	$ 1,756

Cassia County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Jail Trust
For the Year Ended September 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	2,327,151	2,327,151
Grants	-	-	6,930	6,930
Charges for Services	-	-	8,430	8,430
Other Income	-	-	252	252
Total Revenues	-	-	2,342,763	2,342,763
Expenditures				
Public Safety:				
Public Safety	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	2,342,763	2,342,763
Other Financing Sources (Uses)				
Sale of Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	(2,087,154)	(2,087,154)
Total Other Financing Sources (Uses)	-	-	(2,087,154)	(2,087,154)
Net Change in Fund Balances	-	-	255,609	255,609
Fund Balances - Beginning	-	-	476,453	476,453
Fund Balances - Ending	$ -	$ -	$ 732,062	$ 732,062

Cassia County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
County Reserve
For the Year Ended September 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Payment in Lieu of Taxes	$ -	$ -	$ 2,264,510	$ 2,264,510
Investment Earnings (Losses)	-	-	3,067	3,067
Other Income	-	-	46,063	46,063
Total Revenues	-	-	2,313,640	2,313,640
Expenditures				
General Government:				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	2,313,640	2,313,640
Other Financing Sources (Uses)				
Transfers In	-	-	245,519	245,519
Transfers Out	-	-	(911,000)	(911,000)
Total Other Financing Sources (Uses)	-	-	(665,481)	(665,481)
Net Change in Fund Balances	-	-	1,648,159	1,648,159
Fund Balances - Beginning	-	-	3,049,912	3,049,912
Fund Balances - Ending	$ -	$ -	$ 4,698,071	$ 4,698,071

1. BUDGETS AND BUDGETARY ACCOUNTING

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

A. Prior to September 1, the County Clerk and County Commissioners prepare 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.

B. Public hearings are conducted at the County Courthouse to obtain taxpayer comments.

C. Prior to October 1, the budget is legally enacted through passage of an ordinance.

D. The County is authorized to transfer budgeted amounts between departments within any fund; however, no revision can be made to increase the overall tax supported funds except when federal or state grants are approved. The County, however, must follow the same budgetary procedures as they followed when the original budget was approved.

E. Formal budgetary integration is employed as a management control device during the year for the General fund and Special Revenue funds.

F. The budget for the General fund and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles.

G. Expenditures may not legally exceed budgeted appropriations at the fund level.

H. The County does not use the encumbrance method of accounting.

Cassia County, Idaho

Schedule of the County's Proportionate Share of the
Net Pension Liability

Public Employees Retirement System of Idaho

Last 10 - Fiscal Years*

	2019	2018	2017	2016	2015
County proportion of the net pension liability (asset)	0.20434480%	0.19390160%	0.19887500%	0.19635570%	0.20478230%
County's proportionate share of the net pension liability (asset)	$ 2,332,539	$ 2,860,082	$ 3,126,013	$ 3,980,432	$ 2,696,650
County's covered-employee payroll	$ 7,029,443	$ 6,263,730	$ 6,061,294	$ 5,872,422	$ 5,827,887
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.18%	45.66%	51.57%	67.78%	46.27%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	91.69%	90.68%	87.26%	91.38%

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

Data reported is measured as of June 30, 2019

Cassia County, Idaho

Schedule of County Contributions

Public Employees Retirement System of Idaho

Last 10 - Fiscal Years*

	2019	2018	2017	2016	2015
Contractually required contributions	$ 814,216	$ 718,060	$ 699,236	$ 650,086	$ 669,847
Contributions in relation to the contractually required contribution	814,216	718,060	699,236	650,086	669,847
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
County's covered-employee payroll	$ 7,029,443	$ 6,263,730	$ 6,061,294	$ 5,872,422	$ 5,827,887
Contributions as a percentage of covered-employee payroll	11.58%	11.46%	11.54%	11.57%	11.49%

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

Data reported is measured as of September 30, 2019

SUPPLEMENTAL INFORMATION

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2019

	County Roads	Emergency Medical Services	Ambulance Services	District Court
Assets				
Cash and Cash Equivalents	$ 156,286	$ 39,748	$ 164,303	$ 665,017
Receivables				
Taxes	12,159	-	6,469	3,808
Intergovernmental	-	-	16,245	1,857
Total Assets	$ 168,445	$ 39,748	$ 187,017	$ 670,682
Liabilities				
Vouchers Payable	$ 2,694	$ 5,333	$ 22,975	$ 2,718
Accrued Liabilities	3,968	-	-	6,201
Total Liabilities	6,662	5,333	22,975	8,919
Deferred Inflows				
Unearned Revenue - Property Taxes	12,159	-	6,285	4,083
Total Deferred Inflows	12,159	-	6,285	4,083
Fund Balances				
Assigned	149,624	34,415	157,757	657,680
Total Fund Balances	149,624	34,415	157,757	657,680
Total Liabilities, Deferred Inflows, and Fund Balances	$ 168,445	$ 39,748	$ 187,017	$ 670,682

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2019
(continued)

	K-9 Expenses	Public Defender	Misdemeanor Probation	911 Communication
Assets				
Cash and Cash Equivalents	$ 2,500	$ -	$ 23,668	$ 838,213
Receivables				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Total Assets	$ 2,500	$ -	$ 23,668	$ 838,213
Liabilities				
Vouchers Payable	$ 620	$ -	$ 13,950	$ 90,044
Accrued Liabilities	-	-	17,179	-
Total Liabilities	620	-	31,129	90,044
Deferred Inflows				
Unearned Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances				
Assigned	1,880	-	(7,461)	748,169
Total Fund Balances	1,880	-	(7,461)	748,169
Total Liabilities, Deferred Inflows, and Fund Balances	$ 2,500	$ -	$ 23,668	$ 838,213

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2018
(continued)

	Election Consolidation	Social Services	Community College	Historical Society	Revaluation
Assets					
Cash and Cash Equivalents	$ 188,901	$ 610,431	$ 706,754	$ 36,727	$ 346,085
Receivables					
Taxes	-	10,340	4,598	888	8,211
Intergovernmental	-	26,919	12,996	1,392	18,565
Total Assets	$ 188,901	$ 647,690	$ 724,348	$ 39,007	$ 372,861
Liabilities					
Vouchers Payable	$ 3,103	$ 2,396	$ -	$ -	$ 508
Accrued Liabilities	1,545	2,076	-	1,327	8,548
Total Liabilities	4,648	4,472	-	1,327	9,056
Deferred Inflows					
Unearned Revenue - Property Taxes	-	10,052	4,463	864	7,980
Total Deferred Inflows	-	10,052	4,463	864	7,980
Fund Balances					
Assigned	184,253	633,166	719,885	36,816	355,825
Total Fund Balances	184,253	633,166	719,885	36,816	355,825
Total Liabilities, Deferred Inflows, and Fund Balances	$ 188,901	$ 647,690	$ 724,348	$ 39,007	$ 372,861

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2018
(continued)

	Solid Waste	Waterways	Warrant Redemption	Weed & Pest
Assets				
Cash and Cash Equivalents	$ 511,052	$ 69,306	$ 2,737	$ 691,263
Receivables				
Taxes	31,676	-	-	8,144
Intergovernmental	-	-	-	30,168
Total Assets	$ 542,728	$ 69,306	$ 2,737	$ 729,575
Liabilities				
Vouchers Payable	$ -	$ 3,578	$ -	$ 15,626
Accrued Liabilities	-	-	-	3,866
Total Liabilities	-	3,578	-	19,492
Deferred Inflows				
Unearned Revenue - Property Taxes	30,746	-	-	7,892
Total Deferred Inflows	30,746	-	-	7,892
Fund Balances				
Assigned	511,982	65,728	2,737	702,191
Total Fund Balances	511,982	65,728	2,737	702,191
Total Liabilities, Deferred Inflows, and Fund Balances	$ 542,728	$ 69,306	$ 2,737	$ 729,575

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2018
(continued)

	Snowmobile Licenses	Physical Facilities	Box Elder Bookmobile	Auditor's Trust
Assets				
Cash and Cash Equivalents	$ 119,003	$ 59,397	$ 2,194	$ 65,175
Receivables				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Total Assets	$ 119,003	$ 59,397	$ 2,194	$ 65,175
Liabilities				
Vouchers Payable	$ 23	$ 712	$ -	$ -
Accrued Liabilities	-	-	-	-
Total Liabilities	23	712	-	-
Deferred Inflows				
Unearned Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances				
Assigned	118,980	58,685	2,194	65,175
Total Fund Balances	118,980	58,685	2,194	65,175
Total Liabilities, Deferred Inflows, and Fund Balances	$ 119,003	$ 59,397	$ 2,194	$ 65,175

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2018
(continued)

	DARE Trust	Invasive Species	Law Enforcement	Cassia County Benefits
Assets				
Cash and Cash Equivalents	$ 675	$ 6,959	$ 10,394	$ 261,885
Receivables				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Total Assets	$ 675	$ 6,959	$ 10,394	$ 261,885
Liabilities				
Vouchers Payable	$ -	$ -	$ -	$ 3,913
Accrued Liabilities	-	-	-	-
Total Liabilities	-	-	-	3,913
Deferred Inflows				
Unearned Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances				
Assigned	675	6,959	10,394	257,972
Total Fund Balances	675	6,959	10,394	257,972
Total Liabilities, Deferred Inflows, and Fund Balances	$ 675	$ 6,959	$ 10,394	$ 261,885

Cassia County, Idaho
Combining Balance Sheet -
Nonmajor Special Revenue Funds
September 30, 2018
(continued)

	Public Funds Defender Trust	Narcotics Seized Assets Trust	Court Interlock Trust	Total Nonmajor Special Revenue Funds
Assets				
Cash and Cash Equivalents	$ 49,536	$ 81,976	$ 17,215	$ 5,727,400
Receivables				
Taxes	-	-	-	86,293
Intergovernmental	-	-	-	108,142
Total Assets	$ 49,536	$ 81,976	$ 17,215	$ 5,921,835
Liabilities				
Vouchers Payable	$ -	$ -	$ -	$ 168,193
Accrued Liabilities	-	-	-	44,710
Total Liabilities	-	-	-	212,903
Deferred Inflows				
Unearned Revenue - Property Taxes	-	-	-	84,524
Total Deferred Inflows	-	-	-	84,524
Fund Balances				
Assigned	49,536	81,976	17,215	5,624,408
Unassigned	-	-	-	-
Total Fund Balances	49,536	81,976	17,215	5,624,408
Total Liabilities, Deferred Inflows, and Fund Balances	$ 49,536	$ 81,976	$ 17,215	$ 5,921,835

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2019

	County Roads	Emergency Medical Services	Ambulance Services	District Court
Revenues				
Property Taxes	$ 45,515	$ -	$ 205,566	$ 149,298
Intergovernmental	240,913	-	36,127	24,906
Payment in Lieu of Taxes	-	-	-	-
Grants	28,073	-	-	-
Charges for Services	4,210	8,404	-	385,168
Investment Earnings (Losses)	748	-	1,200	384
Other Income	5,247	-	8,970	7,221
Total Revenues	324,706	8,404	251,863	566,977
Expenditures				
Current:				
General Government	-	-	-	-
Indigent Assistance	-	-	-	-
Highways and Roads	375,840	-	-	-
Public Safety	-	8,000	222,942	300,951
Other Public Services	-	-	-	-
Culture and Recreation	-	-	-	-
Total Expenditures	375,840	8,000	222,942	300,951
Excess (Deficiency) of Revenues Over Expenditures	(51,134)	404	28,921	266,026
Other Financing Sources (Uses)				
Transfers In	50,000	-	-	494
Transfers Out	-	-	-	(12,088)
Total Other Financing Sources (Uses)	50,000	-	-	(11,594)
Net Change in Fund Balances	(1,134)	404	28,921	254,432
Fund Balances - Beginning - Previously Stated	150,758	34,011	128,836	403,248
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning	150,758	34,011	128,836	403,248
Fund Balances - Ending	$ 149,624	$ 34,415	$ 157,757	$ 657,680

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2019
(continued)

	K-9 Expenses	Public Defender	Misdemeanor Probation	911 Communication
Revenues				
Property Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Grants	1,000	-	-	-
Charges for Services	1,500	-	635,738	228,745
Investment Earnings (Losses)	-	-	-	18,796
Other Income	-	-	97,653	23,431
Total Revenues	2,500	-	733,391	270,972
Expenditures				
Current:				
General Government	-	-	-	-
Indigent Assistance	-	-	-	-
Highways and Roads	-	-	-	-
Public Safety	620	-	800,960	400,309
Other Public Services	-	-	-	-
Culture and Recreation	-	-	-	-
Total Expenditures	620	-	800,960	400,309
Excess (Deficiency) of Revenues Over Expenditures	1,880	-	(67,569)	(129,337)
Other Financing Sources (Uses)				
Transfers In	-	-	72,684	-
Transfers Out	-	(21,194)	-	-
Total Other Financing Sources (Uses)	-	(21,194)	72,684	-
Net Change in Fund Balances	1,880	(21,194)	5,115	(129,337)
Fund Balances - Beginning - Previously Stated	-	21,194	(12,576)	877,506
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning	-	21,194	(12,576)	877,506
Fund Balances - Ending	$ 1,880	$ -	$ (7,461)	$ 748,169

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2019
(continued)

	Election Consolidation	Social Services	Community College	Historical Society	Revaluation
Revenues					
Property Taxes	$ -	$ 300,854	$ 145,484	$ 29,953	$ 275,092
Intergovernmental	84,885	103,352	142,005	5,137	47,972
Grants	-	-	-	-	-
Charges for Services	-	-	-	-	-
Investment Earnings (Losses)	-	1,417	840	102	1,305
Other Income	185	215,843	6,344	1,313	12,180
Total Revenues	85,070	621,466	294,673	36,505	336,549
Expenditures					
Current:					
General Government	106,944	6,004	-	-	270,243
Indigent Assistance	-	787,907	-	-	-
Highways and Roads	-	-	-	-	-
Public Safety	-	-	-	-	-
Other Public Services	-	-	187,050	-	-
Culture and Recreation	-	-	-	32,077	-
Total Expenditures	106,944	793,911	187,050	32,077	270,243
Excess (Deficiency) of Revenues Over Expenditures	(21,874)	(172,445)	107,623	4,428	66,306
Other Financing Sources (Uses)					
Transfers In	57,009	-	-	-	-
Transfers Out	(19,857)	(34,513)	-	-	-
Total Other Financing Sources (Uses)	37,152	(34,513)	-	-	-
Net Change in Fund Balances	15,278	(206,958)	107,623	4,428	66,306
Fund Balances - Beginning - Previously Stated	168,975	840,124	612,262	32,388	289,519
Prior Period Adjustment	-	-	-	-	-
Fund Balance - Beginning	168,975	840,124	612,262	32,388	289,519
Fund Balances - Ending	$ 184,253	$ 633,166	$ 719,885	$ 36,816	$ 355,825

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2019
(continued)

	Solid Waste	Waterways	Warrant Redemption	Weed & Pest
Revenues				
Property Taxes	$ 651,951	$ -	$ -	$ 260,830
Intergovernmental	-	-	-	44,649
Grants	-	-	-	50,000
Charges for Services	132,165	32,646	-	5,832
Investment Earnings (Losses)	5,786	-	-	6,783
Other Income	-	12,333	-	21,546
Total Revenues	789,902	44,979	-	389,640
Expenditures				
Current:				
General Government	-	11,308	-	-
Indigent Assistance	-	-	-	-
Highways and Roads	-	-	-	-
Public Safety	-	-	-	-
Other Public Services	639,823	-	-	269,222
Culture and Recreation	-	-	-	-
Total Expenditures	639,823	11,308	-	269,222
Excess (Deficiency) of Revenues Over Expenditures	150,079	33,671	-	120,418
Other Financing Sources (Uses)				
Transfers In	-	-	-	3,620
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	3,620
Net Change in Fund Balances	150,079	33,671	-	124,038
Fund Balances - Beginning - Previously Stated	361,903	32,057	2,737	578,153
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning	361,903	32,057	2,737	578,153
Fund Balances - Ending	$ 511,982	$ 65,728	$ 2,737	$ 702,191

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2019
(continued)

	Snowmobile Licenses	Physical Facilities	Box Elder Bookmobile	Auditor's Trust
Revenues				
Property Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Grants	-	-	5,226	-
Charges for Services	25,129	68,859	-	-
Investment Earnings (Losses)	-	79	-	-
Other Income	9	-	-	65,175
Total Revenues	25,138	68,938	5,226	65,175
Expenditures				
Current:				
General Government	-	82,804	-	-
Indigent Assistance	-	-	-	-
Highways and Roads	-	-	-	-
Public Safety	-	-	-	-
Other Public Services	-	-	-	-
Culture and Recreation	19,585	-	7,217	-
Total Expenditures	19,585	82,804	7,217	-
Excess (Deficiency) of Revenues Over Expenditures	5,553	(13,866)	(1,991)	65,175
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	(247,203)	-	-
Total Other Financing Sources (Uses)	-	(247,203)	-	-
Net Change in Fund Balances	5,553	(261,069)	(1,991)	65,175
Fund Balances - Beginning - Previously Stated	113,427	319,754	4,185	-
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning	113,427	319,754	4,185	-
Fund Balances - Ending	$ 118,980	$ 58,685	$ 2,194	$ 65,175

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2019
(continued)

	DARE Trust	Invasive Species	Law Enforcement Trust	Cassia County Benefits
Revenues				
Property Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Grants	675	-	-	-
Charges for Services	-	-	-	-
Investment Earnings (Losses)	-	-	-	-
Other Income	-	6,959	-	283,840
Total Revenues	675	6,959	-	283,840
Expenditures				
Current:				
General Government	-	-	-	25,868
Indigent Assistance	-	-	-	-
Highways and Roads	-	-	-	-
Public Safety	-	-	-	-
Other Public Services	-	-	-	-
Culture and Recreation	-	-	-	-
Total Expenditures	-	-	-	25,868
Excess (Deficiency) of Revenues Over Expenditures	675	6,959	-	257,972
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	675	6,959	-	257,972
Fund Balances - Beginning - Previously Stated	-	-	-	77,556
Prior Period Adjustment	-	-	10,394	(77,556)
Fund Balance - Beginning	-	-	10,394	-
Fund Balances - Ending	$ 675	$ 6,959	$ 10,394	$ 257,972

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2019
(continued)

	Public Funds Defender Trust	Narcotics Seized Assets Trust	Court Interlock	Total Nonmajor Special Revenue Funds
Revenues				
Property Taxes	$ -	$ -	$ -	$ 2,064,543
Intergovernmental	346,911	-	-	1,076,857
Grants	-	-	-	84,974
Charges for Services	-	9,041	-	1,537,437
Investment Earnings (Losses)	-	-	-	37,440
Other Income	455	82,935	17,215	868,854
Total Revenues	347,366	91,976	17,215	5,670,105
Expenditures				
Current:				
General Government	-	-	-	503,171
Indigent Assistance	-	-	-	787,907
Highways and Roads	-	-	-	375,840
Public Safety	-	-	-	1,733,782
Other Public Services	-	-	-	1,096,095
Culture and Recreation	-	-	-	58,879
Total Expenditures	-	-	-	4,555,674
Excess (Deficiency) of Revenues Over Expenditures	347,366	91,976	17,215	1,114,431
Other Financing Sources (Uses)				
Transfers In	21,194	-	-	205,001
Transfers Out	(340,218)	(10,000)	-	(685,073)
Total Other Financing Sources (Uses)	(319,024)	(10,000)	-	(480,072)
Net Change in Fund Balances	28,342	81,976	17,215	634,359
Fund Balances - Beginning - Previously Stated	-	-	-	5,036,017
Prior Period Adjustment	21,194	-	-	(45,968)
Fund Balance - Beginning	21,194	-	-	4,990,049
Fund Balances - Ending	$ 49,536	$ 81,976	$ 17,215	5,624,408

Cassia County, Idaho

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

For the Year Ended September 30, 2019

	Custodial Funds		
	State Funds	Taxing District Funds	Total Custodial Funds
Assets			
Cash and Investments	$ 694,858	$ 39,309	$ 734,167
Property Taxes Receivable	-	366,300	366,300
Total Assets	694,858	405,609	1,100,467
Liabilities			
Vouchers Payable	409,804	38,962	448,766
Total Liabilities	409,804	38,962	448,766
Net Position			
Restricted for:			
Individuals, Organizations, and other Governments	285,054	366,647	651,701
Total Net Position	$ 285,054	$ 366,647	$ 651,701

Cassia County, Idaho

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

For the Year Ended September 30, 2019

	Custodial Funds		
	State Funds	Taxing District Funds	Total Custodial Funds
Additions:			
Fees collected for other governments	$ 6,019,929	$ -	$ 6,019,929
Property taxes collected for other governments	-	21,250,330	21,250,330
Total Additions	6,019,929	21,250,330	27,270,259
Deductions			
Fees distributed to other governments	5,911,904	-	5,911,904
Taxes distributed to other governments	-	20,883,683	20,883,683
Total Deductions	5,911,904	20,883,683	26,795,587
Change in Net Position	108,025	366,647	474,672
Net Position - Beginning	177,029	-	177,029
Net Position - Ending	$ 285,054	$ 366,647	$ 651,701

Cassia County, Idaho

Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trusts

For the Year Ended September 30, 2019

(continued)

	Private - Purpose Trust Fund		
	Law Enforcement Trust	Widow's Benefit	Total Private - Purpose Trust Funds
Assets			
Cash and Investments	$ 120	$ 17,254	$ 17,374
Total Assets	120	17,254	17,374
Liabilities			
Vouchers Payable	120	-	120
Total Liabilities	120	-	120
Net Position			
Restricted for:			
Individuals, Organizations, and other Governments	-	17,254	17,254
Total Net Position	$ -	$ 17,254	$ 17,254

Cassia County, Idaho

Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trusts

For the Year Ended September 30, 2019

	Private - Purpose Trust Fund		
	Law Enforcement Trust	Widow's Benefit	Total Private - Purpose Trust Funds
Additions:			
Contributions	$ -	$ 17,254	$ 17,254
Total Additions	-	17,254	17,254
Deductions			
Distributions of Funds	-	-	-
Total Deductions	-	-	-
Change in Net Position	-	17,254	17,254
Net Position - Beginning	-	-	-
Net Position - Ending	$ -	$ 17,254	$ 17,254

FEDERAL REPORTS

Cassia County, Idaho
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

Program Title	Federal CFDA Number	Pass Through Number	Expenditures
U.S. Department of Agriculture			
Forest Service Schools and Roads Cluster			
School and Roads - Grants to Counties	10.666	N/A	$ 11,848
Total Forest Service Schools and Roads Cluster			11,848
Law Enforcement Agreements	10.704	N/A	10,000
Total U.S. Department of Agriculture			21,848
U.S. Department of Interior			
Payment in Lieu of Taxes	15.226	N/A	2,346,684
Bureau of Land Management - Noxious Weeds	15.230	N/A	50,000
Total U.S. Department of Interior			2,396,684
U.S. Department of Justice			
Edward Byne Memorial Assistance Grant	16.738	N/A	12,253
Total U.S. Department of Justice			12,253
U.S. Department of Homeland Security			
Passed Through Military Division			
Emergency Management Performance Grants	97.042	0348-1190	1,895
Homeland Security Grant Program	97.067	0348-1190	53,231
Passed through State Department of Parks and Recreation:			
Boating Safety Financial Assistance	97.012	14.01.16	11,070
Total U.S. Department of Homeland Security			66,196
U.S. Department of Health and Human Services			
Passed through State Office of Drug Policy			
Block Grant for Prevention and Treatment of Substance Abuse	93.959	348	895
Total U.S. Department of Health and Human Services			895
U.S. Department of Transportation			
Highway Safety Cluster			
Passed through State Transportation Department			
State Traffic Safety Information System Improvement Grants	20.610	N/A	107,305
Total U.S. Department of Transportation			107,305
Total Federal Financial Assistance Expended			$ 2,605,181

Cassia County, Idaho
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

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1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Cassia County, Idaho under programs of the Federal Government for the year ended September 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Cassia County, Idaho, it is not intended to and does not present the financial position or changes in Net Position of Cassia County, Idaho.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COST RATE

Cassia County, Idaho has not elected to use the 10-perecent de minims indirect cost rate.

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

Board of Commissioners
Cassia County
Burley, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cassia County, Idaho, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Cassia County, Idaho's basic financial statements and have issued our report thereon dated May 13, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cassia County, 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 Cassia County, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of Cassia County, 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cassia County, Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Zwygart John & Associates CPAS, PLLC

Nampa, Idaho
May 13, 2020

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance

Board of Commissioners
Cassia County
Burly, Idaho

Report on Compliance for Each Major Federal Program

We have audited Cassia County, Idaho's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cassia County, Idaho's major federal programs for the year ended September 30, 2019. Cassia County, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cassia County, Idaho's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cassia County, Idaho's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cassia County, Idaho's compliance.

Opinion on Each Major Federal Program

In our opinion, Cassia County, Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of Cassia County, Idaho, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cassia County, Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cassia County, Idaho's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Zwygart John & Associates CPAS, PLLC

Nampa, Idaho
May 13, 2020

Cassia County, Idaho
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:
Governement Wide: Qualified
Fund Statements : Unmodified

Internal control over financial reporting:

Significant deficiency(ies) disclosed?	☐ yes	☑ none reported
Material weakness(es) disclosed?	☐ yes	☑ none reported
Noncompliance material to financial statements noted?	☐ yes	☑ no

Federal Awards

Internal control over major programs:

Significant deficiencies disclosed?	☐ yes	☑ none reported
Material weaknesses disclosed?	☐ yes	☑ none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with 2CFR SECTION 200.516(A)?	☐ yes	☑ no

Identification of major programs:

CFDA Numbers	Name of Federal Program
15.226	Payment in Lieu of Taxes

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000

Auditee qualified as low-risk auditee?	☐ yes	☑ no

Section II - Financial Statement Findings

No Matters Reported

Section III - Findings and Questioned Costs for Federal Awards

No Matters Reported