CASSIA COUNTY, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2018

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Cassia County, Idaho

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April 27, 2019

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, 2018. 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, 2018, 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, 2018, 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, 2018 was approximately 3.9%. The U.S. Census Bureau report in 2010 was a population of 22,952 with population estimates in 2018 at 23,864. A plausible deduction could include that increased costs in funding of future development through Urban Renewal and Revenue Allocation Areas within the City of Burley has not reflected any appreciable increase in the population base of the county but rather appears to have displaced lower paying jobs to fill new positions. However, most indicators during FY2018 would suggest that housing shortages due to influx of population is being mitigated by increased building permits, housing starts for single family homes, and low to middle income housing complex starts.

Between the years 2013 and 2017, 81% of the population of Cassia County age 25 or older were high school graduates. In 2016, that percentage increased to 81.9%. The median household income from 2006-2010 was $39,866. That median household income average rose in the years 2010-2014 to $44,847 and to $48,162 from 2013-2017. People considered in poverty in Cassia County decreased from 14.2% to 12.7% for the past fiscal year. The largest concentration of the county's population resides in the county seat of Burley.

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 FY2018, 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.

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 is 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.

Following the conclusion of FY2018 and beginning FY2019, it is worthy of note that the Board of Commissioners concurred with the Budget Officer in the recommendation to retire Cassia County's nearly three decades old custom programmed accounting system in favor of a packaged financial solution from Computer Arts, Inc. whose financial software is utilized by the majority of counties in Idaho. A significant benefit to ease of use and training is a more user-friendly graphical user interface system that will evolve seamlessly to a more modern and upgradable Microsoft SQL server-based system. That will eventually replace our current IBM iSeries AS-400 based computer system.

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. At present, it appears certain that the current City of Burley airport will eventually not receive further Federal Aviation Administration funding and will likely be abandoned. 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. In addition to that, agricultural crop spraying as well as other freight, mail, emergency medical, and commerce activities utilizing the City of Burley airport would no longer be available.

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 FY2018, previous extensive flooding continues to necessitate repair and replacement of roads and culverts to facilitate necessary citizen travel. Costs for such repair from natural disaster appear to be mostly mitigated by funds generated from the Idaho Office of Emergency Management (OEM) and Federal Emergency Management Agency (FEMA) by way of grants and reimbursement funding.

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, non-

essential, and unrequired services, merchandise, travel, and meal expenditures whenever plausible as an alternative to depletion of critical reserves.

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 reductions and eventual elimination of PILT. 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 Director Heather Evans as well as Deputy Auditors Carrie Merrell and Sharene Ahlin 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, county taxing district levy oversite, public defense grant and financial documentation and application, 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 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, 2018, 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 poste-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 expe4nses 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 O Cassia County, Idaho as of September 30, 2018, 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, 2018, 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 vi - xxv, budgetary comparison information, schedule of the County's proportionate share of the net pension liability, and schedule of County contributions on pages 31 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2019 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 29, 2019

Cassia County
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2018

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 § 31-1602. 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, 2018, is hereby presented. Included are financial performance and activities of the governmental services of Cassia County for the Fiscal Year beginning October 1, 2017, through September 30, 2018.

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. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period
- GASB Statement No. 90 – Majority Equity Interests -- an amendment of GASB Statements No. 14 and No. 61

A new Implementation Guide No. 2018-1 was issued in May of 2018 for reporting periods beginning after June 15, 2018 and included certain amends to Implementation Guide No. 2015-1 and No. 2016-1 addressing the following:

- Pensions – Employer Accounting and Reporting
- Postemployment Benefits other than Pensions -- Plan Reporting
- Other Implementation Guidance:
    - Accounting and Financial Reporting Codification Clarifications
    - Tax Abatement Disclosures
    - Disclosures Related to Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements
    - Cash Flow Reporting
    - Pension Plan and Employer Accounting and Reporting
    - Basic Financial Statements and Management's Discussion and Analysis
    - Statistical Reporting
    - Tax Abatement Disclosures

Most new GASB implementations have no significant impact on accounting and financial statements for Cassia County for fiscal year 2018.

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 expire in January of 2019. Christensen did not seek re-election for the 2018 May Primary Election. District 1 had a three-way race with Republican Party candidates Leonard Beck, Jeff Harris, and Jeff Jarolimek seeking nomination for commissioner. District 3 had a two-way race with Republican Party candidates incumbent Tim Darrington and Kent Searle seeking that nomination for commissioner. The Primary Election results reflected Leonard Beck as District 1 Republican nominee and Kent Searle as District 2 Republican nominee. There are no other designated party or write-in candidates for Cassia County Commissioner for the 2018 November General Election. Commissioner Bob Kunau carried forward serving as Chairman of the Board throughout FY2018. Elected officials at fiscal year ended September 30, 2018 included the following:

Board of County Commissioners:

District 1 – Paul Christensen
District 2 – Bob Kunau, Chairman
District 3 – Tim Darrington

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 ran unopposed in the 2018 May Primary Election and is unopposed for the 2018 General Election.

Assessor:

Dwight Davis

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

Davis ran unopposed in the 2018 May Primary Election and is unopposed for the 2018 General Election.

Treasurer:

Laura Greener

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

Patty Justesen, elected Treasurer at the beginning of the FY2018, did not seek re-election for the 2018 May Primary Election. A two-way race reflected Republican Party candidates Laura Greener and Cindy Moyle seeking nomination for Treasurer. The Primary Election results reflected Laura Greener as the Republican nominee. There are no other designated party or write-in candidates for Cassia County Treasurer for the 2018 November General Election.

Justesen resigned her elected position effective August 1, 2018. The Cassia Republican Central Committee made recommendations to the Board of County Commissioners to appoint the unfilled term. The Commissioners subsequently appointed Republican nominee Laura Greener to serve the balance of the Treasurer term, which ends in January of 2019.

Prosecuting Attorney:

Douglas Abenroth

The Prosecuting Attorney prosecutes crimes and is counsel to the County as county attorney.

Sheriff:

Jay Heward

The Sheriff is the chief law enforcement officer of the County with supervisory oversight over the Mini-Cassia Criminal Justice Center.

Coroner:

Craig Rinehart

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

Board Appointed Official

Assistant to the Board of Commissioners:

Kerry D. McMurray

McMurray served for over 26 years in a commissioner-appointed capacity as county administrator. During FY2018, action of the Board of Commissioners dissolved the Cassia County Administrative Department and re-structured McMurray's responsibilities. He was appointed as an assistant to the Commissioners and as Building and Zoning Department head.

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, 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, with Idaho Statutes, and with any applicable and required rules and regulations and to provide an accurate and honest accounting of such.
- Request, explain, and appropriately account to the County Auditor for all requirements of funding in carrying out the duties of each office and elected position during the budgeting process as well as to account for and confine expenditures to 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 in order 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 rather the liability would be that of the official incurring such. Idaho Code § 31-1607

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, beans, and seed crops. Retail and service industries and businesses are important secondary sources of employment and tax revenue to the County.

The upswing of the global and U.S. economy during FY2018 has served as an economic boon for commerce and has precipitated unanticipated County revenues from taxation due to increased property valuations and assessments. Those revenues will help to meet objectives and mandates that are ever escalating and to account for an increased population base providing workers needed for recent economic and workforce expansion. Matters affecting the overall fiscal health of Cassia County during FY2018 include, but are not limited to, the following:

- Sustained relatively low interest rates on County reserves and investments
- Ever-present and increasing indigent and worthy poor residents entitled to county assistance and the ongoing absence of Medicaid expansion from the State of Idaho legislature in bridging the Medicare and poverty gap
- Potential remedial action to increase the coverage level to 138% under the provisions of the Affordable Care Act was introduced as the Medicaid Expansion Initiative, Idaho Proposition 2, that would provide Medicaid eligibility to those under 65 years of age whose income is 133% of the federal poverty level or below and who are not eligible for other state insurance coverage
- Dramatic increases in costs of healthcare for medical research, with pharmaceuticals, and with healthcare facilities
- The Affordable Care Act's enormous cost was underestimated and the payment from young premium payers was dramatically overestimated
- Time and resources required to maintain compliance with the Affordable Care Act
- Continued Diminishing Federal and State-funded grant availability which has historically supplemented county programs for safety, enforcement of the law, maintenance and enhancement of rural roads, prosecution of offenders of the law, court provisions for

administering justice, specialty court implementations, adequate and appropriate public defense for the indigent or worthy poor, as well as other needs of funding

- Reduced available financial resources to counties to accommodate the sustained and elevated mandates or requirements of the Federal and State governments for count government
- Continued increases in the crime rate relating to illicit drug trafficking and a nationwide opioid crisis, rising methamphetamine and heroin use, and other substance abuse and addiction which increases costs relating to law enforcement, prosecution, public defense, probation, court proceedings, and incarceration
- Inadequate mitigation for the scores of mentally ill juveniles and adults in dire need of critical care, facilities, counseling, medications along with insufficient State and Federal financial support allowing the situation to be at a point of crisis both logistically and financially
- Increased and costly court service security facilitation to afford protection of the officers of the court, legal counsel, the accused, and the public
- Ongoing required time and resources in sustaining the Supreme Court's court management system Odyssey as well as the online iCourt public resource tool from Tyler Technologies

Urban Renewal and Personal and Business Property Tax Relief

Economic development and construction has improved some in recent years through recruitment with tax relief options as incentive 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 Cassia County government is the reduction or elimination of taxation receipts from incremental valuations on those exempted entities. There is also an inherent increase in county services required as population increases to fill open employment with those entities. Moreover, a shift of tax levy obligations can affect small business owners and homeowners.

Efforts of the Burley Development Authority to expand commerce and economic development, though positive in many aspects, does have an adverse effect on funding and likely also with county employee retention. 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 an increase of property tax proceeds will be realized by all taxing districts in Cassia County.

An exemption from taxation on certain business property under Idaho Code § 63-602NN does provide tax relief as an incentive to business for a shorter duration of time than Urban Renewal. That is under the purview of the Board of County Commissioners for both the amount and duration of tax relief. The shorter the duration, the sooner property tax revenues are realized by taxing districts.

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 Federal-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. The number of acres of ground in Cassia County currently used to calculate PILT receipts is 922,350.

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 we allocate over 65% of those projected annual proceeds for normal ongoing operations of the County, much of which is already expended before any assurance or receipt of such funds. We navigated once again over 67% of fiscal year 2018 relying on and hoping for future receipts of PILT funds before they were even appropriated by the federal government, even though those receipts were eventually appropriated and paid by the Federal government in June of 2018.

If for some reason PILT appropriations were reduced or discontinued, Cassia County government would have potentially already expended over $1,000,000 in budgeted PILT allocations to operate, which funding then would out of necessity 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. In just a matter of 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. The omnibus bill for 2018 did fully fund SRS for forested counties over the ensuing two years and amends Title III to use funds for law enforcement patrols, training, and equipment related to emergency response.

It is important to note that going forward, any loss of Federally-appropriated PILT and SRS funds that are used for our Cassia County Road and Bridge maintenance of rural roads would create a significant revenue shortfall. A sustainable long-term federal solution for funding would best facilitate maintenance of our rural county roads and bridges which are not located within a highway district. The rural areas of Elba and Almo to the Utah border are included in the Cassia County Road and Bridge jurisdiction.

Funding of PILT for FY2018 was authorized by way of an omnibus bill and Cassia County received $2,260,488 in June of 2018. That is the second highest amount received by any county in Idaho in 2018. The total receipts for all Idaho counties in FY2018 was $36,091,206 for 32,627,806 acres of federally-owned land. Of note, that funding came in the midst of a veto threat in the future from President Donald Trump, further casting concern on the certainty of continued funding for PILT and SRS.

Other Revenue Source Reductions

Ever-diminishing sources of revenue by way of grant receipts, elimination of some personal property taxes, waning fees from fines and citations, uncollectable court fees, displaced income-

producing incarcerations in favor of county-required offender confinement, and reduced ability of offenders to satisfy their obligatory fees have all hampered county income. That coupled with the increased demand to conduct ordinary and necessary services have elicited unrealistic expectations of funding and discord amongst those charged with living within the confines of a reduced budget.

Considering the aforementioned factors, prospects of business and industry growth in the future have created a conundrum of competition with employees of County government with new business and industry in their recruiting efforts. Consequently, there are not only adverse effects and impacts on funding County government resulting from tax relief of personal and real property, but also from the statutory cap limiting tax levy amounts.

Property Taxation and Levying Power

Upon careful review of roughly 20 years of budgeting and allocation of available revenues and other resources, considerable light is shed on the current financial state of Cassia County in terms of levying power of taxable properties.

Progressively increasing appropriations of PILT receipts provided a revenue source to Cassia County over a ten year period of time. As increasing financial requests of department heads and elected officials consistently and gradually progressed, the county commissioners as governing authority of establishing the budget, eased into a gradual level of comfort along with budget office recommendations to forego taxing authority in favor of PILT reliance. A propensity for allocating in lieu of building financial reserves as a nest egg for emergencies coupled with pressures to meet financial demands seemed to be the modus operandi over an extended period of time. Additionally, levying less than statutorily authorized and instead accumulating foregone balances appeared to be the governing authority's choice. The upside clearly presented acceptance of the populous to be taxed less than what they could have been. It also provided an avenue in one year to use those foregone balances by inflicting taxation equivalent to what was authorized along the way to accomplish the funding of the new Cassia County Judicial Center, a much-needed investment for the future.

The flip side of those advantages was the vastly underestimated shallowing of the regression line of the two variables in question. One is the forfeiture of taxing authority with the attendant reliance on other revenue sources. The other is the confined 3% increase year to year of the highest of three previous fiscal years. The decreased overall rate of taxation year to year coupled with the floating 3% cap each year demonstrates a clear regression line that is shallower than if the full authorized taxing increase were taken advantage of. The remedies to overcome those diminishing returns as a percentage of escalating demands for funding seem to be limited to the following:

- Considerable, vast, unsustainable, and likely unattainable reductions in operating expenses or personnel costs as both are required to meet mandates of law. Additionally, the desire to do such by the governing authority has been minimal. There is also little desire to reduce upper management expenditures by integrations of duties and workforce reductions.
- Identification and generation of additional revenue sources, though limited in availability, to supplant the history of taxation forfeiture. There has also been a tepid propensity of desire to do such. Possible avenues include but are not necessarily limited to Federal and State grant funding procurement; tighter management with income-producing incarcerations; additional and sustained efforts to collect probation fees; a concerted effort with all players who assist with administrating justice to align thought and practices with citation issuance, fee collections, and fine impositions in lieu of costly incarceration whenever feasible; and concerted effort with collections of imposed liabilities to the county that have historically been forfeited, overlooked, or dismissed for whatever reason.

- Support of a resolution for a permanent levy override election question to the voting public to elevate tax rates to the level forfeited by foregoing such historically.

In summation, revenues must be identified and sought after, expenditures must decrease or be eliminated, or taxation must be increased.

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 a variety of critical basic public services, 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 and to provide supplementary payments. The volatility of reliance on PILT receipts has heretofore been mentioned. As the enormous federal debt is accumulating with little relief in sight, reduction or discontinuance of those payments could easily happen at any time. Critical to Cassia County is the continual reliance on those annual proceeds to fund ongoing expenditures, of which all personnel expenses for wages, salaries, overtime, accrued time, county-funded portions of insurance, county-funded PERSI retirement portions, worker's compensation premiums, self-funded dental payments, self-funded short term disability payments, self-funded term life insurance, FICA portions of payment, and Medicare portions of payment all are liabilities that must be met. Repeated and ongoing warnings of the lack of sustainability of elevated expenditures being paid with non-sustainable or less than fully reliable revenue streams have been articulated by the Cassia County Budget Officer. Critical increases in Justice Fund expenditures with decreasing ability to fund that have also been noted by Cassia County's independent outside auditor to the governing board.

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.

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 those levied funds 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.

Fiscal Year 2018 received generated funds from property levies at the enumerated rates for the listed funds. All levied amounts were integrated so as to not exceed any statutory levy limit.

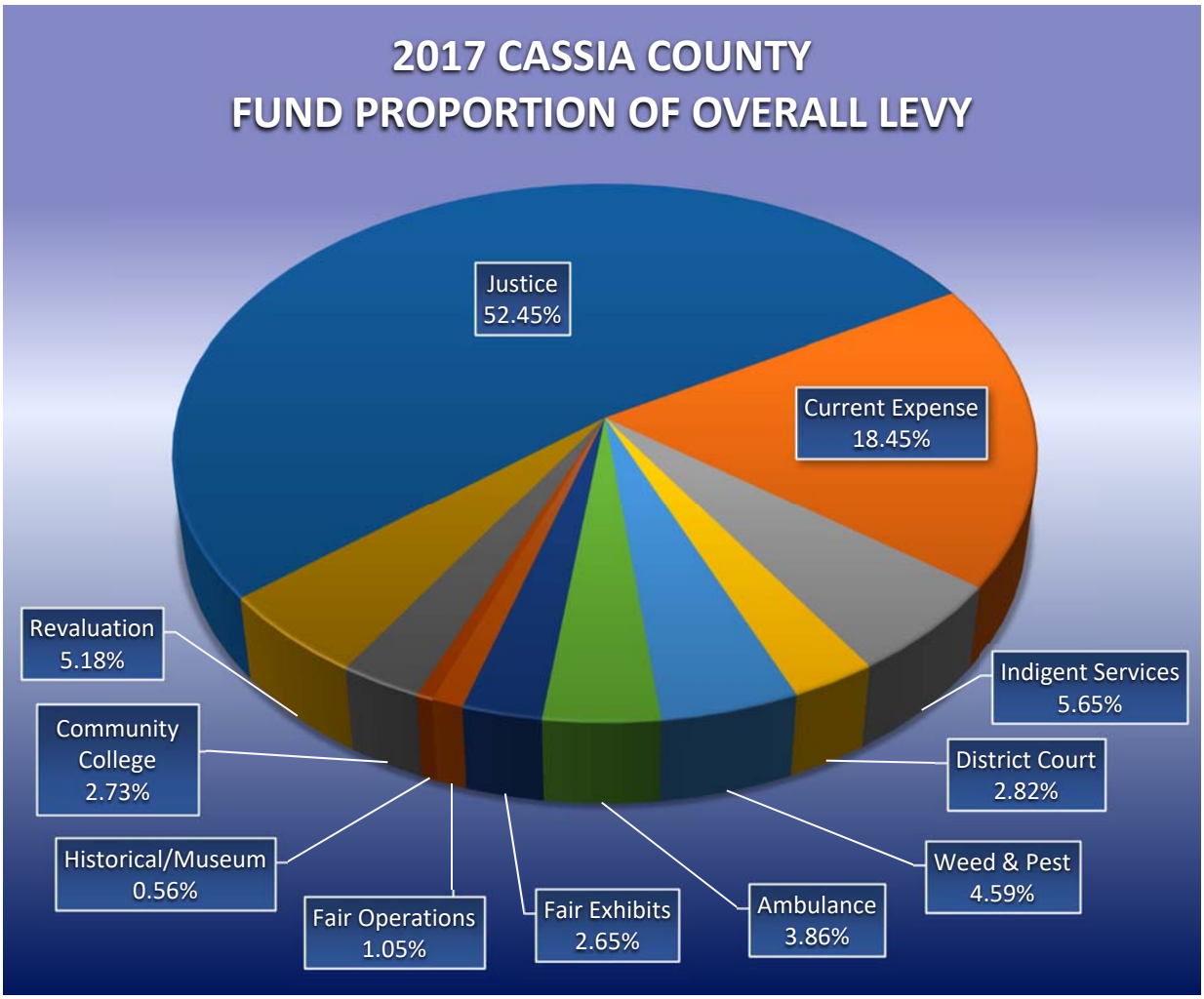
Fund	Current Levy Rate	Maximum Levy Rate
Major Funds:		
Current Expense	**0.000616306**	**0.00260**
Justice	**0.001751798**	**0.00200**
Other Funds:		
Indigent Defense/Social Services	0.000188665	0.00100
District Court	0.000094332	0.00040
Noxious Weeds	0.000153448	0.00060
Ambulance	0.000128921	0.00020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

County department heads and elected officials submit their budget requests before levy rates are established. The budget officer sums projected remaining fiscal year end balances in each fund with other identifiable and available revenues other than property tax allocations. Any needed property tax funding is then calculated and reported with the Idaho State Tax Commission L-1 and L-2 Forms to establish that needs fall at or below required levy limits. The total of current levy rates for each fund establishes the total county levy rate. That total cannot exceed 3% more than the highest of the previous three fiscal year levy rates.

2018 Total Cassia County Levy Rate:

.003340219

The funds listed in the chart below
Depict the proportion of assessed market valuation
Of overall 2018 property tax proceeds.



Cassia County Operation Revenues

Fee Collections

Solid Waste Collection
Parks & Recreation/Snowmobile
Domestic Abuse
Optional Grants
Forest Service
Sheriff Drug Enforcement
Waterways
EMS
Disaster Services Support
Interlock Fund
Juvenile Justice Lottery Tax
911 Emergency Services
Industrial Property Litigation
Noxious Weed Fees
Misdemeanor Probation Fees
Court Facilities

Revenues for Major Funds

Remaining Cash Balance
(Cash Forward, Carryover, or Fund Balance)
State Sales Tax
State Liquor Allocation
Federal Payment in Lieu of Taxes
State Licenses & Fees
County Licenses & Fees
Interest on Investments
Election Reimbursements
Federal Grant Reimbursements
Agricultural Equipment Property Tax Replacement
Property Tax Levy

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 FY2017 and FY2018:

Remaining Cash Balance

	Ending FY2017	Ending FY2018	Difference	Change
Current Expense Fund:	**$2,121,689.41**	**$1,450,025.70**	**($671,663.71)**	**-31.66%**
Justice Fund:	**$745,855.76**	**$891,937.34**	**$146,081.58**	**+19.59%**
Payment in Lieu of Taxes (reserve fund)	**$2,106,038.53**	**$3,049,912.07**	**$943,873.54**	**+44.82%**
TOTAL FUND BALANCES	**$10,425,820.09**	**$10,905,240.15**	**$479,420.06**	**+4.60%**

This comparative provides the results of a Budget Officer strategy which includes the following:

- Reductions of historical over-budgeting of subsidiary funds within the Current Expense Fund to more closely align with defined actual fiscal year needs
- Diversion of historical allocated Current Expense Fund has resulted in the following:
  - Justice Fund – an increase to where needs are greater and funds balances are lower than desired and have continued to deplete
  - PILT reserves – an increase to enable governing board discretion in funding critical matters such as emergencies, unanticipated expenses, future financial goals, potential procurement, and facility remodeling and improvements
- Increases in idle fund reserves which investments produce interest income and to reduce reliance on annual federal PILT payments prior to receiving them

Over the years, the Justice Fund remaining balances have steadily decreased, largely due to amplified court-related costs, an upsurge in criminal court cases, escalating law enforcement expenditure requests, costs of incarceration, and what could be better managerial oversight of expenditures in differentiating needs from wants.

It is important to note that the Jail Bond payments were completed in 2006, but elevated costs have been needed for enhanced security, needed maintenance, and boosting wages and salaries to assist with retention of trained personnel.

A move to deploy new financial software was pioneered by the Budget Officer to accommodate more contemporary and a more sustainable support structure. A residual financial savings has been realized and as well as a significant benefit from having an in-house information technology specialist. The in-house specialist has overseen equipment and software procurement and provided ongoing technical support.

City of Burley Law Enforcement Agreement

A contractual agreement for Cassia County to provide law enforcement to the City of Burley has been negotiated between the two parties for several years. 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 continues to overshadow the inherent benefit realized by both parties. Waning trust and differences in opinion spawned the formation of a Law Enforcement Committee directed unilaterally by the City of Burley to explore the matter and make recommendations to both parties. That committee gathered information and made recommendations excluding some of the actual financial costs (i.e. workers compensation costs, unforeseen emergency allocations, increases in cost not commensurate with County law enforcement, deductibles on insurance claims, costs relating to liability and tort claims, elimination of compensation to the County for dispatch costs related to City of Burley services, costs of service provided in the City of Burley areas outside of Cassia County, vehicle insurance and accessories, capital improvements of the jointly-owned law enforcement building and grounds, repairs and maintenance of facilities, law enforcement building fire and casualty insurance, and financial management of payroll, personnel, and human resources, etc.)

Budgeting each year is a fluid process for that agreement. It includes ongoing variables in cost calculations. Employees with seniority retire or quit and are replaced with entry level officers. POST training levels and frequency varies with each officer based on requirements. 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 be in balance with levying power, carryover reserve balances, overall county budget constraints, and requirements for all other statutorily-required services in the County. Every service requires staying within constraints of identifiable revenues which are continually decreasing with very limited ability to generate income.

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. Concerns were expressed from the City of Burley regarding documentation for financial accountability. They and the board determined to break out costs of conducting services for the contract with the City of Burley from that of the rest of county law enforcement. Sheriff Heward was instructed to allocate costs related directly to law enforcement within the Burley city limits directly to city expenditure line items to gain a more accurate view of actual costs. Even so, accounting is 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. Conclusions have been difficult to define amicably between the City of Burley and County government.

The 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 to accomplish expectations of the contract, 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. As such, it would not be prudent for either party to be expected to carry forward in that agreement. If the contract for law enforcement services were to be terminated, the functionality would be in harmony with nearly all municipalities in the State of Idaho to meet both political subdivision's needs.

FY2018 Board Actions with Financial Implications

- Road and Bridge FEMA and OEM grants were applied for and received to ally costs for repair of roads and culverts damaged during flooding
- County migration from IBM iSeries AS-400 server-based programming for financial and recording to an Idaho-based package utilized by the majority of counties
- Hiring of a full-time Information Technology administrator to facilitate in-house purchases of related equipment to replace vendor-provided marketing of equipment. Additionally, that position will provide full time in-house technical service to replace sporadic and occasional support
- Board of Commissioner-approved tax exemptions were provided to NewCold Advanced Storage Logistics and Fabri-Kal. This is similar to tax exemptions offered to Gavilon Grain, LLC in 2017 pursuant to Idaho Code § 63-602 NN for shorter durations than offered with Urban Renewal Areas. Tax exemptions of 100% for the first two years and 85% for the ensuing three years were approved by action of the Board
- A DSL internet speed enhancement was approved for the Mini-Cassia Public Defender's Office to facilitate ongoing indigent defense work with their new VIA3Video Conferencing
- The Department of Motor Vehicles increased their fees to cover actual costs of providing that service in the Assessor's Office
- The Noxious Weed Department issued enforcements for non-compliance on two properties
- An Information Technology Committee was formed to evaluate County needs with infrastructure, software, and support
- A new policy was adopted for travel and meals that eliminated per diem costs in favor of paying from actual receipts and elimination of pre-paid expenditures related to travel and meals. Additionally, a pre-defined and approved mileage chart was adopted in lieu of map documentation.
- County cell phones and reimbursement for usage of personal cell phones, along with billings from Verizon Wireless were evaluated for cost, need, and savings. A cell phone reimbursement policy was adopted for select employees for usage of personal cell phones for county business
- A new patrol boat was purchased for the Sheriff's Office utilizing some funding from the County Waterways Fund and also from an Idaho Parks and Recreation grant
- Discussion protracted during the fiscal year with no resolution regarding a Budget Officer request for a procurement policy to clearly define the approval process for County-related purchases and to assure appropriate bids or comparatives are in place
- The Cassia County Administrative Department was dissolved by action of the Board and a Zoning and Building Department was created to include all former Administrative Department employees. Additionally, the County Administrator Kerry McMurray was designated as Planning and Zoning department head and was assigned as an assistant to the Board of Commissioners
- The FY2017 independent outside audit was performed by Jeff Poulsen, CPA and elicited findings and recommendations to the Board of Commissioners and the Auditor's Office as follows:

    - Caution in relying on and spending federal PILT receipts for ongoing expenditures due to the unreliability of future PILT amounts
    - The Sheriff's Office continued ability to write duplicate checks from a banking account specific to their department
    - Troublesome and ongoing accountability of Mini-Cassia Criminal Justice Center funds
- A contract for a three-year agreement for the Cassia County Sheriff's Office to provide law enforcement services for the City of Burley was discussed. The City of Burley attorney David Shirley revised provisions of the contract and presented that to County Attorney Douglas Abenroth for review and adoption by the Board of Commissioners. The Board agreed to and approved the City of Burley Law Enforcement contract in the amount of $1,622,058 for FY2018 which incorporated a 5% increase over that of FY2017. Additionally, it included a 3% increase per year for FY2019 and FY2020.
- Cassia County applied for and was awarded an Idaho Public Defense Commission Grant to assist with costs of indigent defense. Cassia County and Minidoka County additionally received $25,000 each for the Joint Public Defender Office for participating in a joint county effort for those services.
- In addition to budgeted levy amounts for Fair Exhibits for the Cassia County Fair, an historical and ongoing fund balance in the Cassia County Fair Fund totaling $95,000 was requested by the Cassia County Fair Board to be turned over to their Board
- An additional and unbudgeted County patrol officer was approved by the Board for the Cassia County Sheriff's Office
- Exempt employee accrual reporting requirements were integrated into the new CAI time card employee entry system. That system requires accountability and verification of each employee for their own time worked and for accrual reporting
- A master agreement with CAI, Inc was effectuated for County software services with the Treasurer's Office, Auditor's Office, and Recording Office

Budget Officer Conclusions

It is the opinion and feelings of the Budget Officer that current economic and financial situations not only warrant but continue to require sensible reductions in expenditures in all feasible areas of non-required or non-mandated services and personnel. The balance between the Current Expense Fund for general county operations and that of the Justice Fund has been shifted in favor of the overwhelming needs for administering justice for FY2018.

Continued diligence is recommended for the governing authority, the Board of County Commissioners, to continue steps to scrutinize spending by line item expenditures. Decreased funding is anticipated and can be expected in the future from both Federal and State resources. That should again require focus and engender serious evaluation on any and all optional services and personnel to attrition or eliminate prior to rather than after a potential financial dilemma. Prudent spending is mandatory to insure deliverance of required County services and to minimize the potential necessity of workforce reductions.

In the past, the receipt of fully funded PILT has been a tremendous boost to County fund balances which allow appropriate and timely response to emergencies that may occur during the year. Loss of that funding would clearly and obviously compromise conducting business as usual, would erode fund balances, and could potentially put the county at risk after such an 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 revenue flows to make certain the budgeted revenues are in actuality received.

When those funds are not received, attendant decreases in approved expenditures must accompany the shortfall to not erode reserve balances. Department heads need to monitor spending and be frugal with purchases of items that are not operationally essential. Such prudence would assist in providing carryover fund balances to be available during the first quarter of the subsequent fiscal year when revenues are scarce.

Cassia County does not have a fixed salary scale with grades and steps, although the Budget Officer has in the past recommended such and will continue to do so in the future until that is not only considered but actually adopted. The County has a superior partially self-funded benefits package. Increased employee participation will continue to be necessitated by the ever-increasing costs to provide health insurance coverage and to account for astronomical healthcare costs. Additionally, the Benefits Trust Fund used to satisfy medical claims and costs is managed by our contracted third-party administrator, MBA and Associates in Salt Lake City, Utah. That fund balance to meet county medical benefit obligations has improved significantly to sufficiently provide assurance in meeting future healthcare-related obligations. In light of those financial concerns, 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 for appropriate accountability to the taxpayers of Cassia County.

Attached as EXHIBIT 1 is the Auditor's Office identified possibilities for consideration provided to the County Commissioners on July 9, 2016 and which has been once again updated for FY2018. These items are identified possibilities to consider and ***are not*** recommendations.

The formula for levies under Idaho statute and State Tax Commission rules 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.

The non-property tax portion of the budget has no percentage limit; however, it is limited to the anticipated increase of the other revenues.

This Budget Officer continues to recommend detailed documentation and scrutiny by the Board of Commissioners and require detailed justification from all departments requesting increases in personnel costs and operating expenditures.

The Auditor's Office has observed that grant funding in each area of the County has decreased. Through diligent effort, PILT reserve fund balances have increased for the past two years through prudent budgeting, conservative revenue predictions, and prudent oversight of the Commissioners with departmental spending. A focus of the Auditor's Office going forward will be to continue with internal auditing of operational and other financial functions of select 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 refine applicable tax rule compliance, and to recommend adoption of reasonable and sound best practices to accomplish such.

Cassia County has purchasing procedures enumerated by the Personnel Policy Handbook which is in need of revision regarding procurements in the county. Inventory procedures with the Auditor's office have improved appreciably with more precise reporting and a more accurate record of the inventory of each department. Each department head conducts an annual inventory of the department property and returns the completed inventory listing, including any changes of that listing to the Auditor's Office. There is also an inventory update sheet which is used for additions, deletions, retired and moved inventory items. These inventory lists and updated sheets are kept as a permanent record of County property and that property's attendant expenditures. This is in compliance with the

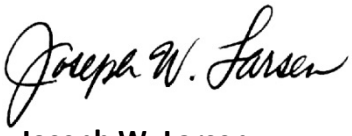
requirements of GASB 34 and procedures are, and will continue to be implemented to improve that process. Going forward a digital bar code tracking is being examined and will be adopted in FY2019.

The Board of Commissioners, as it pertains to financial issues for the future, will be looking at providing superior service to the public, providing employee retention incentives, and continuing to evaluate and act upon courthouse security measures for both employees and patrons. Appropriate further improvement of our GIS system, the County Emergency 9-1-1 telephone system, and ongoing preparations for Next Generation 9-1-1 will remain at the forefront.

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 budgeted County expenditures and to competitively compensate 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 hears appeals during the Board of Equalization hearing period which has had been minimally needed or required. Cassia County appraisers continue the revalue properties to a fair value relative to the market and as required by statute and by the State Tax Commission rules. 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 have property tax increases even with homeowner exemptions and circuit breaker benefits. Personal property taxation will continue to be a major item of discussion with legislators and advocacy groups to accomplish elimination of all or additional portions of personal property 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
Cassia County Clerk
ex-officio Auditor
1459 Overland Avenue, Room 106
Burley, Idaho, 83318
(208) 878-1004 ext 263
cassiaclerk@cassiacounty.org

(EXHIBIT 1)

Potential Alternatives

For

Increasing Revenue and Decreasing Expenditures

Fiscal Year 2016 Budget Recommendations

Fiscal Year 2018 Revision

1. Re-negotiation following the first year of the City of Burley Law Enforcement Agreement to include actual payroll enhancements they have asked for historically and to restore financial participation with dispatch expenses
2. Audit of process, allocation, and accuracy of the Mini-Cassia Criminal Justice Center Inmate Census between Minidoka County and Cassia County
3. Assess and review Conflict Public Defender contract to be in compliance with the Idaho Public Defense Commission newly-adopted rules and requirements
4. Encourage citations in lieu of incarcerations for offenses when prudent
5. Reduction of workforce, consolidation of duties, and more specific job descriptions wherever plausible with County employees
6. Implement a step and grade across the County for rate of pay equalization and standardization
7. Simplify and standardize all County Employee pay where possible, including accrued time calculations for all exempt employees, into base wage and salary
8. Further adjustment and enforcement of comp time parameters to avoid excessive payouts upon termination of employment
9. Expect departments to budget for and not exceed allowable comp time limits
10. Payout comp time at the end of each fiscal year or at a pre-determined time for seasonal employees to avoid unusually large payouts
11. Re-visit implementation of a comprehensive County Vehicle Use Policy
12. Attrition of select positions of upon termination of employment
13. Offering of severance package for select employees nearing retirement
14. Assess, evaluate and reconsider employment for non-statutorily required positions
15. Incorporation of certifications and other requirements within job descriptions and inclusion as part of grade base pay
16. Consider all possible County-related job duties for Work Release of incarcerated individuals
17. Encourage formation of a highway district for County-maintained roads and bridges
18. Consider support of a county-wide highway district
19. Consider support of an ambulance district
20. Evaluate reasoning for wide differences between Minidoka and Cassia County incarcerations
21. Evaluation of City of Burley, Cassia County, and Minidoka County felony responsibilities
22. Consider Purchase Order System for purchase approvals ahead of purchases
23. Limitation of optional training, travel, meals, and working lunches for employees and departments
24. Adopt a procurement policy to define all purchase limitations that would require Board approval and securing competitive bids for prudent financial planning

BASIC FINANCIAL STATEMENTS

Cassia County, Idaho
Statement of Net Position
September 30, 2018

	Primary Government	Component Unit
	Governmental Activities	Fair Board
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 7,366,300	$ 180,954
Receivables		
Taxes	206,368	-
Intergovernmental	682,967	14,487
Interest	13,628	-
Total Current Assets	8,269,263	195,441
Capital Assets		
Land	1,667,051	-
Building, Net	2,962,767	-
Improvements, Net	298,652	-
Infrastructure, Net	46,364	-
Equipment, Net	1,287,416	6,452
Total Capital Assets	6,262,250	6,452
Total Assets	14,531,513	201,893
Deferred Outflows		
Pension Related Items	670,413	-
Total Deferred Outflows	670,413	-
Liabilities		
Current Liabilities		
Vouchers Payable	248,669	-
Accrued Liabilities	294,049	5,617
Total Current Liabilities	542,718	5,617
Non-Current Liabilities		
Due Within One Year:		
Compensated Absences	328,453	-
Due in More Than One Year:		
Net Pension Liability	2,860,082	-
Total Liabilities	3,731,253	5,617
Deferred Inflows		
Pension Related Items	578,913	-
Total Deferred Inflows	578,913	-
Net Position		
Invested in Capital Assets, Net of Related Debt	6,262,250	6,452
Restricted for:		
County Employee Benefits	77,556	-
Special Revenue Purposes	5,121,868	-
Unrestricted	(569,914)	189,824
Total Net Position	10,891,760	196,276

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

Cassia County, Idaho
Statement of Activities
For the Year Ended September 30, 2018

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit Fair Board
Primary Government:						
Governmental Activities:						
General Government	$ 3,994,609	$ 693,290	$ -	$ -	$ (3,301,319)	
Indigent Assistance	513,646	-	-	-	(513,646)	
Highways and Roads	529,113	116,134	100,000	-	(312,979)	
Public Safety	11,147,384	6,168,302	106,044	-	(4,873,038)	
Other Public Services	1,166,545	61,211	65,000	-	(1,040,334)	
Culture and Recreation	103,910	57,985	18,737	-	(27,188)	
Total Primary Government	$ 17,455,207	$ 7,096,922	$ 289,781	$ -	(10,068,504)	
Component Unit:						
Fair Board	447,623	$ 346,593	$ -	$ -		$ (101,030)
General Revenues:						
Property Taxes					5,885,645	-
In Lieu of Taxes					1,321,023	-
Intergovernmental					3,030,790	-
Investment Earnings (Losses)					146,747	223
Other Income					513,549	-
Disposal of Assets					(78,162)	-
Total General Revenues					10,819,592	223
Special Items:						
Transfer Between Primary Government and Component Unit					(115,800)	115,800
Total General Revenues and Special Items					10,703,792	116,023
Change in Net Position					635,288	14,993
Net Position, Beginning of Year - Previously Stated					13,330,520	181,283
Prior Period Adjustment					(3,074,048)	-
Net Position, Beginning of Year					10,256,472	181,283
Net Position, End of Year					$ 10,891,760	$ 196,276

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

Cassia County, Idaho
Balance Sheet -
Governmental Funds
September 30, 2018

	General Fund	Justice Fund	911 Communications	Social Services
Assets				
Cash and Cash Equivalents	$ 1,448,702	$ 1,063,399	$ 884,510	$ 817,614
Receivables				
Taxes	32,192	85,278	-	10,607
Intergovernmental	211,907	348,066	-	26,919
Interest	13,628	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	$ 1,706,429	$ 1,496,743	$ 884,510	$ 855,140
Liabilities				
Vouchers Payable	$ 35,456	$ 171,462	$ 7,004	$ 3,682
Accrued Liabilities	75,674	178,976	-	1,885
Due to Other Funds	-	-	-	-
Total Liabilities	111,130	350,438	7,004	5,567
Deferred Inflows				
Unearned Revenue - Property Taxes	28,051	74,911	-	9,449
Total Deferred Inflows	28,051	74,911	-	9,449
Fund Balances				
Assigned	3,049,912	163,407	877,506	840,124
Unassigned	(1,482,664)	-	-	-
Total Fund Balances	1,567,248	163,407	877,506	840,124
Total Liabilities, Deferred Inflows, and Fund Balances	$ 1,706,429	$ 588,756	$ 884,510	$ 855,140

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

Cassia County, Idaho
Balance Sheet -
Governmental Funds (continued)
September 30, 2018

	Fair Exhibit	PILT	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 99,958	$ -	$ 3,052,117	$ 7,366,300
Investments	-	-	-	-
Receivables				
Taxes	5,671	-	72,620	206,368
Intergovernmental	14,852	-	81,223	682,967
Interest	-	-	-	13,628
Due from Other Funds	-	-	245,519	245,519
Total Assets	$ 120,481	$ -	$ 3,451,479	$ 8,514,782
Liabilities				
Vouchers Payable	$ -	$ -	$ 31,065	$ 248,669
Accrued Liabilities	1,363	-	36,151	294,049
Due to Other Funds	245,519	-	-	245,519
Total Liabilities	246,882	-	67,216	788,237
Deferred Inflows				
Unearned Revenue - Property Taxes	5,011	-	65,876	183,298
Total Deferred Inflows	5,011	-	65,876	183,298
Fund Balances				
Assigned	-	-	3,318,387	8,249,336
Unassigned	(131,412)	-	-	(1,614,076)
Total Fund Balances	(131,412)	-	3,318,387	6,635,260
Total Liabilities, Deferred Inflows, and Fund Balances	$ 120,481	$ -	$ 3,451,479	$ 7,606,795

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, 2018

Total Fund Balances - Governmental Funds		$ 6,635,260
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 $9,499,113 Accum. Depreciation	46,364	
Buildings, Net of $2,675,723 Accum. Depreciation	2,962,767	
Improvements, Net of $118,141 Accum. Depreciation	298,652	
Equipment, Net of $3,383,722 Accum. Depreciation	1,287,416	
		6,262,250
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.		183,298
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	$ (328,453)	
		(328,453)
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	$ (2,860,082)	
Pension Related Deferred Inflows	(578,913)	
Pension Related Deferred Outflows	670,413	
		(2,768,582)
Net Position of Governmental Activities		$ 9,983,773

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, 2018

	General Fund	Justice Fund	911 Communications	Social Services
Revenues				
Property Taxes	$ 785,241	$ 2,837,864	$ -	$ 416,518
Intergovernmental	730,663	966,316	-	133,073
Payment in Lieu of Taxes	-	1,135,423	-	-
Grants	-	106,044	-	-
Charges for Services	651,711	4,903,710	244,479	-
Investment Earnings (Losses)	134,518	-	12,229	-
Other Income	16,968	14,072	94,373	227,678
Total Revenues	2,319,101	9,963,429	351,081	777,269
Expenditures				
Current:				
General Government	3,360,714	-	-	-
Indigent Assistance	-	-	-	512,441
Highways and Roads	-	-	-	-
Public Safety	-	9,832,755	116,044	-
Other Public Services	-	-	-	-
Culture and Recreation	-	-	-	-
Total Expenditures	3,360,714	9,832,755	116,044	512,441
Excess (Deficiency) of Revenues Over Expenditures	(1,041,613)	130,674	235,037	264,828
Other Financing Sources (Uses)				
Sale of Assets	-	-	-	-
Transfers In	709,771	32,724	-	-
Transfers Out	(320,986)	-	(80,485)	-
Total Other Financing Sources (Uses)	388,785	32,724	(80,485)	-
Net Change in Fund Balances	(652,828)	163,398	154,552	264,828
Fund Balances - Beginning - Previously Stated	2,097,099	(352,614)	722,954	540,548
Prior Period Adjustment	122,977	352,623	-	34,748
Fund Balance - Beginning	2,220,076	9	722,954	575,296
Fund Balances - Ending	$ 1,567,248	$ 163,407	$ 877,506	$ 840,124

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, 2018

	Fair Exhibit	PILT	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$ 200,901	$ -	$ 1,701,935	$ 5,942,459
Intergovernmental	34,718	-	1,166,020	3,030,790
Payment in Lieu of Taxes	-	-	185,600	1,321,023
Grants	-	-	183,737	289,781
Charges for Services	-	-	1,297,022	7,096,922
Investment Earnings (Losses)	-	-	-	146,747
Other Income	-	-	160,458	513,549
Total Revenues	235,619	-	4,694,772	18,341,271
Expenditures				
Current:				
General Government	-	-	805,578	4,166,292
Indigent Assistance	-	-	-	512,441
Highways and Roads	-	-	518,278	518,278
Public Safety	-	-	1,211,104	11,159,903
Other Public Services	-	-	1,164,417	1,164,417
Culture and Recreation	67,046	-	57,206	124,252
Total Expenditures	67,046	-	3,756,583	17,645,583
Excess (Deficiency) of Revenues Over Expenditures	168,573	-	938,189	695,688
Other Financing Sources (Uses)				
Sale of Assets	-	-	122	122
Transfers In	-	-	320,986	1,063,481
Transfers Out	(115,800)	-	(662,010)	(1,179,281)
Total Other Financing Sources (Uses)	(115,800)	-	(340,902)	(115,678)
Net Change in Fund Balances	52,773	-	597,287	580,010
Fund Balances - Beginning - Previously Stated	(198,485)	2,106,039	3,312,064	8,227,605
Prior Period Adjustment	14,300	(2,106,039)	(590,964)	(2,172,355)
Fund Balance - Beginning	(184,185)	-	2,721,100	6,055,250
Fund Balances - Ending	$ (131,412)	$ -	$ 3,318,387	$ 6,635,260

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, 2018

Total Net Change in Fund Balance - Governmental Funds		$ 580,010
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	$ 471,061	
Depreciation Expense	(409,881)	
Disposed Assets	(78,284)	
Net		(17,104)
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.		(56,814)
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.		(5,981)
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.		135,177
Change in Net Position of Governmental Activities		$ 635,288

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, 2018

	Agency Funds	Total Private - Purpose Trust Funds	Total Fiduciary Funds
Assets			
Cash and Investments	$ 3,330,511	$ 796,883	$ 4,127,394
Other Assets	-	7,583	7,583
Total Assets	3,330,511	804,466	4,134,977
Liabilities			
Vouchers Payable	280,599	14,157	294,756
Total Liabilities	280,599	14,157	294,756
Net Position			
Held in Trust	-	790,309	790,309
Total Net Position	$ -	$ 790,309	$ 790,309

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, 2018

	Total Private - Purpose Trust Funds
Additions:	
Contributions	$ 5,081,882
Investment Income	6
Total Additions	5,081,888
Deductions	
Distributions of Funds	5,324,065
Total Deductions	5,324,065
Change in Net Position	(242,177)
Net Position - Beginning - Previously Stated	-
Prior Period Adjustment	1,032,486
Net Position - Beginning`	1,032,486
Net Position - Ending	$ 790,309

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.
- *911 Communications fund*. This fund accounts for maintaining and operating the 911 communications within the County.
- *Social Services fund*. This fund accounts for all medical payments on behalf of county citizens who are not able to pay for themselves.
- *Fair Exhibit fund*. This fund accounts the building, maintaining, and operating of capital improvements on the County fairgrounds.
- *Payment in Lieu of Taxes fund (PILT).* This fund accounts for the in-lieu-of taxes received from the federal government.

The County reports the following fiduciary fund types:

- *Agency 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. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.
- *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, 2018.

Warrants and Accounts Payable

Warrants 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.

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2018, the carrying amount of the County's deposits was Governmental Activities and the respective bank balances totaled $6,067,289. 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, 2018, 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 . 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.

2. CASH AND INVESTMENTS (continued)

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.

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, 2018, are summarized below:

			Investment Maturities (in Years)	
Investment Type	Rating	Fair Value	Less than 1	1 - 5
External Investment Pool	None	$ 615,654	$ 615,654	$ -
Certificates of Deposit	N/A	1,294,994	697,020	597,974
U.S. Treasuries	AAA	296,453	99,523	196,930
U.S. Government Bonds	AAA	1,667,743	-	1,667,743
Money Market	N/A	1,549,260	1,549,260	-
		$ 5,424,104	$ 2,961,457	$ 2,462,647

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	$ 5,028,887	$ 180,954	$ 5,209,841	$ 1,077,482
Investments categorized as deposit	5,424,104	-	5,424,104	-
	$ 10,452,991	$ 180,954	$ 10,633,945	$ 1,077,482

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

	Book Balance
Tax Collector	$ 61,856
Civil Sheriff	4,215
	$ 66,071

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments consists of State Sales Tax due of $682,967.

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2018, was as follows:

	Balance 9/30/17	Adjustments	Additions	Disposals	Balance 9/30/18
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 1,667,051	$ -	$ -	$ -	$ 1,667,051
Capital Assets Being Depreciated:					
Buildings	5,595,242	-	43,248	-	5,638,490
Improvements Other Than Buildings	397,373	-	19,420	-	416,793
Infrastructure	9,545,477	-	-	-	9,545,477
Equipment	4,341,029	-	408,393	78,284	4,671,138
Total Historical Cost	19,879,121	-	471,061	78,284	20,271,898
Less: Accumulated Depreciation					
Buildings	2,551,532	-	124,191	-	2,675,723
Improvements Other Than Buildings	97,879	-	20,262	-	118,141
Infrastructure	9,495,546	-	3,567	-	9,499,113
Equipment	2,238,045	883,819	261,858	-	3,383,722
Total Acc. Depr.	14,383,002	883,819	409,878	-	15,676,699
Net Depreciable Assets	5,496,119	(883,819)	61,183	78,284	4,595,199
Governmental Activities Capital Assets - Net	$ 7,163,170	$ (883,819)	$ 61,183	$ 78,284	$ 6,262,250

4. CAPITAL ASSETS (continued)

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

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

Governmental Activities:	
General Government	$ 107,033
Highways and Streets	26,259
Culture and Recreation	24,254
Public Safety	252,332
	$ 409,878

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.

5. PENSION PLAN (continued)

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.

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, 2017, 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. Cassa County's contributions were $718,060 for the year ended September 30, 2018.

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

5. PENSION PLAN (continued)

At September 30, 2018, Cassia County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, Cassia County's proportion was .0193016 percent.

For the year ended September 30, 2018, Cassia County recognized pension expense (revenue) of $582,822 . At September 30, 2018, Cassia County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 313,956	$ 216,005
Changes in assumptions or other inputs	186,105	-
Net difference between projected and actual earnings on pension plan investments	-	317,771
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	45,136
Owhyee County's contributions subsequent to the measurement date	170,351	-
Total	$ 670,412	$ 578,912

$170,351 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, 2018.

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, 2018, is 4.9 and 5.5 for the measurement period June 30, 2017.

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:

5. PENSION PLAN (continued)

For the Year Ended September 30:	PERSI
2019	$ 396,283
2020	20,838
2021	(240,919)
2022	(70,438)
2023	(14,265)

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 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25 – 10.00%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expense
Cost-of-living	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, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2017 is based on the results of an actuarial valuation date of July 1, 2017.

5. PENSION PLAN (continued)

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2018.

5. PENSION PLAN (continued)

Asset Class	Expected Return	Expected Risk	Strategic Normal	Strategic Ranges
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%

Total Fund	Expected Return	Expected Inflation	Expected Real Return	Expected Risk
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

* Expected arithmetic return net of fees and expenses

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

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

5. PENSION PLAN (continued)

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 7.10 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 (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	$ 7,159,433	$ 2,860,082	$ (699,957)

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.

	9/30/17	Increase	Decrease	9/30/18	Current
Governmental Activities	$322,472	$ 591,213	$ 585,233	$ 328,452	$328,452

7. OTHER COMMITMENTS

The County currently holds several credit cards with a combined credit limit of $200,000. As of September 30, 2018, $24,416 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:

$ 80,485	From the 911 Communications fund to the General fund to reimburse operating expenses
1,168,147	From PILT money to the Justice fund to cover operating expenses
115,800	From the Fair Exhibit fund to the Fair board to cover operating expenses
473,862	From the General fund to nonmajor funds to cover operating expenses
629,286	From nonmajor funds to the general fund to cover operating expense
32,724	From nonmajor funds to other nonmajor funds to reimburse operating expenses
$ 2,500,304	

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 $245,519. Payments will begin in the next fiscal year.

11. RESTATEMENT

In prior years the intergovernmental receivables were understated by $653,622, prepaid items were overstated by $90,479, accounts payable were understated by $88,664, and accumulated depreciation was understated by $901,693. There were also certain funds that were reclassified as trust funds from governmental funds totaling $718,123. This caused the Fund Balance and Net Position to be restated as follows:

	Governmental Funds
Fund Balance, Beginning - As Previously Stated	$ 9,135,592
Increase in Fund Balance due to Intergovernmental Receivables being understated	653,622
Decrease in Fund Balance due to Prepaid items being overstated	(90,479)
Increase in Fund Balance due to Accounts Payable being understated	88,664
Decrease in Fund Balance due to funds being reclassified as trust funds	(718,123)
Fund Balance, Beginning - Restated	$ 9,069,276

	Governmental Activities
Net Position, Beginning - As Previously Stated	$ 13,330,520
Increase in Net Position due to Intergovernmental Receivables being understated	653,622
Decrease in Net Position due to Prepaid items being overstated	(90,479)
Increase in Net Position due to Accounts Payable being understated	88,664
Decrease in Net Position due to funds being reclassified as trust funds	(718,123)
Decrease in Net Position due to Accumulated Depreciation being understated	(901,693)
Net Position, Beginning - Restated	$ 12,362,511

	Agency Funds
Net Position, Beginning - As Previously Stated	$ -
Increase in Net Position due to funds being reclassified as trust funds	732,620
Net Position, Beginning - Restated	$ 732,620

REQUIRED SUPPLEMENTARY INFORMATION

Cassia County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended September 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 772,855	$ 772,855	$ 785,241	$ 12,386
Intergovernmental	691,153	691,153	730,663	39,510
Payment in Lieu of Taxes	-	-	-	-
Charges for Services	440,400	440,400	651,711	211,311
Investment Earnings (Losses)	40,000	40,000	134,518	94,518
Other Income	5,570	5,570	16,968	11,398
Total Revenues	1,949,978	1,949,978	2,319,101	369,123
Expenditures				
General Government:				
Commissioners	145,665	145,665	143,782	1,883
Auditor	262,390	262,390	264,505	(2,115)
Treasurer	201,825	201,825	189,483	12,342
Assessor	419,445	419,445	413,055	6,390
Public Defender	643,954	643,954	647,857	(3,903)
Ag. Extension	201,009	201,009	203,125	(2,116)
Buildings	398,225	398,225	354,965	43,260
Planning and Zoning	229,948	229,948	217,250	12,698
General Government:	879,067	879,067	766,231	112,836
Civil Defense	47,478	47,478	42,099	5,379
Elections	111,306	111,306	85,527	25,779
Information Technology	-	-	19,884	(19,884)
Veterans Officer	12,955	12,955	12,951	4
Total Expenditures	3,553,267	3,553,267	3,360,714	192,553
Excess (Deficiency) of Revenues Over Expenditures	(1,603,289)	(1,603,289)	(1,041,613)	561,676
Other Financing Sources (Uses)				
Sale of Assets	2,000	2,000	-	(2,000)
Transfers In	766,520	766,520	709,771	(56,749)
Transfers Out	-	-	(320,986)	(320,986)
Total Other Financing Sources (Uses)	768,520	768,520	388,785	(379,735)
Net Change in Fund Balances	(834,769)	(834,769)	(652,828)	181,941
Fund Balances - Beginning - Previously	834,769	834,769	(8,940)	(843,709)
Prior Period Adjustment	-	-	2,229,016	2,229,016
Fund Balances - Beginning	834,769	834,769	2,220,076	1,385,307
Fund Balances - Ending	$ -	$ -	$ 1,567,248	$ 1,567,248

Cassia County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Justice Fund
For the Year Ended September 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 2,767,300	$ 2,767,300	$ 2,837,864	$ 70,564
Intergovernmental	921,086	921,086	966,316	45,230
Grants	42,110	42,110	106,044	63,934
Charges for Services	1,722,123	1,722,123	4,903,710	3,181,587
Investment Earnings (Losses)	-	-	-	-
Other Income	14,250	14,250	14,072	(178)
Total Revenues	5,466,869	5,466,869	9,963,429	4,496,560
Expenditures				
Public Safety:				
Discretionary Compensation	16,200	16,200	-	16,200
District Court Salaries	509,655	509,655	491,045	18,610
Juvenile Probation	187,543	187,543	187,543	-
Prosecuting Attorney	506,240	506,240	480,128	26,112
Coroner	13,896	13,896	54,506	(40,610)
Sheriff - County Law Enforcement	1,995,905	2,045,709	2,094,837	(49,128)
Criminal Justice Center	3,241,778	3,241,778	4,481,721	(1,239,943)
Juvenile Detention Center	436,207	436,207	436,207	-
Sheriff - City Law Enforcement	1,428,323	1,476,223	1,606,768	(130,545)
Total Expenditures	8,335,747	8,433,451	9,832,755	(1,399,304)
Excess (Deficiency) of Revenues Over Expenditures	(2,868,878)	(2,966,582)	130,674	3,097,256
Other Financing Sources (Uses)				
Sale of Assets	3,500	3,500	-	(3,500)
Transfers In	4,419,881	4,505,304	32,724	(4,472,580)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	4,423,381	4,508,804	32,724	(4,476,080)
Net Change in Fund Balances	1,554,503	1,542,222	163,398	(1,378,824)
Fund Balances - Beginning - Previously	-	-	555,373	555,373
Prior Period Adjustment	-	-	352,623	352,623
Fund Balances - Beginning	-	-	907,996	907,996
Fund Balances - Ending	$ 1,554,503	$ 1,542,222	$ 1,071,394	$ (470,828)

Cassia County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
911 Communications
For the Year Ended September 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Charges for Services	$ 255,637	$ 255,637	$ 244,479	$ (11,158)
Investment Earnings (Losses)	2,000	2,000	12,229	10,229
Other Income	26,000	26,000	94,373	68,373
Total Revenues	283,637	283,637	351,081	67,444
Expenditures				
Public Safety:				
911 Communication	916,437	916,437	116,044	800,393
Total Expenditures	916,437	916,437	116,044	800,393
Excess (Deficiency) of Revenues Over Expenditures	(632,800)	(632,800)	235,037	867,837
Other Financing Sources (Uses)				
Transfers Out	-	-	(80,485)	(80,485)
Total Other Financing Sources (Uses)	-	-	(80,485)	(80,485)
Net Change in Fund Balances	(632,800)	(632,800)	154,552	787,352
Fund Balances - Beginning	632,800	632,800	722,954	90,154
Fund Balances - Ending	$ -	$ -	$ 877,506	$ 877,506

Cassia County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Social Services
For the Year Ended September 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 406,200	$ 406,200	$ 416,518	$ 10,318
Intergovernmental	130,475	130,475	133,073	2,598
Investment Earnings (Losses)	-	-	-	-
Other Income	155,100	155,100	227,678	72,578
Total Revenues	691,775	691,775	777,269	85,494
Expenditures				
Indigent Assistance:				
Social Services	425,313	425,313	403,927	21,386
Social Services - Public Defense	180,000	180,000	108,514	71,486
Total Expenditures	605,313	605,313	512,441	92,872
Net Change in Fund Balances	86,462	86,462	264,828	178,366
Fund Balances - Beginning - Previously	-	-	540,548	540,548
Prior Period Adjustment	-	-	34,748	34,748
Fund Balances - Beginning	-	-	575,296	575,296
Fund Balances - Ending	$ 86,462	$ 86,462	$ 840,124	$ 753,662

Cassia County, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Fair Exhibit
For the Year Ended September 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 195,280	$ 195,280	$ 200,901	$ 5,621
Intergovernmental	32,692	32,692	34,718	2,026
Total Revenues	227,972	227,972	235,619	7,647
Expenditures				
Culture and Recreation:				
Cassia Fair	76,280	76,280	67,046	9,234
Total Expenditures	76,280	76,280	67,046	9,234
Excess (Deficiency) of Revenues Over Expenditures	151,692	151,692	168,573	16,881
Other Financing Sources (Uses)				
Transfers Out	(115,800)	(115,800)	(115,800)	-
Total Other Financing Sources (Uses)	(115,800)	(115,800)	(115,800)	-
Net Change in Fund Balances	35,892	35,892	52,773	16,881
Fund Balances - Beginning - Previously	-	-	(198,485)	(198,485)
Prior Period Adjustment	-	-	14,300	14,300
Fund Balances - Beginning	-	-	(184,185)	(184,185)
Fund Balances - Ending	$ 35,892	$ 35,892	$ (131,412)	$ (167,304)

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.

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The expenditures in the Justice Fund exceeded appropriations by $1,399,304.

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*

	2018	2017	2016	2015
County proportion of the net pension liability (asset)	0.19390160%	0.19887500%	0.19635570%	0.20478230%
County's proportionate share of the net pension liability (asset)	$ 2,860,082	$ 3,126,013	$ 3,980,432	$ 2,696,650
County's covered-employee payroll	$ 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	45.66%	51.57%	67.78%	46.27%
Plan fiduciary net position as a percentage of the total pension liability	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, 2018

Cassia County, Idaho

Schedule of County Contributions

Public Employees Retirement System of Idaho

Last 10 - Fiscal Years*

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

SUPPLEMENTAL INFORMATION

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

	County Roads	Emergency Medical Services	Ambulance Services	District Court
Assets				
Cash and Cash Equivalents	$ 157,502	$ 34,011	$ 115,532	$ 411,960
Receivables				
Taxes	8,939	-	6,641	2,985
Intergovernmental	-	-	16,245	1,857
Due from Other Funds	-	-	-	-
Total Assets	$ 166,441	$ 34,011	$ 138,418	$ 416,802
Liabilities				
Vouchers Payable	$ 2,842	$ -	$ 3,750	$ 4,091
Accrued Liabilities	4,071	-	-	6,801
Total Liabilities	6,913	-	3,750	10,892
Deferred Inflows				
Unearned Revenue - Property Taxes	8,770	-	5,832	2,662
Total Deferred Inflows	8,770	-	5,832	2,662
Fund Balances				
Assigned	150,758	34,011	128,836	403,248
Unassigned	-	-	-	-
Total Fund Balances	150,758	34,011	128,836	403,248
Total Liabilities, Deferred Inflows, and Fund Balances	$ 166,441	$ 34,011	$ 138,418	$ 416,802

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

	Public Defender	Misdemeanor Probation	Election Consolidation	Community College	Historical Society
Assets					
Cash and Cash Equivalents	$ 21,194	$ 4,039	$ 170,189	$ 598,663	$ 31,783
Receivables					
Taxes	-	-	-	4,854	750
Intergovernmental	-	-	-	12,996	1,392
Due from Other Funds	-	-	-	-	-
Total Assets	$ 21,194	$ 4,039	$ 170,189	$ 616,513	$ 33,925
Liabilities					
Vouchers Payable	$ -	$ 3,737	$ 524	$ -	$ -
Accrued Liabilities	-	12,878	690	-	871
Total Liabilities	-	16,615	1,214	-	871
Deferred Inflows					
Unearned Revenue - Property Taxes	-	-	-	4,251	666
Total Deferred Inflows	-	-	-	4,251	666
Fund Balances					
Assigned	21,194	(12,576)	168,975	612,262	32,388
Unassigned	-	-	-	-	-
Total Fund Balances	21,194	(12,576)	168,975	612,262	32,388
Total Liabilities, Deferred Inflows, and Fund Balances	$ 21,194	$ 4,039	$ 170,189	$ 616,513	$ 33,925

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

	Revaluation	Solid Waste	Waterways	Warrant Redemption	Weed & Pest
Assets					
Cash and Cash Equivalents	$ 276,358	$ 368,310	$ 32,322	$ 2,737	$ 557,228
Receivables					
Taxes	7,652	33,211	-	-	7,588
Intergovernmental	18,565	-	-	-	30,168
Due from Other Funds	-	-	-	-	-
Total Assets	$ 302,575	$ 401,521	$ 32,322	$ 2,737	$ 594,984
Liabilities					
Vouchers Payable	$ 180	$ 9,463	$ 265	$ -	$ 5,327
Accrued Liabilities	6,154	-	-	-	4,686
Total Liabilities	6,334	9,463	265	-	10,013
Deferred Inflows					
Unearned Revenue - Property Taxes	6,722	30,155	-	-	6,818
Total Deferred Inflows	6,722	30,155	-	-	6,818
Fund Balances					
Assigned	289,519	361,903	32,057	2,737	578,153
Unassigned	-	-	-	-	-
Total Fund Balances	289,519	361,903	32,057	2,737	578,153
Total Liabilities, Deferred Inflows, and Fund Balances	$ 302,575	$ 401,521	$ 32,322	$ 2,737	$ 594,984

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

	Snowmobile Licenses	Physical Facilities	Box Elder Bookmobile	Bond Interest & Redemption	Cassia County Benefits
Assets					
Cash and Cash Equivalents	$ 113,524	$ 75,024	$ 4,185	$ -	$ 77,556
Receivables					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Due from Other Funds	-	245,519	-	-	-
Total Assets	$ 113,524	$ 320,543	$ 4,185	$ -	$ 77,556
Liabilities					
Vouchers Payable	$ 97	$ 789	$ -	$ -	$ -
Accrued Liabilities	-	-	-	-	-
Total Liabilities	97	789	-	-	-
Deferred Inflows					
Unearned Revenue - Property Taxes	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-
Fund Balances					
Assigned	113,427	319,754	4,185	-	77,556
Unassigned	-	-	-	-	-
Total Fund Balances	113,427	319,754	4,185	-	77,556
Total Liabilities, Deferred Inflows, and Fund Balances	$ 113,524	$ 320,543	$ 4,185	$ -	$ 77,556

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

	DARE Trust	Drug Task Force	Court Interlock	Widow's Benefit	Jail Trust
Assets					
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -
Receivables					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	$ -	$ -	$ -	$ -	$ -
Liabilities					
Vouchers Payable	$ -	$ -	$ -	$ -	$ -
Accrued Liabilities	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Deferred Inflows					
Unearned Revenue - Property Taxes	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-
Fund Balances					
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	-	-	-	-	-
Total Liabilities, Deferred Inflows, and Fund Balances	$ -	$ -	$ -	$ -	$ -

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

	Jail Commissary	Invasive Species	Court Facilities	Narc. Seized Assets	Total Nonmajor Special Revenue Funds
Assets					
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ 3,052,117
Receivables					
Taxes	-	-	-	-	72,620
Intergovernmental	-	-	-	-	81,223
Due from Other Funds	-	-	-	-	245,519
Total Assets	$ -	$ -	$ -	$ -	$ 3,451,479
Liabilities					
Vouchers Payable	$ -	$ -	$ -	$ -	$ 31,065
Accrued Liabilities	-	-	-	-	36,151
Total Liabilities	-	-	-	-	67,216
Deferred Inflows					
Unearned Revenue - Property Taxes	-	-	-	-	65,876
Total Deferred Inflows	-	-	-	-	65,876
Fund Balances					
Assigned	-	-	-	-	3,318,387
Unassigned	-	-	-	-	-
Total Fund Balances	-	-	-	-	3,318,387
Total Liabilities, Deferred Inflows, and Fund Balances	$ -	$ -	$ -	$ -	$ 3,451,479

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2018

	County Roads	Emergency Medical Services	Ambulance Services	District Court
Revenues				
Property Taxes	$ 48,463	$ -	$ 224,923	$ 156,032
Intergovernmental	234,519	-	38,790	25,266
Grants	100,000	-	-	-
Charges for Services	116,134	-	-	205,515
Other Income	5,000	7,798	-	960
Total Revenues	569,116	7,798	263,713	387,773
Expenditures				
Current:				
General Government	-	-	-	-
Highways and Roads	518,278	-	-	-
Public Safety	-	8,386	217,457	268,867
Other Public Services	-	-	-	-
Culture and Recreation	-	-	-	-
Total Expenditures	518,278	8,386	217,457	268,867
Excess (Deficiency) of Revenues Over Expenditures	50,838	(588)	46,256	118,906
Other Financing Sources (Uses)				
Sale of Assets	122	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	122	-	-	-
Net Change in Fund Balances	50,960	(588)	46,256	118,906
Fund Balances - Beginning - Previously Stated	99,620	34,599	40,424	275,858
Prior Period Adjustment	178	-	42,156	8,484
Fund Balance - Beginning	99,798	34,599	82,580	284,342
Fund Balances - Ending	$ 150,758	$ 34,011	$ 128,836	$ 403,248

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2018
(continued)

	Public Defender	Misdemeanor Probation	Election Consolidation	Community College	Historical Society
Revenues					
Property Taxes	$ -	$ -	$ -	$ 152,933	$ 31,286
Intergovernmental	50,000	-	83,390	240,307	5,247
Grants	-	-	-	-	-
Charges for Services	205,609	608,989	-	-	-
Other Income	-	83,426	-	-	-
Total Revenues	320,609	692,415	123,390	393,240	36,533
Expenditures					
Current:					
General Government	-	-	111,304	-	-
Highways and Roads	-	-	-	-	-
Public Safety	-	716,394	-	-	-
Other Public Services	-	-	-	268,500	-
Culture and Recreation	-	-	-	-	28,499
Total Expenditures	-	716,394	111,304	268,500	28,499
Excess (Deficiency) of Revenues Over Expenditures	320,609	(23,979)	12,086	124,740	8,034
Other Financing Sources (Uses)					
Sale of Assets	-	-	-	-	-
Transfers In	311,345	-	-	-	-
Transfers Out	(629,286)	-	-	-	-
Total Other Financing Sources (Uses)	(317,941)	-	-	-	-
Net Change in Fund Balances	2,668	(23,979)	12,086	124,740	8,034
Fund Balances - Beginning - Previously Stated	18,526	10,636	156,702	475,010	23,013
Prior Period Adjustment	-	767	187	12,512	1,341
Fund Balance - Beginning	18,526	11,403	156,889	487,522	24,354
Fund Balances - Ending	$ 21,194	$ (12,576)	$ 168,975	$ 612,262	$ 32,388

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2018
(continued)

	Revaluation	Solid Waste	Waterways	Warrant Redemption	Weed & Pest
Revenues					
Property Taxes	$ 262,008	$ 570,627	$ -	$ -	$ 255,663
Intergovernmental	45,043	-	-	-	46,246
Grants	-	-	12,432	-	65,000
Charges for Services	400	48,637	35,573	-	12,574
Other Income	-	-	47,738	-	12,330
Total Revenues	307,451	619,264	95,743	-	391,813
Expenditures					
Current:					
General Government	222,350	-	84,255	-	-
Highways and Roads	-	-	-	-	-
Public Safety	-	-	-	-	-
Other Public Services	-	607,638	-	-	288,279
Culture and Recreation	-	-	-	-	-
Total Expenditures	222,350	607,638	84,255	-	288,279
Excess (Deficiency) of Revenues Over Expenditures	85,101	11,626	11,488	-	103,534
Other Financing Sources (Uses)					
Sale of Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	(32,724)	-	-
Total Other Financing Sources (Uses)	-	-	(32,724)	-	-
Net Change in Fund Balances	85,101	11,626	(21,236)	-	103,534
Fund Balances - Beginning - Previously Stated	186,546	350,277	52,353	2,737	445,064
Prior Period Adjustment	17,872	-	940	-	29,555
Fund Balance - Beginning	204,418	350,277	53,293	2,737	474,619
Fund Balances - Ending	$ 289,519	$ 361,903	$ 32,057	$ 2,737	$ 578,153

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2018
(continued)

	Snowmobile Licenses	Physical Facilities	Box Elder Bookmobile	Bond Interest & Redemption	Cassia County Benefits
Revenues					
Property Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	397,212
Grants	-	-	6,305	-	-
Charges for Services	22,412	41,179	-	-	-
Other Income	3,206	-	-	-	-
Total Revenues	25,618	56,779	6,305	-	397,212
Expenditures					
Current:					
General Government	-	50,131	-	4	337,534
Highways and Roads	-	-	-	-	-
Public Safety	-	-	-	-	-
Other Public Services	-	-	-	-	-
Culture and Recreation	21,489	-	7,218	-	-
Total Expenditures	21,489	50,131	7,218	4	337,534
Excess (Deficiency) of Revenues Over Expenditures	4,129	6,648	(913)	(4)	59,678
Other Financing Sources (Uses)					
Sale of Assets	-	-	-	-	-
Transfers In	-	9,641	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	9,641	-	-	-
Net Change in Fund Balances	4,129	16,289	(913)	(4)	59,678
Fund Balances - Beginning - Previously Stated	109,201	290,392	-	4	17,878
Prior Period Adjustment	97	13,073	5,098	-	-
Fund Balance - Beginning	109,298	303,465	5,098	4	17,878
Fund Balances - Ending	$ 113,427	$ 319,754	$ 4,185	$ -	$ 77,556

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2018
(continued)

	DARE Trust	Drug Task Force	Court Interlock	Widow's Benefit	Jail Trust
Revenues					
Property Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-
Grants	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Income	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
Current:					
General Government	-	-	-	-	-
Highways and Roads	-	-	-	-	-
Public Safety	-	-	-	-	-
Other Public Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Sale of Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	-	-	-	-
Fund Balances - Beginning - Previously Stated	3,419	(45)	13,982	17,098	553,154
Prior Period Adjustment	(3,419)	45	(13,982)	(17,098)	(553,154)
Fund Balance - Beginning	-	-	-	-	-
Fund Balances - Ending	$ -	$ -	$ -	$ -	$ -

Cassia County, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended September 30, 2018
(continued)

	Jail Commissary	Invasive Species	Court Facilities	Narc. Seized Assets	Total Nonmajor Special Revenue Funds
Revenues					
Property Taxes	$ -	$ -	$ -	$ -	$ 1,701,935
Intergovernmental	-	-	-	-	1,166,020
Grants	-	-	-	-	183,737
Charges for Services	-	-	-	-	1,297,022
Other Income	-	-	-	-	160,458
Total Revenues	-	-	-	-	4,694,772
Expenditures					
Current:					
General Government	-	-	-	-	805,578
Highways and Roads	-	-	-	-	518,278
Public Safety	-	-	-	-	1,211,104
Other Public Services	-	-	-	-	1,164,417
Culture and Recreation	-	-	-	-	57,206
Total Expenditures	-	-	-	-	3,756,583
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	938,189
Other Financing Sources (Uses)					
Sale of Assets	-	-	-	-	122
Transfers In	-	-	-	-	320,986
Transfers Out	-	-	-	-	(662,010)
Total Other Financing Sources (Uses)	-	-	-	-	(340,902)
Net Change in Fund Balances	-	-	-	-	597,287
Fund Balances - Beginning - Previously Stated	9,833	6,959	47,289	71,535	3,312,064
Prior Period Adjustment	(9,833)	(6,959)	(47,289)	(71,535)	(590,964)
Fund Balance - Beginning	-	-	-	-	2,721,100
Fund Balances - Ending	$ -	$ -	$ -	$ -	$ 3,318,387

Cassia County, Idaho
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2018

	Agency Funds					
	Court Trust - ISTARS	PILT	Drug Task Force	Taxing District Funds	State Fund	Total Agency Funds
Assets						
Cash and Investments	$ 285	$ 3,049,912	$ 28	$ 16,029	$ 264,257	$ 3,330,511
Other Assets	-	-	-	-	-	-
Total Assets	285	3,049,912	28	16,029	264,257	3,330,511
Liabilities						
Vouchers Payable	285	-	28	16,029	264,257	280,599
Due to Other Funds or Taxing Units	-	3,049,912	-	-	-	3,049,912
Total Liabilities	285	3,049,912	28	16,029	264,257	3,330,511
Net Position						
Held in Trust	-	-	-	-		-
Total Net Position	$ -	$ -	$ -	$ -	$ -	$ -

Cassia County, Idaho
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2018
(continued)

	Private - Purpose Trust Fund				
	Jail Trust	D.A.R.E. Trust	Invasive Species Trust	Law Enforcement Trust	Public Funds Defender
Assets					
Cash and Investments	$ 468,870	$ 675	$ 6,959	$ 10,394	$ -
Other Assets	7,583	-	-	-	-
Total Assets	476,453	675	6,959	10,394	-
Liabilities					
Vouchers Payable	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Net Position					
Held in Trust	476,453	675	6,959	10,394	-
Total Net Position	$ 476,453	$ 675	$ 6,959	$ 10,394	$ -

Cassia County, Idaho
Combining Statement of Fiduciary Net Position
For the Year Ended September 30, 2018
(continued)

	Private - Purpose Trust Funds					
	Narcotics Seized Assets Trust	Court Trust	Court Interlock Trust	Widow's Benefit Trust	Total Private - Purpose Trust Funds	Total Fiduciary Funds
Assets						
Cash and Investments	$ 85,807	$ 191,186	$ 15,888	$ 17,104	$ 796,883	$ 4,127,394
Other Assets	-	-	-	-	7,583	7,583
Total Assets	85,807	191,186	15,888	17,104	804,466	4,134,977
Liabilities						
Vouchers Payable	-	14,157	-	-	14,157	294,756
Total Liabilities	-	14,157	-	-	14,157	294,756
Net Position						
Held in Trust	85,807	177,029	15,888	17,104	790,309	790,309
Total Net Position	$ 85,807	$ 177,029	$ 15,888	$ 17,104	$ 790,309	$ 790,309

Cassia County, Idaho
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2018

	Private - Purpose Trust Fund				
	Jail Trust	D.A.R.E. Trust	Invasive Species Trust	Law Enforcement Trust	Public Funds Defender
Additions:					
Contributions	$ 3,158,396	$ -	$ -	$ -	$ 631,954
Investment Income	-	-	-	-	-
Total Additions	3,158,396	-	-	-	631,954
Deductions					
Distributions of Funds	3,244,930	2,744	-	-	629,286
Total Deductions	3,244,930	2,744	-	-	629,286
Change in Net Position	(86,534)	(2,744)	-	-	2,668
Net Position - Beginning - Previously Stated	-	-	-	-	-
Prior Period Adjustment	562,987	3,419	6,959	10,394	(2,668)
Net Position - Beginning	562,987	3,419	6,959	10,394	(2,668)
Net Position - Ending	$ 476,453	$ 675	$ 6,959	$ 10,394	$ -

Cassia County, Idaho
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2018
(continued)

	Private - Purpose Trust Funds				
	Narcotics Seized Assets Trust	Court Trust	Court Interlock Trust	Widow's Benefit Trust	Total Private - Purpose Trust Funds
Additions:					
Contributions	$ 18,580	$ 1,270,731	$ 2,221	$ -	$ 5,081,882
Investment Income	-	-	-	6	6
Total Additions	18,580	1,270,731	2,221	6	5,081,888
Deductions					
Distributions of Funds	4,308	1,442,482	315	-	5,324,065
Total Deductions	4,308	1,442,482	315	-	5,324,065
Change in Net Position	14,272	(171,751)	1,906	6	(242,177)
Net Position - Beginning - Previously Stated	-	299,866	-	-	299,866
Prior Period Adjustment	71,535	48,914	13,982	17,098	732,620
Net Position - Beginning	71,535	348,780	13,982	17,098	1,032,486
Net Position - Ending	$ 85,807	$ 177,029	$ 15,888	$ 17,104	$ 790,309

FEDERAL REPORTS

Cassia County, Idaho
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2018

Program Title	Federal CFDA Number	Pass Through Number	Expenditures
U.S. Department of Agriculture			
School and Roads - Grants to Counties	10.666	N/A	$ 12,263
Total U.S. Department of Agriculture			12,263
U.S. Department of Interior			
Payment in Lieu of Taxes	15.226	N/A	2,260,488
Bureau of Land Management - Noxious Weeds	15.230	N/A	65,000
Total U.S. Department of Interior			2,325,488
U.S. Department of Justice			
Edward Byne Memorial Assistance Grant	16.738	N/A	17,670
Total U.S. Department of Justice			17,670
U.S. Department of Homeland Security			
Passed through State Department of Parks and Recreation:			
Boating Safety Financial Assistance	97.012	0348-1340	12,432
Passed Through Military Division			
Disaster Grants Public Assistance	97.036	0231-1190	107,215
Emergency Management Performance Grants	97.042	0348-1190	18,794
Homeland Security Grant Program	97.067	0348-1190	47,415
Total U.S. Department of Homeland Security			185,856
Total Federal Financial Assistance Expended			$ 2,541,277

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, 2018. 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, 2018, 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 29, 2019.

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 29, 2019

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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, 2018. 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, 2018.

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 29, 2019

Cassia County, Idaho
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

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