

**CASSIA COUNTY**

**BASIC FINANCIAL STATEMENTS**  
With Supplemental Information

September 30, 2013



**CASSIA COUNTY**  
**BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2013  
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Cassia County, Idaho

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July 23, 2014

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 submit a complete set of financial statements to the legislative council. The financial statements presented must conform with 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, 2013. 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.

Evans and Poulsen, a 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, 2013, are free of material misstatement. 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, 2013, are fairly presented in conformity with 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 population base increased 7.2% in Cassia County from 21,416 in 2000 to 22,952 in 2010. 78.8% of the population of the County were high school graduates between 2006 and 2010, nearly 10% higher than that of the entire State of Idaho during the same time period. There were 1,444 veterans residing in the County during the same time period. The median household income for that period was \$39,866, nearly \$7,000 below the average of the State of Idaho. 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. Other elected officials within the County are Clerk of the District Court/ex-officio Auditor/ 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 and investment of County assets, judicial administration, public records management, elections administration, indigent welfare services, and jury management. In addition, sanitation and emergency communications services are provided under an enterprise fund concept, with user charges providing revenue to pay operating expenses.

The County Commission is required to annually adopt a final budget by no later than the second 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 submits, for approval, a budget request of operating and capital expenditure appropriations to the Cassia County Clerk. The Clerk submits to the Board of County Commissioners such department requests including alternative recommendations as directed by the Board and as deemed appropriate to fall within the limits of funding sources. The Board then considers and contrasts or modifies such budget considerations for public hearing before approval. In addition, the County maintains ongoing budgetary controls throughout the fiscal year. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual adopted budget process, Idaho Budget Statutes, and Federal Regulation. The adopted budget is then integrated with the County's accounting system to ensure reasonable and timely management control over spending throughout the year. Final budget amounts are as originally adopted or as amended either by judicial order or through scheduled budget hearing procedures for receipt of unanticipated revenues and unexpected expenses as allowed by Idaho Statute.

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 unanticipated revenues. In no event can property taxes be increased. Management at the departmental level does not have authority to amend the budget.

## ***Local Economy***

Cassia County is an agriculture based economy with dairy and dry farm operations as well as waterway and deep well irrigation crop farms. Production crops include potatoes, sugar beets, beans, alfalfa, wheat, and barley. 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. Though construction has decreased with local and national economic suppression, the prospects are reasonable for increases in domestic and business propositions as the economy improves. Recreational draws include the activities 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.

## ***Financial Planning***

Cassia County's 911/Emergency Communication department continues to evolve with telephone use funding in establishing and repair of communication repeaters throughout difficult areas of the County to otherwise communicate. This process is in cooperation with the BLM and the U.S. Forest Service when possible to enhance communication in the remote areas of the southern part of the County. The cost to the taxpayer was very minimal to accomplish those needs.

The old 911 system was upgraded to include reverse 911. They have worked with the school district to facilitate their use of the reverse 911 system. The FCC mandated narrow banding and all licenses and repeaters were updated to be compatible with that mandate.

The County Road and Bridge department continues to work with roads within their district to assist with the needs of rural County roads for repair and maintenance. Flooding in the Elba area has necessitated culvert repair and replacement. Work continues with grading roads and application of magnesium chloride for dust control in the areas most traveled. A good relationship with the City of Rocks National Reserve is maintained for cooperative maintenance of roads leading to that important area. Following the Idaho Transportation Department (ITD) taking control over the road from Connor Creek to Elba and Almo, a cooperative agreement between ITD and the County Road and Bridge, plowing of snow is provided in exchange for road sand and salt.

The County completed the facility renovation for the Cassia County Judicial Center following the purchase of the former Swenson's Market and parking lot. Dedication, an open house, and implementation of all court-related functions began in 2013. Solving of security concerns that were present and difficult to correct in the old courthouse were alleviated admirably and appropriately addressed by the County. The County will again prudently place funds in reserve each fiscal year for future identified capital need. The next phase of the project includes relocation of the Prosecuting Attorney's and the University of Idaho Extension office in the courthouse as well as completion of the County-owned apartment remodel for relocation of the Public Defender's office. The net result will be rent and utility cost savings as well as congregation of all County functions in one campus complex area.

The dedication, experience, training and ability of Deputy Auditors, Heather Evans and Carrie Merrell are reflected in the high quality of dedicated and friendly service they provide Cassia County in successfully safeguarding the financial resources of Cassia County. This office

will continue to conduct in-house auditing in areas where the need arises and where quality control and efficiency can be improved. We have budgeted additional dollars to have the County's outside auditor, Evans and Poulsen CPA's continue to do selected auditing where areas of concern can be identified and corrections made. The Assessor's office and a follow up of the Adult Misdemeanor Probation Department and the Mini-Cassia Criminal Justice Center were selected by the Auditor's office and the outside auditor to conduct more detailed and specific auditing. The cooperation of all three departments was greatly appreciated and suggestions were made to alter current procedures to improve accountability, promote cost savings, and emphasize efficiency and prudent accounting of County funds.

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

Respectfully,



**Joseph W. Larsen**

*Clerk of the District Court*

*ex-officio Auditor/Recorder*

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## **FINANCIAL SECTION**



# Evans & Poulsen P.A.

**Certified Public Accountants**

Members of the American Institute of CPA's  
and the Idaho Society of CPA's  
Edward G. Evans, CPA  
Jeffrey D. Poulsen, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Cassia County, Idaho

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the discretely presented component unit of Cassia County, Idaho (the "County"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the County's 2012 financial statements and, in our opinion dated February 12, 2013, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit.

### **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.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information and the discretely presented component unit of the Cassia County, Idaho as of September 30, 2013, and the respective changes in financial position thereof, and the respective budgetary comparison for each major fund 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 management's discussion and analysis 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 County's basic financial statements. The combining and individual nonmajor fund and fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. These statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 combining and individual nonmajor fund financial statements and the fiduciary fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the County's internal control over financial reporting and compliance.

*Evans & Poulsen*

Evans & Poulsen, PA  
July 23, 2014

**Cassia County**  
**Management's Discussion and Analysis**  
**Fiscal Year Ended September 30, 2013**

The management of Cassia County offers this narrative overview, analysis, and accompanying financial statements for the fiscal year ended September 30, 2013. Included are financial performance and activities of the governmental services of Cassia County from October 1, 2012, through September 30, 2013. The County implemented the reporting model as adopted by the Governmental Accounting Standards Board (GASB) in their statement. Please read this statement in conjunction with the County's financial statement which immediately follows this section.

**Elected and Appointed Officials**

A political subdivision of the State of Idaho, Cassia County consisted of the following elected Officials at fiscal year ended September 30, 2013:

**Board of County Commissioners:** Chairman Dennis Crane (District 3), Paul Christensen (District 1), and Bob Kunau (District 2).

The Board of County Commissioners is the chief executive officers and the governing body of the County. As such, they carry out county legislative duties, set general county policy, and establish terms and conditions of county employment and administrative responsibilities.

**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 County Commissioners.

**Assessor:** Dwight Davis

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

**Treasurer:** Patty Justesen

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

**Prosecuting Attorney:** Alfred E. Barrus

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

**Sheriff:** Jay Heward

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

**Coroner:** Craig Rinehart

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

**County Administrator:** Kerry McMurray

The County Administrator is appointed, governed, and under the direct supervision of the Board of County Commissioners. He is responsible to provide effective Board-authorized services with available budgeted resources, planning and zoning services, and risk management, while emphasizing the rights and welfare of citizens and employees of Cassia County.

## **Goals, Challenges, and Accomplishments**

It is the goal of each elected official, each department head, and every employee of Cassia County to provide the best possible service to every member of the public, in a courteous, equitable, efficient, and effective way. Further, it is the goal of the County to utilize available revenues in the most efficient way to allow each elected official and department head to fulfill their respective duties as prescribed in the Idaho Code. Further, it is the objective of every elected official to collect judiciously any and all available revenues as allowed by law, including taxes, fees, and fines. They are to be used in the most cost effective and efficient way to help pay for the cost of statutorily-required and prudently approved services rendered to the public. The County's elected officials, department heads, and all employees are accountable to the taxpayers and citizens of Cassia County in providing services to all members of the public.

Further, ongoing unpredictable financial challenges include providing the best possible required services often with declining revenue availability. There remains substantial fiscal issues within the global arena, the Federal and State governments, as well as within municipalities. The trickle-down effect is present with lingering low interest rates on savings, consistently high unemployment, legislative exemptions, declining federally-funded grants for county government, diminished financial support to accompany continued mandated requirements from the Federal and State government to County governments, skyrocketing healthcare costs, the implementation and mandated requirements of the Affordable Care Act (Obamacare), the indecisiveness of the State in adopting either a Federal or State-run health care insurance exchange, increased taxing district levies on property valuation, an inadequately structured public defense system in the State, and increased indigent medical costs with continued uncertainty of implementation of a State or Federally run Health Exchange. In summary, the continued rise in unfunded State and Federal mandates to counties by statute is diminishing their ability to adequately follow those requirements.

Uncertainty and ever-changing Federal requirements of Obamacare implementation remain a challenge with businesses as well as government entities on behalf of employees. The effect on employees within the County is clearly increased costs and with still a large number of unknowns. Cassia County has one of the most envied employee benefit packages of employers in our geographical competitive work area. The County's partially self-funded hybrid healthcare plan administered by MBA Associates through The Bowen Insurance Group of Burley has proven to be successful while other plans have continued to diminish benefits and increase employee obligations at a higher rate than Cassia County has been able to do. Hopefully, that trend will continue amidst so much uncertainty.

The funding, construction, completion, and dedication of the new Cassia County Judicial Center should be deemed as nothing more than a great success in virtually all aspects. It has received the accolades of Patty Tobias, Administrative Director of the Courts for the State of Idaho; Judge Richard Bevan, the 5<sup>th</sup> Judicial District Administrative Judge; Linda Wright, the 5<sup>th</sup> Judicial District Trial Court Administrator; the Idaho Association of Counties; a large number of elected county officials in Idaho, the general citizenry of the County, and many other members of the judiciary. Cassia County has truly been the envy of those who are trying to meet security demands to protect our judges, clerks, counsel, witnesses, jury members, and the public.

Remarkable to that accomplishment is that the new Cassia County Judicial Center was funded entirely during the 2013 budget year, did not exceed County-budgeted construction costs,

utilized geothermal lease proceeds prudently saved from previous years to purchase the property, centrally-located and confined to four city blocks the campus of the Cassia County government, facilitates elimination of rent to three County offices by relocation to County-owned facilities on that campus, and accommodated public parking for County services that otherwise would have been impossible to accomplish. More importantly is that it only included a marginal increase in Cassia County property tax burden and for just the 2012 tax year. 2013 Cassia County property taxes were reduced considerably more than any timeframe in the past number of years to complete that assurance from County officials to have the least amount of financial impact to the taxpayer and to facilitate ongoing functions of the County.



*Cassia County Judicial Center*

Elimination of expenditures for the housing of County services currently operating outside the present courthouse remains an important goal by moving those services to the courthouse. Said services include the office of the Prosecuting Attorney, Public Defender, and the University of Idaho Extension Office. The next phase of the process to accomplish this includes remodeling and combining of some County-owned apartments to accommodate the Public Defender in a location very close to the judicial center. Following that, relocation of the

Administrative offices to the 2<sup>nd</sup> floor area of the courthouse where the magistrate and district courtrooms were located. The basement will then continue to facilitate Juvenile Probation and the Extension office. Lastly, the Prosecutor's office will be located in the former Auditor's office and the court clerk area of the main floor of the courthouse. The clerk's office functions will then be located on the south end of the main floor of the courthouse.

### **Economic Conditions and Outlook**

Located in South Central Idaho on the Snake River Plain, Cassia County is primarily an agricultural, livestock, and residential area. Retail and service industries are important secondary sources of employment and tax revenue. Urban development and construction has only improved slightly in recent years despite recruiting efforts of local municipalities for economic expansion. Additionally, there have been renewed and concerted efforts of commerce and industry advocates to reduce substantially or even eliminate personal property taxation in the State of Idaho to theoretically entice the conducting of business within the State. The impact of that consideration could result in a significant tax shift to small business owners and homeowners. Additionally, establishment of Urban Renewal and Revenue Allocation areas within the City of Burley provides the Burley Development Association with revenue at the expense of county taxes that is critical to ongoing financing of County-mandated services.

Considering the aforementioned factors, the prospects of improvement in the future is uncertain at best and will likely have adverse effects and impact funding to counties with existing levying limitations, decreased tax revenues, reduction in Federal Payment in Lieu of Taxes (PILT) from non-taxable federal BLM and U.S. Forest Service lands, increased statutory requirements for services to citizens, and the continual increase in costs for administering justice.

### **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 the necessary revenues in order to finance critical, basic public services of a wide variety, many of which are federally or state mandated.

Property Taxes raise a substantial amount of money and are in fact, the largest single source of county tax revenue. The assessment of property is completed on a timely basis utilizing the most accurate procedures and in accordance with the standards of the International Association of Assessing Officers. Property tax revenues continue to be insufficient to support all the functions of local government and the supplementary payments from the Federal government in lieu of taxes continue with a great deal of uncertainty where no permanent appropriations are established.

Additionally, the Idaho legislature recently passed legislation eliminating personal property taxes up to \$100,000 for qualified businesses. That exemption eliminates tax revenues to counties to operate as usual. For initial years, personal property tax replacement money will be paid to counties, but ensuing years likely will not receive relief from that exemption putting additional tax burden to property owners to fund county business.



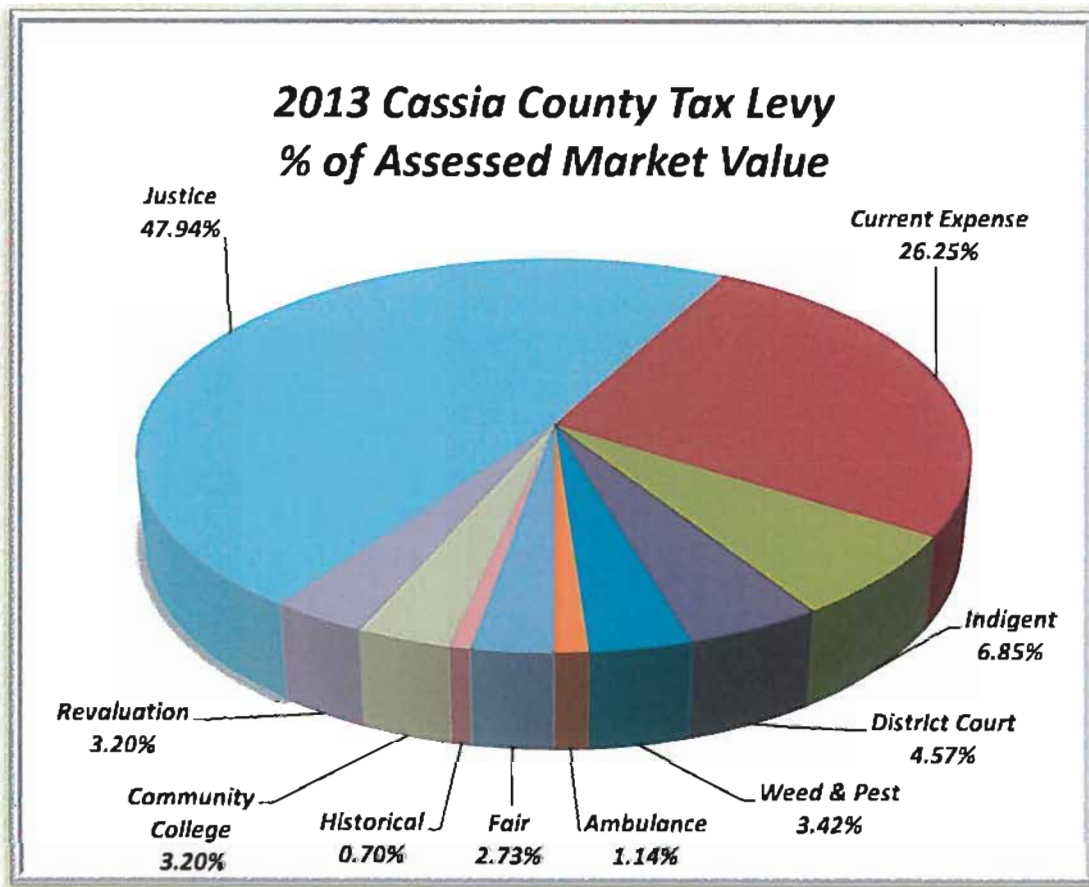
The collection of property taxes is administered and completed by the County Treasurer. Tax drives twice a year, once in December and then in June each year, fund critical services of the County.

### 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.

### County Funds

The taxing funds listed below have their own levy limits which are set by the Idaho State Legislature and cannot be intermingled. Those levy funds are derived from property tax revenues. The Major Funds listed reflect the 2013 County Tax Levy for each dollar of Assessed Market Value for FY2013.



**2013 County Levy Rate:**  
**.003658100**

**Cassia County Revenue Funds or Fee Collection Funds**

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

**Revenues for Major Funds are:**

Cash Forward (referred to as Fund Balance)

Revenue other:

State Sales Tax

State Liquor Allocation

State Sales Tax

Federal Payment in Lieu of Taxes

State Licenses & Fees

County Licenses & Fees

Interest on Investments

Gross Elected Tax

Federal Reimbursements

Receipts

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 – The major funds are the maintenance and operation funds for the County. The two largest funds that contain the main operations of the major departments of the county, including employees, salaries, benefits and operations are Current Expense (General) Fund and Justice Fund.

Here are some comparisons that give a picture of the County’s financial status.

**Remaining Cash Balance:**

	<u>FY Ending 9-30-12</u>	<u>FY Ending 9-30-13</u>	<u>\$ Change</u>	<u>% Change</u>
Current Expense:	\$ 1,084,125.10	\$ 1,520,369.00	\$ 436,243.90	+40.88%
Justice:	\$ 562,470.72	\$ 385,440.52	(\$ 177,030.20)	-31.47%

An increase of over 40% in the current expense fund was a result of careful planning and savings for future capital projects along with additional levied one-time funding to accommodate the complete renovation of acquired property adjacent to the County Courthouse and facilities complex for our new judicial facility. The renovation was to a sound existing vacant grocery store facility such to accommodate a three courtroom judicial facility that included a judge’s suite for four judges, security quarters, court clerk offices for nine clerks, security of record storage, and separate incarceration holding facilities for adults and juveniles preparing for court appearances.

Over the years, the Justice Fund remaining balances have steadily decreased, largely due to increased court-related costs, an increase in crime-related court cases, escalating law enforcement activity and incarceration costs. It is important to note that the Jail Bond payments were completed in 2006, but elevated costs for security, maintenance, and personnel at the Criminal Justice Center, along with law enforcement and court costs, continue to press funding closer and closer to levy limits with the Justice Fund. The critical issues remain that the levy limit for Justice Fund is looming closer each year and costs to administer Justice are escalating upward. Measures will need to be taken by management to adjust spending in the Justice Fund to reflect those facts.

The contract negotiated each year by the City of Burley with Cassia County for providing law enforcement services 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, each of the past two years the difference between identifiable costs related to providing increased needs for contracted services by the County to the City of Burley and the disproportionate contractual revenues derived from that agreement have clearly increased the burden on County taxpayers



outside of the City of Burley. FY2013 was the final year of a Cops Grant in the amount of \$30,000 received by the County to fund an officer that has been used as a benefit to the City of Burley to decrease their contractually agreed to amount to the County. The costs related to funding that officer will be an additional burden to the City of Burley to bear in the absence of a reduction in workforce. With safety a fundamental priority to all of Cassia County's citizens, the costs of affording that protection continues to escalate as the volume and seriousness of criminal activity intensifies. That in turn presents additional financial demands from the criminal justice system with incarcerations as well as escalating costs for administering juvenile, magistrate, district and problem-solving courts. Critical is the inching closer to the levy limits to fund these mandated expenditures. This officer's analysis concludes that the ever-escalating cost of law enforcement is disproportionately born by the County compared to the City of Burley. Recommendations would include that where the ultimate responsibility for setting the County budget rests on the Board of County Commissioners, that they take a serious look at the burden it presents for all other County services and to all rural County taxpayers to continue to subsidize law enforcement for the entire County at the significantly-reduced funding relative to actual costs.

The overall analysis is that the expenditures in the Current Expense Fund and the Justice Fund have increased dramatically. This is reflective on the increase in costs to provide all normal, basic services to the citizens of Cassia County. With the recent completion of the Cassia County Judicial Center, it is not just increasingly important that auditing scrutiny and more thorough review of Board-approved expenditure requests take place, but rather it is extremely imperative to not deplete financial reserves and solvency.

It is the feeling of the budget officer that current economic and financial situations not only warrant, but require reductions in expenditures in all feasible areas of non-required or mandated services and personnel. The fund balances for the Current Expense Fund and the Justice Fund are projected to experience even further decreases for the fiscal year 2014.

The expenditures for indigent medical costs have increased due to ever escalating costs of healthcare. There remains tremendous uncertainty as to the status of current Indigent statutes and procedures with the passage of the Affordable Care Act that will be implemented during 2014. The State of Idaho has adopted a State-run exchange as required but it is not clear whether they will approve Medicaid expansion. All of which could easily result in a massive statutory overhaul for how indigency is handled by counties.

My observation is that the County Commissioners need to continue taking necessary steps to scrutinize spending as the authorizing body. Decreased funding that is anticipated in the future from both the Federal and State Government should require all optional services and personnel expenses to be seriously evaluated for elimination prior to a financial dilemma rather than as a result of one. Prudent spending is mandatory to insure deliverance of required County services and to minimize potential necessary workforce reductions.

In the past, the receipt of fully funded PILT has been a tremendous boost to the fund balances to allow response to emergencies that may occur during the year. However, proposed federal funding cuts and sequestration has prompted us to follow the recommendations of the Idaho Association of Counties Policy Analyst to budget just 2/3 of full funding to be realistic with so much uncertainty. Loss of funding would compromise a healthy fund balance and would in all likelihood put the County at risk to have to make budget reduction adjustments during

subsequent fiscal years. It is more paramount than ever that the Board of County Commissioners makes a continued concentrated effort in establishing as well as holding to the confines of a realistic approved budget. Department heads need to monitor spending and be frugal with purchases of items that are not essential, which will assist the County in achieving a sounder fund balance. Another concerning factor is the financial dilemma that could be devastating in the absence of PILT proceeds. Nearly 75% of all fully-funded PILT proceeds are relied upon to accomplish Board-approved expenditures for law enforcement, criminal incarceration, the courts, prosecution, and public defense. The potential non-appropriation of those funds would be very painful to the County on the current course of spending that amounts to nearly \$1,750,000 or of those volatile relied on revenues. As budget officer, I have cautioned the Board of County Commissioners for being so reliant on those proceeds that we have no assurance of receiving year to year where it is discretionally funded late in the fiscal year.

Cassia County does not have a fixed salary scale with grades and steps although the budget officer still would recommend such. At the request of the Board of County Commissioners, the Auditor's Office will continue to research and propose for consideration for a grade and step method for employee compensation equity. During this fiscal year, employee compensation experienced an approved relatively small increase that was based on subjective department head evaluations. The County has a superior partially self-funded benefits package. Increased employee participation has been necessitated by the ever-increasing costs to insure and for astronomical healthcare costs. Additionally, the reserve fund balance to meet those County obligations has been dangerously compromised by increased claims from health plan participants. In light of those financial concerns, it is recommended that there be a willingness of the Board of County Commissioners to place all options on the table with the services and workforce of the County, as is the case with State and Federal government, to decrease costs and for appropriate accountability to the taxpayers of Cassia County.

Idaho Law allows counties to levy for 3% over the highest of the last 3 years non-exempt property tax budget; plus New Construction roll values times the previous year's non-exempt tax levy; plus value of property newly annexed in the previous year times the previous year's non-exempt levy; plus any recaptured foregone amount; minus agricultural equipment exemption replacement, person property tax exemptions, 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.

The Board of County Commissioners need to continue their diligence in requiring justification from department requesting increases in personnel costs and operating expenditures. More importantly, timely prioritization of worthy expenditure expectations to not exceed revenue limitations is paramount. Prudent scrutinizing of expected funding from the City of Burley on the law enforcement agreement so as not to inordinately require either residents of the City or the balance of the County to bear more than their appropriate share remains part of their watch.

During this fiscal year, this officer has observed some appreciable increase in expenditures over revenues in some departments. Grant funding in each area has continued to decrease and PILT fund balances may dramatically drop amid the prospects of decreased federal funding which could indisputably present a huge impact on the day-to-day functionality of Cassia County. A focus for FY2014 will be a concentration on random extensive internal auditing of certain functions and specifically with two selected 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 as well as to refine applicable tax rule compliance. Procedure for streamlined paying of invoices through monthly statements will be requested to appropriately account for valid expenditures on a month to month basis.

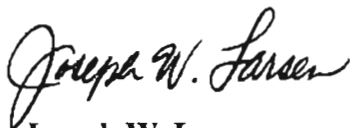
Cassia County has purchasing procedures enumerated by the Personnel Policy Handbook which functions very well. Inventory procedures with the Auditor's office have improved appreciably with more precise reporting and a more accurate record of the inventory of each department. Each department head conducts 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 GASB-34 requirements and efforts will continue to make this a better process.

The Board of County 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 security measures for both employee and patron safety.

The County relies considerably on the payment of property taxes and consistently receives in excess of a 90% tax collection. This is imperative to the funding of legitimate County expenditures and to the elected officials and employees who continue 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 County Commissioners hears appeals during the Board of Equalization hearing period which has experienced minimal requirements of the Board. Cassia County appraisers continue with the challenge with revaluation of properties to a fair value relative to the market. The challenge continues to be that there are people who have occupied the same property for long periods of time, possibly on fixed incomes, who continue to have property tax increases even with the homeowner's exemptions and circuit breaker benefits. Personal property taxation will continue to be a major item of discussion amidst legislation for exemption up to \$100,000 that occurred during the 2013 State legislative session. The further prospects for additional exemptions continue to loom with the concern of counties throughout the State of how to replace those lost taxes without the shift of burden to property owners.

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

## **BASIC FINANCIAL STATEMENTS**

**CASSIA COUNTY**

Statement of Net Assets  
September 30, 2013

	<u>Primary Government</u>		<u>Component Unit</u>	
	<u>Governmental Activities</u>		<u>Fair Board</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>				
Cash and Investments	\$ 6,566,531	\$ 7,693,716	\$ 124,722	\$ 87,218
Receivables:				
Taxes	256,602	245,867	-	-
Other	-	-	18	-
Prepaid Expenses	78,115	77,506	-	-
Due From Other Governments	-	-	-	-
Inventory - Note 1	-	-	-	-
Restricted Assets:				
Cash	-	9,960	-	-
Taxes Receivable	-	-	-	-
Capital Assets - Note 3:				
Land	1,667,051	1,667,051	-	-
Other Capital Assets, Net of Depreciation	5,506,957	3,710,695	40,115	49,280
Other Assets	-	-	-	-
<b>Total assets</b>	<b>14,075,256</b>	<b>13,404,795</b>	<b>164,855</b>	<b>136,498</b>
<b>LIABILITIES</b>				
Vouchers Payable and Accrued Liabilities	401,062	222,365	5,313	-
Deferred Revenue	-	-	-	-
Interest Payable	-	707	-	-
Long-Term Liabilities - Note 4:				
Due Within One Year	-	26,193	-	-
Due in More Than One Year	-	37,792	-	-
<b>Total liabilities</b>	<b>401,062</b>	<b>287,057</b>	<b>5,313</b>	<b>-</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, net of related debt	7,174,008	5,313,761	40,115	49,280
Restricted for:				
Debt Service	-	-	-	-
Unrestricted	6,500,185	7,803,977	119,427	87,218
<b>Total Net Assets</b>	<b>\$ 13,674,193</b>	<b>\$ 13,117,738</b>	<b>\$ 159,542</b>	<b>\$ 136,498</b>

See accompanying notes to the financial statements.



## CASSIA COUNTY

### Combining Balance Sheet Governmental Funds September 30, 2013

	General Fund	Jail Trust	Solid Waste	Justice	PILT	Nonmajor Governmental Funds	Total Govt Funds 2013	Total Govt Funds 2012
<b>ASSETS</b>								
Cash and investments	\$ 1,520,369	\$ 220,871	\$ 372,119	\$ 385,441	\$ 1,265,569	\$ 2,802,163	\$ 6,566,531	\$ 7,693,716
Receivables:								
Taxes	69,688	-	40,199	101,139	-	45,576	256,602	245,867
Other	-	-	-	-	-	-	-	-
Prepaid expenses	78,115	-	-	-	-	-	78,115	77,506
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	111,271	426,024	-	-	-	-	537,295	153,381
Restricted assets	-	-	-	-	-	-	-	9,960
<b>Total assets</b>	<b>\$ 1,779,443</b>	<b>\$ 646,895</b>	<b>\$ 412,318</b>	<b>\$ 486,579</b>	<b>\$ 1,265,569</b>	<b>\$ 2,847,739</b>	<b>\$ 7,438,543</b>	<b>\$ 8,180,430</b>
<b>LIABILITIES AND FUND EQUITY</b>								
<b>Liabilities:</b>								
Vouchers payable	\$ 61,318	\$ 10	\$ -	\$ 167,988	\$ -	\$ 105,613	\$ 334,929	\$ 186,835
Accrued liabilities	10,846	-	-	17,640	-	37,647	66,133	35,530
Due to other funds	-	-	-	426,024	-	111,271	537,295	153,381
Deferred revenue	61,211	-	35,380	89,607	-	40,589	226,787	217,426
<b>Total liabilities</b>	<b>133,375</b>	<b>10</b>	<b>35,380</b>	<b>701,259</b>	<b>-</b>	<b>295,120</b>	<b>1,165,144</b>	<b>593,172</b>
<b>Fund Balance:</b>								
Reserved - Special purpose	-	-	-	-	-	48,310	48,310	46,461
Unreserved								
General	1,646,068	-	-	-	-	-	1,646,068	1,271,046
Special revenue	-	646,885	376,938	(214,680)	1,265,569	2,504,308	4,579,020	6,269,751
<b>Total fund balances</b>	<b>1,646,068</b>	<b>646,885</b>	<b>376,938</b>	<b>(214,680)</b>	<b>1,265,569</b>	<b>2,552,618</b>	<b>6,273,398</b>	<b>7,587,258</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,779,443</b>	<b>\$ 646,895</b>	<b>\$ 412,318</b>	<b>\$ 486,579</b>	<b>\$ 1,265,569</b>	<b>\$ 2,847,739</b>	<b>\$ 7,438,543</b>	<b>\$ 8,180,430</b>

See accompanying notes to the financial statements.

## CASSIA COUNTY

### Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities September 30, 2013

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Total Governmental Fund Balances	\$ 6,273,398
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	7,174,008
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	226,787
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds	
Note Payable to Southern Idaho Regional Solid Waste District	-
Accrued Interest Payable	-
Net Assets of Governmental Activities	<u>\$ 13,674,193</u>

See accompanying notes to the financial statements.



## CASSIA COUNTY

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Governmental Funds  
Year Ended September 30, 2013

	General Fund	Jail Trust	Solid Waste	Justice	PILT	Other Governmental Funds	Total Govt Funds 2013	Total Govt Funds 2012
<b>Revenues:</b>								
Taxes - property	\$ 2,079,938	\$ -	\$ 565,603	\$ 1,940,719	\$ -	\$ 727,970	\$ 5,314,231	\$ 4,879,257
Taxes - sales and other	536,020	-	-	669,461	-	139,511	1,344,992	1,272,527
Payment in lieu of taxes	-	-	-	-	1,984,986	-	1,984,986	2,032,442
Fees and fines	461,341	1,172,174	7,600	211,157	-	1,123,352	2,975,624	2,985,022
Intergovernmental	-	548,380	-	1,431,940	-	2,693,460	4,673,780	4,320,515
Interest	21,883	-	-	-	-	1,554	23,437	21,587
Grants and miscellaneous	20,075	1,641	-	378,133	-	569,393	969,242	832,264
<b>Total revenues</b>	<b>3,119,257</b>	<b>1,722,195</b>	<b>573,203</b>	<b>4,631,410</b>	<b>1,984,986</b>	<b>5,255,240</b>	<b>17,286,292</b>	<b>16,343,614</b>
<b>Expenditures:</b>								
General government	3,944,235	-	-	-	-	2,765,759	6,709,994	4,462,729
Indigent Assistance	-	-	-	-	-	359,709	359,709	456,069
Highways and roads	-	-	-	-	-	298,164	298,164	462,273
Public safety	-	-	-	8,321,073	-	897,333	9,218,406	8,777,375
Other public service	-	-	544,511	-	-	1,281,788	1,826,299	1,750,877
Culture and recreation	-	-	-	-	-	92,077	92,077	142,918
Debt Service	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,944,235</b>	<b>-</b>	<b>544,511</b>	<b>8,321,073</b>	<b>-</b>	<b>5,694,830</b>	<b>18,504,650</b>	<b>16,052,241</b>
<b>Excess of rev over(under) expend</b>	<b>(824,978)</b>	<b>1,722,195</b>	<b>28,692</b>	<b>(3,689,663)</b>	<b>1,984,986</b>	<b>(439,590)</b>	<b>(1,218,358)</b>	<b>291,373</b>
<b>Other financing sources (uses)</b>								
Transfers in	1,200,000	967,279	-	3,856,220	-	395,411	6,418,910	5,731,374
Transfers out	-	(2,856,220)	-	(852,047)	(1,225,411)	(1,580,732)	(6,514,410)	(5,823,874)
Sale of capital assets	-	-	-	-	-	-	-	-
<b>Total other fin sources(uses)</b>	<b>1,200,000</b>	<b>(1,888,941)</b>	<b>-</b>	<b>3,004,173</b>	<b>(1,225,411)</b>	<b>(1,185,321)</b>	<b>(95,500)</b>	<b>(92,500)</b>
<b>Net change in fund balances</b>	<b>375,022</b>	<b>(166,746)</b>	<b>28,692</b>	<b>(685,490)</b>	<b>759,575</b>	<b>(1,624,911)</b>	<b>(1,313,858)</b>	<b>198,873</b>
<b>Fund balance - beginning</b>	<b>1,271,046</b>	<b>813,631</b>	<b>348,245</b>	<b>470,811</b>	<b>505,995</b>	<b>4,177,530</b>	<b>7,587,258</b>	<b>7,388,385</b>
<b>Fund balance - ending</b>	<b>\$ 1,646,068</b>	<b>\$ 646,885</b>	<b>\$ 376,937</b>	<b>\$ (214,679)</b>	<b>\$ 1,265,570</b>	<b>\$ 2,552,619</b>	<b>\$ 6,273,400</b>	<b>\$ 7,587,258</b>

See accompanying notes to the financial statements.

## CASSIA COUNTY

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended September 30, 2013

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Net Change in Fund Balances - Total Governmental Funds \$ (1,313,858)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay less depreciation expense in the current period:

Fixed asset additions	\$ 2,222,022	
Depreciation expense	<u>(425,761)</u>	
		1,796,261

Because governmental funds report capital outlays as expenditures, when capital assets are sold the proceeds are recorded as revenue. In the statement of activities, a gain or loss on the sale of the asset is reported based on net proceeds and adjusted basis of the asset.

Difference in gain or loss on sale of capital assets -

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.

9,361

The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Repayment of loan principal 63,985

In the statement of activities, interest is accrued on outstanding debt, whereas in government funds, interest is expensed when due.

707

Change in Net Assets of Governmental Activities \$ 556,456

See accompanying notes to the financial statements.

## CASSIA COUNTY

Statement of Revenues, Expenditures, and  
Changes In Fund Balance - Budget and Actual  
General Fund  
Year Ended September 30, 2013

	Original Budget	Final Budget	2013 Actual	Variance with Final Budget: Favorable (Unfavorable)	2012 Actual
<b>Revenues:</b>					
Taxes - property	\$ 2,042,077	\$ 2,042,077	\$ 2,079,938	\$ 37,861	\$ 1,042,805
Taxes - sales and other	370,000	370,000	536,020	166,020	391,795
Fees and fines	445,088	445,088	461,341	16,253	418,078
Intergovernmental	-	-	-	-	-
Interest	150,000	150,000	21,883	(128,117)	20,306
Grants and miscellaneous	1,000	1,000	20,075	19,075	31,407
<b>Total revenues</b>	<b>3,008,165</b>	<b>3,008,165</b>	<b>3,119,257</b>	<b>111,092</b>	<b>1,904,391</b>
<b>Expenditures:</b>					
<b>General government:</b>					
Commissioners	120,000	120,000	117,682	2,318	111,327
Auditor	195,900	195,900	166,284	29,616	157,177
Treasurer	182,400	182,400	174,804	7,596	163,212
Assessor	371,100	371,100	356,092	15,008	328,222
Ag. extension	188,500	188,500	184,588	3,912	174,189
Buildings	291,450	291,450	206,712	84,738	181,964
Board of health	109,042	109,042	109,042	-	105,091
Planning and zoning	263,900	263,900	233,376	30,524	221,641
General	2,495,500	2,495,500	1,987,988	507,512	384,460
Civil defense	27,770	27,770	26,752	1,018	7,960
Elections	87,000	87,000	64,267	22,733	88,669
County Administration	345,500	345,500	309,545	35,955	280,034
Veterans officer	7,560	7,560	7,103	457	6,927
<b>Total expenditures</b>	<b>4,685,622</b>	<b>4,685,622</b>	<b>3,944,235</b>	<b>741,387</b>	<b>2,210,873</b>
Excess of rev over(under) expend	(1,677,457)	(1,677,457)	(824,978)	852,479	(306,482)
<b>Other financing sources (uses):</b>					
Transfers in	1,222,926	1,222,926	1,200,000	(22,926)	440,561
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
<b>Total other fin sources(uses)</b>	<b>1,222,926</b>	<b>1,222,926</b>	<b>1,200,000</b>	<b>(22,926)</b>	<b>440,561</b>
Net change in fund balances	(454,531)	(454,531)	375,022	829,553	134,079
Fund balance - beginning	1,271,046	1,271,046	1,271,046	-	1,136,967
Fund balance - ending	<b>\$ 816,515</b>	<b>\$ 816,515</b>	<b>\$ 1,646,068</b>	<b>\$ 829,553</b>	<b>\$ 1,271,046</b>

See accompanying notes to the financial statements.

## CASSIA COUNTY

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Jail Trust - Special Revenue Fund  
Year Ended September 30, 2013

	Original Budget	Final Budget	2013 Actual	Variance with Final Budget: Favorable (Unfavorable)	2012 Actual
<b>Revenues:</b>					
Taxes - property	-	-	\$ -	\$ -	\$ -
Taxes - sales and other	-	-	-	-	-
Fees and fines	852,860	852,860	1,172,174	319,314	1,136,415
Intergovernmental	548,381	548,381	548,380	(1)	703,056
Grants and miscellaneous	30,000	30,000	1,641	(28,359)	35,052
<b>Total revenues</b>	<b>1,431,241</b>	<b>1,431,241</b>	<b>1,722,195</b>	<b>290,954</b>	<b>1,874,523</b>
<b>Expenditures:</b>					
Public safety:					
Miscellaneous	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of rev over(under) expend	1,431,241	1,431,241	1,722,195	290,954	1,874,523
<b>Other financing sources (uses):</b>					
Transfers in	880,047	880,047	967,279	87,232	1,154,111
Transfers out	(2,879,831)	(2,879,831)	(2,856,220)	23,611	(2,561,025)
Sale of capital assets	-	-	-	-	-
<b>Total other fin sources(uses)</b>	<b>(1,999,784)</b>	<b>(1,999,784)</b>	<b>(1,888,941)</b>	<b>110,843</b>	<b>(1,406,914)</b>
Net change in fund balances	(568,543)	(568,543)	(166,746)	401,797	467,609
Fund balance - beginning	813,631	813,631	813,631	-	346,022
Fund balance - ending	<b>\$ 245,088</b>	<b>\$ 245,088</b>	<b>\$ 646,885</b>	<b>\$ 401,797</b>	<b>\$ 813,631</b>

See accompanying notes to the financial statements.

## CASSIA COUNTY

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Solid Waste - Special Revenue Fund  
Year Ended September 30, 2013

	Original Budget	Final Budget	2013 Actual	Variance with Final Budget: Favorable (Unfavorable)	2012 Actual
<b>Revenues:</b>					
Taxes/use fees	\$ 567,600	\$ 567,600	\$ 573,203	\$ 5,603	\$ 601,380
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>567,600</b>	<b>567,600</b>	<b>573,203</b>	<b>5,603</b>	<b>601,380</b>
<b>Expenditures:</b>					
Landfill costs	724,671	724,671	544,511	180,160	724,672
Risk Management & Insurance	-	-	-	-	-
Remote Site Collection	-	-	-	-	-
<b>Total expenditures</b>	<b>542,487</b>	<b>542,487</b>	<b>544,511</b>	<b>180,160</b>	<b>724,672</b>
Excess of rev over(under) expend	25,113	25,113	28,692	3,579	(123,292)
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(90,000)
Sale of capital assets	-	-	-	-	-
<b>Total other fin sources(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(90,000)</b>
<b>Net change in fund balances</b>	<b>25,113</b>	<b>25,113</b>	<b>28,692</b>	<b>3,579</b>	<b>(213,292)</b>
Fund balance - beginning	348,245	348,245	348,245	-	561,537
<b>Fund balance - ending</b>	<b>\$ 373,358</b>	<b>\$ 373,358</b>	<b>\$ 376,937</b>	<b>\$ 3,579</b>	<b>\$ 348,245</b>

See accompanying notes to the financial statements.

## CASSIA COUNTY

### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Justice - Special Revenue Fund Year Ended September 30, 2013

	Original Budget	Final Budget	2013 Actual	Variance with Final Budget: Favorable (Unfavorable)	2012 Actual
<b>Revenues:</b>					
Taxes - property	\$ 1,956,000	\$ 1,956,000	\$ 1,940,719	\$ (15,281)	\$ 2,083,173
Taxes - sales and other	675,000	675,000	669,461	(5,539)	677,646
Fees and fines	184,300	184,300	211,157	26,857	203,713
Intergovernmental	1,488,700	1,488,700	1,431,940	(56,760)	1,379,790
Grants and miscellaneous	352,084	352,084	378,133	26,049	320,858
<b>Total revenues</b>	<b>4,656,084</b>	<b>4,656,084</b>	<b>4,631,410</b>	<b>(24,674)</b>	<b>4,665,180</b>
<b>Expenditures:</b>					
<b>Public safety:</b>					
District Court	460,600	460,600	417,956	42,644	425,956
Conflict Public Defender	90,000	90,000	89,473	527	70,228
Juvenile justice	115,000	115,000	125,500	(10,500)	111,600
Prosecuting attorney	492,400	492,400	450,599	41,801	416,253
Public defender	506,400	506,400	506,373	27	473,724
Coroner	36,200	36,200	27,917	8,283	36,331
Law buildings	35,500	35,500	35,435	65	26,234
Sheriff patrol	1,943,482	1,943,482	1,926,325	17,157	1,891,338
Investigations	470,350	470,350	465,125	5,225	462,260
Dispatch	439,100	439,100	433,312	5,788	389,079
Administration	655,000	655,000	729,229	(74,229)	627,885
Detention center	2,879,831	2,879,831	2,862,235	17,596	2,592,590
Juvenile center	251,594	251,594	251,594	-	336,163
<b>Total expenditures</b>	<b>8,375,457</b>	<b>8,375,457</b>	<b>8,321,073</b>	<b>54,384</b>	<b>7,859,641</b>
Excess of rev over(under) expend	(3,719,373)	(3,719,373)	(3,689,663)	29,710	(3,194,461)
<b>Other financing sources (uses):</b>					
Transfers in	4,379,831	4,379,831	3,856,220	(523,611)	3,771,702
Transfers out	(852,047)	(852,047)	(852,047)	-	(1,138,445)
Sale of capital assets	-	-	-	-	-
<b>Total other fin sources(uses)</b>	<b>3,527,784</b>	<b>3,527,784</b>	<b>3,004,173</b>	<b>(523,611)</b>	<b>2,633,257</b>
Net change in fund balances	(191,589)	(191,589)	(685,490)	(493,901)	(561,204)
Fund balance - beginning	470,811	470,811	470,811	-	1,032,015
<b>Fund balance - ending</b>	<b>\$ 279,222</b>	<b>\$ 279,222</b>	<b>\$ (214,679)</b>	<b>\$ (493,901)</b>	<b>\$ 470,811</b>

See accompanying notes to the financial statements.

## CASSIA COUNTY

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
PILT - Expendable Trust Fund  
Year Ended September 30, 2013

	Original Budget	Final Budget	2013 Actual	Variance with Final Budget: Favorable (Unfavorable)	2012 Actual
<b>Revenues:</b>					
Payment in lieu of taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,984,986	\$ (15,014)	\$ 2,032,442
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>1,984,986</b>	<b>(15,014)</b>	<b>2,032,442</b>
<b>Expenditures:</b>					
Other public service	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of rev over(under) expend	2,000,000	2,000,000	1,984,986	(15,014)	2,032,442
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	(2,230,000)	(2,230,000)	(1,225,411)	1,004,589	(1,825,000)
Sale of capital assets	-	-	-	-	-
<b>Total other fin sources(uses)</b>	<b>(2,230,000)</b>	<b>(2,230,000)</b>	<b>(1,225,411)</b>	<b>1,004,589</b>	<b>(1,825,000)</b>
Net change in fund balances	(230,000)	(230,000)	759,575	989,575	207,442
Fund balance - beginning	505,995	505,995	505,995	-	298,553
Fund balance - ending	<b>\$ 275,995</b>	<b>\$ 275,995</b>	<b>\$ 1,265,570</b>	<b>\$ 989,575</b>	<b>\$ 505,995</b>

See accompanying notes to the financial statements.

**CASSIA COUNTY**

Statement of Fiduciary Net Assets  
Agency Funds  
September 30, 2013

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	<b>Total Agency Funds</b>
<b>ASSETS</b>	
Cash and Investments	\$ 434,161
Other Assets	-
Total assets	<u>434,161</u>
<b>LIABILITIES</b>	
Vouchers Payable and Accrued Liabilities	401,777
Deferred Revenue	-
Total liabilities	<u>401,777</u>
<b>NET ASSETS</b>	
Held in Trust	<u>32,384</u>
Total Net Assets	<u>\$ 32,384</u>

See accompanying notes to the financial statements.



# CASSIA COUNTY

Notes to Financial Statements  
September 30, 2013

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## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cassia County have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities, provided they do not conflict with or contradict GASB pronouncements. A description of the reporting entity and the significant accounting policies of the County is as follows:

### A. Reporting Entity

These financial statements present Cassia County (the primary government) and the Cassia County Fair Board (the County's component unit). The primary government includes all funds, departments, boards and agencies for which the County elected officials are financially accountable and are not legally separate from the County. The component unit is included in the County's reporting entity because of the significance of its operational or financial relationship with the County.

The three member Board of County Commissioners is the legislative and executive body of the County. The County Clerk also serves as Auditor and Recorder, and is the chief fiscal officer. Other elected officials include the Assessor, Prosecutor, Sheriff, Coroner and Treasurer, who also serves as Tax Collector.

### B. Government-Wide Financial Statements

The government-wide financial statements, which are the statement of net assets and the statement of activities, report information on all of the nonfiduciary activities of the primary government and component unit.

The statement of net assets presents the financial condition of the governmental activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

### C. Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

## CASSIA COUNTY

Notes to Financial Statements  
September 30, 2013

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### D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and other revenues if they are collected within 90 days of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

#### General Fund (Current Expense Fund)

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

#### Jail Trust

The Jail Trust Fund accounts for the revenue generating activities of the County jail.

#### Solid Waste Fund

The Solid Waste Fund accounts for the County's activities related to the regional landfill.

#### Justice Fund

The Justice Fund accounts for the law enforcement activities of the County.

#### Payment in Lieu of Taxes Fund (PILT)

The PILT Fund accounts for the in-lieu-of taxes received from the federal government.

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary funds of the County are all classified as agency funds. Agency funds are used to report resources held by the County in a purely custodial capacity.

Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete.

# CASSIA COUNTY

Notes to Financial Statements  
September 30, 2013

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## E. Deposits and Investments

*Deposits:* Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County has no deposit policy for custodial credit risk. At year end, \$3,835,742 of the County's bank balance, including amounts held in agency funds, was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg Maturity (years)</u>
Idaho State Local Government Investment Pool	\$ 2,770	0.4
Federal Government Agency Bonds	<u>2,011,600</u>	3.3
Total Fair Value	\$ 2,014,370	

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

The Federal Government Agency Bonds are subject to custodial credit risk to the extent that the combined balance exceeds \$500,000 because the related securities are uninsured (when in excess of the SIPC limit of \$500,000), unregistered and held by a third party which is the counterparty for these particular investments.

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

## F. Inventory

Inventories at year end are considered immaterial and have not been accounted for.

## G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, lighting systems and similar items) are reported in the applicable governmental activities columns in the government-wide financial statements. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation are removed, and any gain or loss arising from its disposal is credited or charged to operations. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

# CASSIA COUNTY

Notes to Financial Statements  
September 30, 2013

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Depreciation of all exhaustible fixed assets is charged as an expense against operations. Capital assets are reported net of accumulated depreciation on the statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25-40 years
Improvements	10-45 years
Infrastructure	10-45 years
Equipment	3-10 years

## H. Long-Term Liabilities

Long-term liabilities consist of bonds, notes, and other indebtedness including material liabilities associated with compensated absences. See note 4.

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net assets.

## I. Budgets and Budgetary Accounting

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

1. Prior to August 1, the County Auditor's office, after consultation with the various department heads, submits to the county commissioners 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.
2. At the regular commissioner's meeting on the 1st Monday in August the tentative budget is submitted to the commissioners and cleared for publication and public comment.
3. A public hearing is held at the regular commissioners' meeting on the 1st Monday in September.
4. The budget is finalized and legally adopted on the 2nd Monday in September.
5. Revisions to the budget can only be made by court order, public hearing or certain emergencies as defined by law. The budgetary data presented in the accompanying financial statements has been amended following these procedures.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds.

The basis of accounting used in preparing the budgets of the County are generally consistent with the basis of accounting used in other financial reporting used by the County.

## J. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

The hours earned under the County's vacation and sick pay policy are non-vesting accumulations. These accumulations are not material and have not been accrued into these

## K. Encumbrances

Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County.

## CASSIA COUNTY

Notes to Financial Statements  
September 30, 2013

**L. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**M. Application of Restricted or Unrestricted Resources**

The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**NOTE 2: PROPERTY TAXES**

Property taxes are levied on the fourth Monday of November and are payable in two equal installments - December 20 and June 20. Property taxes attach as an enforceable lien on the property immediately upon delinquency. The County assesses, bills and collects its own property taxes as well as taxes for several school districts, cities, highway districts, fire districts, cemetery districts, two small special districts, two flood control districts and a library district. Collection of the County taxes and remittance of them to the various districts are accounted for in the Cassia County Tax Collector Agency Fund and the Taxing District Agency Fund. Property tax revenues are recognized when levied to the extent that they result in current receipts.

**NOTE 3: CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance 9/30/12	Additions	Deletions	Balance 9/30/13
<b>Governmental Activities</b>				
<b>Cost / Historical Value:</b>				
Land (non-depreciable)	\$ 1,667,051	\$ -	\$ -	\$ 1,667,051
Buildings	3,670,965	1,928,038	-	5,599,003
Improvements other than buildings	533,162	143,100	(7,050)	669,212
Construction in Process	78,384	-	(78,384)	-
Infrastructure assets	9,545,477	-	-	9,545,477
Equipment/Vehicles	3,571,616	229,269	(100,662)	3,700,223
Total	19,066,655	2,300,407	(186,096)	21,180,966
<b>Accumulated Depreciation:</b>				
Buildings	1,638,106	122,064	-	1,760,170
Improvements other than buildings	428,918	38,729	(7,050)	460,597
Infrastructure assets	9,395,674	28,089	-	9,423,763
Equipment/Vehicles	2,226,211	236,879	(100,662)	2,362,428
Total	13,688,909	425,761	(107,712)	14,006,958

## CASSIA COUNTY

Notes to Financial Statements  
September 30, 2013

	Balance 9/30/12	Additions	Deletions	Balance 9/30/13
<b>Net Book Value:</b>				
Land (non-depreciable)	1,667,051	-	-	1,667,051
Buildings	2,032,859	1,805,974	-	3,838,833
Improvements other than buildings	104,244	104,371	-	208,615
Construction in Process	78,384	-	(78,384)	-
Infrastructure assets	149,803	(28,089)	-	121,714
Equipment/Vehicles	1,345,405	(7,610)	-	1,337,795
Total	\$ 5,377,746	\$ 1,874,646	\$ (78,384)	\$ 7,174,008

Component Unit

**Cost / Historical Value:**

Land (non-depreciable)	\$ -	\$ -	\$ -	\$ -
Equipment/Vehicles	119,400	-	-	119,400
Total	119,400	-	-	119,400

**Accumulated Depreciation:**

Equipment/Vehicles	70,120	9,165	-	79,285
Total	70,120	9,165	-	79,285

**Net Book Value:**

Land (non-depreciable)	-	-	-	-
Equipment/Vehicles	49,280	(9,165)	-	40,115
Total	\$ 49,280	\$ (9,165)	\$ -	\$ 40,115

All assets are being depreciated using the straight line method over the respective estimated lives described in Note 1. Infrastructure assets consist mainly of roads and bridges.

Depreciation was charged to functions/programs of the governmental activities as follows:

General Government	\$ 95,928
Highways and Roads	55,294
Public Safety	235,737
Other Public Service	25,227
Culture & Recreation	13,575
Total Governmental Activities Depreciation	\$ 425,761

**NOTE 4: LONG-TERM DEBT**

In 1995 the County agreed to pay the Southern Idaho Regional Solid Waste District for costs the District incurred to close the County's landfill. The costs, plus interest at 5.31%, were to be repaid over 18 years 6 months. The note was being serviced by the Solid Waste Special Revenue Fund, and was paid off during the fiscal year ended September 30, 2013.

## CASSIA COUNTY

Notes to Financial Statements  
September 30, 2013

The annual requirements to amortize this note are as follows:

FYE Sept. 30:	Principal	Interest	Total
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

As of September 30, 2013, the County had no long-term debt obligations to third parties. The following is a summary of changes in long-term debt:

	Balance at 9/30/2012	Additions	Reductions	Balance at 9/30/2013
Landfill Closure Note	\$ 63,985	\$ -	\$ (63,985)	\$ -
	<b>\$ 63,985</b>	<b>\$ -</b>	<b>\$ (63,985)</b>	<b>\$ -</b>

### NOTE 5: PENSION PLAN

Public Employee Retirement System of Idaho (PERSI) - The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The Plan provides benefits based on member's years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

PERSI issues publicly available stand alone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's website [www.persi.idaho.gov](http://www.persi.idaho.gov).

The actuarially determined contribution requirements of the County and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended September 30, 2013, the required contribution rate as a percentage of covered payroll for members was 6.23% for general members and 7.65% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. The County's employer contributions required and paid were \$568,881, \$560,279 and \$563,636 for the three years ended September 30, 2013, 2012 and 2011, respectively.

### NOTE 6: LITIGATION

There are currently several cases pending against Cassia County. All are either being defended by the County's liability carrier or the County. With the exception of a \$1,000 deductible per case, any potential loss would be covered by the County's insurance carrier.

# CASSIA COUNTY

Notes to Financial Statements  
September 30, 2013

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**NOTE 7: RISK MANAGEMENT/INSURANCE COVERAGE**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred most of its risk by purchasing commercial insurance. Workman's Compensation insurance is purchased through the Idaho State Insurance Fund. All other insurance has been purchased through ICRMP and expires October 1, but is renewed annually. The policy coverages include: Buildings, Structures and Personal Property/Automobile Physical Damage; Comprehensive General Liability; Automobile Liability; Errors and Omissions; Crime; Boiler and Machinery.

**NOTE 8: FUND DEFICITS**

As of September 30, 2013, deficit fund balances existed in the Justice Fund (\$214,680) and County Roads (\$44,630).

**NOTE 9: EXPENDITURES IN EXCESS OF BUDGET**

During the year ended September 30, 2013, actual expenditures exceeded budgeted expenditures in the Solid Waste Fund by \$2,024, and in the Drug Task Force Fund by \$13,949.

**NOTE 10: CONTINGENT LIABILITIES / COMMITMENTS**

The County is contingently liable for the closure and post-closure expenses of the Southern Idaho Regional Solid Waste District, should they default. Information regarding the closure and post-closure expenses can be obtained from the general purpose financial statements of the Southern Idaho Regional Solid Waste District.

The County has entered into an agreement with Burley Highway District and Albion Highway District to share maintenance and snow removal costs associated with the Howell Canyon Road. The County is contingently liable for approximately \$65,000 per year, its share of the costs as stated in the current agreement.

The County has entered into agreements with several service providers for medical, dental, ambulance, software support and consulting services. All such agreements may be cancelled by either party with 30 days written notice. The County is contingently liable for payments of approximately \$35,000 per month under the terms of these agreements.

The County is contracted to provide law enforcement services within the Burley City limits under the terms of an agreement with the City of Burley. The County has also contracted with a service provider for inmate meals at the Mini-Cassia Criminal Justice center. The price of the meals varies depending on the inmate population. The contract term is one year, but may be cancelled by either party with 90 days written notice.

**NOTE 11: UNCOLLECTED RECEIVABLES**

The financial statements do not include an accrual for billed but uncollected amounts relating to inmate housing, indigent assistance and other fees associated with law enforcement. Because the probability of collection is low, and because of the difficulty in determining a reasonable allowance, the County only records these amounts as they are collected.



## CASSIA COUNTY

Notes to Financial Statements  
September 30, 2013

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### **NOTE 12: SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 23, 2014, the audit report date. No events occurring subsequent to year end were discovered which would require an adjustment to the financial statements. The County has committed to a remodel project to be done in the 2013-2014 fiscal year that is expected to cost approximately \$170,000.

### **NOTE 13: DUE TO/FROM OTHER FUND**

During the 2011-2012 fiscal year, the County Roads Fund borrowed \$132,869 from the General Fund in order to purchase a motor grader. The amount is to be repaid in six annual installments of \$22,926, which includes interest at 1%. The outstanding balance at year end was \$111,271. Also, as of September 30, 2013, the Justice Fund owed the Jail Trust Fund \$426,024 for the County's outstanding portion of expenses shared with Minidoka County for operation of the Mini-Cassia Criminal Justice Center.

**CASSIA COUNTY**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2013

	Indigent	District Court	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	911 Commun.
<b>ASSETS</b>										
Cash and investments	\$ 393,401	\$ 183,261	\$ 66,873	\$ 359,123	\$ 99,000	\$ 44,963	\$ 4,334	\$ 133,564	\$ 82,798	\$ 760,018
Receivables:										
Taxes	9,538	-	-	8,021	4,510	6,048	586	9,635	7,225	-
Other	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 402,939</b>	<b>\$ 183,261</b>	<b>\$ 66,873</b>	<b>\$ 367,145</b>	<b>\$ 103,510</b>	<b>\$ 51,011</b>	<b>\$ 4,920</b>	<b>\$ 143,199</b>	<b>\$ 90,023</b>	<b>\$ 760,018</b>
<b>LIABILITIES AND FUND EQUITY</b>										
Liabilities:										
Vouchers payable	\$ 65,348	\$ 9,289	\$ 232	\$ 11,188	\$ -	\$ -	\$ -	\$ -	\$ 1,567	\$ 4,043
Accrued liabilities	3,013	6,573	-	512	26,517	-	-	-	-	-
Due to other funds	-	-	111,271	-	-	-	-	-	-	-
Deferred revenue	8,437	-	-	7,104	4,144	5,360	521	8,591	6,424	-
<b>Total liabilities</b>	<b>76,798</b>	<b>15,862</b>	<b>111,503</b>	<b>18,804</b>	<b>30,661</b>	<b>5,360</b>	<b>521</b>	<b>8,591</b>	<b>7,991</b>	<b>4,043</b>
Fund Balance:										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	326,141	167,399	(44,630)	348,341	72,849	45,651	4,399	134,608	82,032	755,975
<b>Total fund balances</b>	<b>326,141</b>	<b>167,399</b>	<b>(44,630)</b>	<b>348,341</b>	<b>72,849</b>	<b>45,651</b>	<b>4,399</b>	<b>134,608</b>	<b>82,032</b>	<b>755,975</b>
<b>Total liab. and fund bal.</b>	<b>\$ 402,939</b>	<b>\$ 183,261</b>	<b>\$ 66,873</b>	<b>\$ 367,145</b>	<b>\$ 103,510</b>	<b>\$ 51,011</b>	<b>\$ 4,920</b>	<b>\$ 143,199</b>	<b>\$ 90,023</b>	<b>\$ 760,018</b>

See accompanying notes to the financial statements.

**CASSIA COUNTY**

Combining Balance Sheet  
 Nonmajor Governmental Funds (continued, page 2 of 3)  
 September 30, 2013

	County Elections	Boat License	Snow Mobile License	Drivers License	Police Reserve	Juvenile Justice	Court Interlock	EMS Fees	Narc. Seized Assets	Bond Int & Redempt.	Drug Task Force
<b>ASSETS</b>											
Cash and investments	\$ 39,288	\$ 4,592	\$ 81,120	\$ 14,829	\$ -	\$ -	\$ 6,345	\$ 25,029	\$ 42,825	\$ -	\$ 63,040
Receivables:											
Taxes	-	-	-	-	-	-	-	-	-	12	-
Other	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 39,288</b>	<b>\$ 4,592</b>	<b>\$ 81,120</b>	<b>\$ 14,829</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,345</b>	<b>\$ 25,029</b>	<b>\$ 42,825</b>	<b>\$ 12</b>	<b>\$ 63,040</b>
<b>LIABILITIES AND FUND EQUITY</b>											
Liabilities:											
Vouchers payable	\$ 939	\$ 1,035	\$ 97	\$ 11,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52
Accrued liabilities	116	35	-	-	-	-	-	-	-	-	45
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	7	-
<b>Total liabilities</b>	<b>1,055</b>	<b>1,070</b>	<b>97</b>	<b>11,387</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>97</b>
Fund Balance:											
Reserved	-	-	-	-	-	-	-	-	-	5	-
Unreserved	38,233	3,522	81,023	3,442	-	-	6,345	25,029	42,825	-	62,943
<b>Total fund balances</b>	<b>38,233</b>	<b>3,522</b>	<b>81,023</b>	<b>3,442</b>	<b>-</b>	<b>-</b>	<b>6,345</b>	<b>25,029</b>	<b>42,825</b>	<b>5</b>	<b>62,943</b>
<b>Total liab. and fund bal.</b>	<b>\$ 39,288</b>	<b>\$ 4,592</b>	<b>\$ 81,120</b>	<b>\$ 14,829</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,345</b>	<b>\$ 25,029</b>	<b>\$ 42,825</b>	<b>\$ 12</b>	<b>\$ 63,040</b>

See accompanying notes to the financial statements.

**CASSIA COUNTY**

Combining Balance Sheet  
 Nonmajor Governmental Funds (continued, page 3 of 3)  
 September 30, 2013

	DARE Trust	Court Facilities	Auction Excess	Physical Facilities	Jail Commissary	Invasive Species	Cassia County Benefits	Adult Misdemeanor Probation	Widow's Benefit	Warrant Redemption	Total Nonmajor Governmental Funds
<b>ASSETS</b>											
Cash and investments	\$ 2,097	\$ 7,889	\$ 48,305	\$ 38,640	\$ -	\$ 6,959	\$ 267,246	\$ 6,226	\$ 17,659	\$ 2,737	\$ 2,802,163
Receivables:											
Taxes	-	-	-	-	-	-	-	-	-	-	45,576
Other	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,097</b>	<b>\$ 7,889</b>	<b>\$ 48,305</b>	<b>\$ 38,640</b>	<b>\$ -</b>	<b>\$ 6,959</b>	<b>\$ 267,246</b>	<b>\$ 6,226</b>	<b>\$ 17,659</b>	<b>\$ 2,737</b>	<b>\$ 2,847,739</b>
<b>LIABILITIES AND FUND EQUITY</b>											
Liabilities:											
Vouchers payable	\$ -	\$ -	\$ -	\$ 176	\$ -	\$ -	\$ -	\$ 260	\$ -	\$ -	\$ 105,613
Accrued liabilities	-	-	-	-	-	-	-	836	-	-	37,647
Due to other funds	-	-	-	-	-	-	-	-	-	-	111,271
Deferred revenue	-	-	-	-	-	-	-	-	-	-	40,589
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,096</b>	<b>-</b>	<b>-</b>	<b>295,120</b>
Fund Balance:											
Reserved	-	-	48,305	-	-	-	-	-	-	-	48,310
Unreserved	2,097	7,889	-	38,464	-	6,959	267,246	5,130	17,659	2,737	2,504,308
<b>Total fund balances</b>	<b>2,097</b>	<b>7,889</b>	<b>48,305</b>	<b>38,464</b>	<b>-</b>	<b>6,959</b>	<b>267,246</b>	<b>5,130</b>	<b>17,659</b>	<b>2,737</b>	<b>2,552,618</b>
<b>Total liab. and fund bal.</b>	<b>\$ 2,097</b>	<b>\$ 7,889</b>	<b>\$ 48,305</b>	<b>\$ 38,640</b>	<b>\$ -</b>	<b>\$ 6,959</b>	<b>\$ 267,246</b>	<b>\$ 6,226</b>	<b>\$ 17,659</b>	<b>\$ 2,737</b>	<b>\$ 2,847,739</b>

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Nonmajor Governmental Funds  
 Year Ended September 30, 2013

	Indigent	District Court	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	911 Commun.
<b>Revenues:</b>										
Taxes - property	\$ 111,745	\$ -	\$ 38,059	\$ 158,411	\$ 5,260	\$ 123,796	\$ 12,630	\$ 150,316	\$ 127,754	\$ -
Taxes - sales and other	20,965	-	8,553	25,706	11,049	20,036	2,009	28,714	22,479	-
Fees and fines	-	155,916	-	-	-	-	-	-	-	267,443
Intergovernmental	-	-	164,648	-	-	-	-	90,738	-	-
Interest	-	-	-	-	-	-	-	-	-	1,554
Grants and miscellaneous	159,488	19	50,210	114,608	-	-	-	-	300	-
<b>Total revenues</b>	<b>292,198</b>	<b>155,935</b>	<b>261,470</b>	<b>298,725</b>	<b>16,309</b>	<b>143,832</b>	<b>14,639</b>	<b>269,766</b>	<b>150,533</b>	<b>268,997</b>
<b>Expenditures:</b>										
General government	-	-	-	-	-	-	-	-	-	-
Indigent Assistance	359,709	-	-	-	-	-	-	-	-	-
Highways and roads	-	-	298,164	-	-	-	-	-	-	-
Public safety	-	-	-	-	187,118	-	-	-	-	118,595
Other public service	-	479,461	-	233,107	-	-	-	327,200	239,080	-
Culture and recreation	-	-	-	-	-	53,951	12,500	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>359,709</b>	<b>479,461</b>	<b>298,164</b>	<b>233,107</b>	<b>187,118</b>	<b>53,951</b>	<b>12,500</b>	<b>327,200</b>	<b>239,080</b>	<b>118,595</b>
Excess of revenues over (under) expenditures	(67,511)	(323,526)	(36,694)	65,618	(170,809)	89,881	2,139	(57,434)	(88,547)	150,402
<b>Other financing sources (uses)</b>										
Transfers in	-	170,000	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(95,500)	-	-	-	-
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-
<b>Total other fin. sources (uses)</b>	<b>-</b>	<b>170,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(95,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(67,511)</b>	<b>(153,526)</b>	<b>(36,694)</b>	<b>65,618</b>	<b>(170,809)</b>	<b>(5,619)</b>	<b>2,139</b>	<b>(57,434)</b>	<b>(88,547)</b>	<b>150,402</b>
Fund balance - beginning	393,652	320,925	(7,936)	282,723	243,658	51,270	2,260	192,042	170,580	605,573
<b>Fund balance - ending</b>	<b>\$ 326,141</b>	<b>\$ 167,399</b>	<b>\$ (44,630)</b>	<b>\$ 348,341</b>	<b>\$ 72,849</b>	<b>\$ 45,651</b>	<b>\$ 4,399</b>	<b>\$ 134,608</b>	<b>\$ 82,033</b>	<b>\$ 755,975</b>

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Nonmajor Governmental Funds (continued, page 2 of 3)  
 Year Ended September 30, 2013

	County Elections	Boat License	Snow Mobile License	Drivers License	Police Reserve	Juvenile Justice	Court Interlock	EMS Fees	Narc. Seized Assets	Bond Int & Redempt.	Drug Task Force
<b>Revenues:</b>											
Taxes - property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - sales and other	-	-	-	-	-	-	-	-	-	-	-
Fees and fines	-	31,917	21,476	199,346	-	-	2,619	9,626	-	-	7,206
Intergovernmental	80,757	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Grants and miscellaneous	-	-	7	-	-	-	-	-	-	-	11,425
<b>Total revenues</b>	<b>80,757</b>	<b>31,917</b>	<b>21,483</b>	<b>199,346</b>	<b>-</b>	<b>-</b>	<b>2,619</b>	<b>9,626</b>	<b>-</b>	<b>-</b>	<b>18,631</b>
<b>Expenditures:</b>											
General government	100,674	-	-	212,299	-	-	-	-	-	-	-
Indigent Assistance	-	-	-	-	-	-	-	-	-	-	-
Highways and roads	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	6,500	12,055	-	50,949
Other public service	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	10,562	15,064	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>100,674</b>	<b>10,562</b>	<b>15,064</b>	<b>212,299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,500</b>	<b>12,055</b>	<b>-</b>	<b>50,949</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(19,917)</b>	<b>21,355</b>	<b>6,419</b>	<b>(12,953)</b>	<b>-</b>	<b>-</b>	<b>2,619</b>	<b>3,126</b>	<b>(12,055)</b>	<b>-</b>	<b>(32,318)</b>
<b>Other financing sources (uses)</b>											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total other fin. sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(19,917)</b>	<b>21,355</b>	<b>6,419</b>	<b>(12,953)</b>	<b>-</b>	<b>-</b>	<b>2,619</b>	<b>3,126</b>	<b>(12,055)</b>	<b>-</b>	<b>(32,318)</b>
<b>Fund balance - beginning</b>	<b>58,151</b>	<b>(17,833)</b>	<b>74,603</b>	<b>16,395</b>	<b>-</b>	<b>-</b>	<b>3,725</b>	<b>21,903</b>	<b>54,880</b>	<b>5</b>	<b>95,261</b>
<b>Fund balance - ending</b>	<b>\$ 38,234</b>	<b>\$ 3,522</b>	<b>\$ 81,022</b>	<b>\$ 3,442</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,344</b>	<b>\$ 25,029</b>	<b>\$ 42,825</b>	<b>\$ 5</b>	<b>\$ 62,943</b>

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Nonmajor Governmental Funds (continued, page 3 of 3)  
 Year Ended September 30, 2013

	DARE Trust	Court Facilities	Auction Excess	Physical Facilities	Jail Commissary	Invasive Species	Cassia County Benefits	Adult Misdemeanor Probation	Widow's Benefit	Warrant Redemption	Total Nonmajor Governmental Funds
<b>Revenues:</b>											
Taxes - property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 727,970
Taxes - sales and other	-	-	-	-	-	-	-	-	-	-	139,511
Fees and fines	-	9,110	-	-	-	-	-	418,693	-	-	1,123,352
Intergovernmental	-	-	-	11,698	-	-	2,345,621	-	-	-	2,693,460
Interest	-	-	-	-	-	-	-	-	-	-	1,554
Grants and miscellaneous	7,747	-	454	46,660	115,232	10,683	-	52,552	8	-	569,393
<b>Total revenues</b>	<b>7,747</b>	<b>9,110</b>	<b>454</b>	<b>58,358</b>	<b>115,232</b>	<b>10,683</b>	<b>2,345,621</b>	<b>471,245</b>	<b>8</b>	<b>-</b>	<b>5,255,240</b>
<b>Expenditures:</b>											
General government	-	-	-	32,760	-	-	2,420,026	-	-	-	2,765,759
Indigent Assistance	-	-	-	-	-	-	-	-	-	-	359,709
Highways and roads	-	-	-	-	-	-	-	-	-	-	298,164
Public safety	8,727	-	-	-	-	-	-	513,389	-	-	897,333
Other public service	-	-	-	-	-	2,454	-	-	486	-	1,281,788
Culture and recreation	-	-	-	-	-	-	-	-	-	-	92,077
Debt Service	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>8,727</b>	<b>-</b>	<b>-</b>	<b>32,760</b>	<b>-</b>	<b>2,454</b>	<b>2,420,026</b>	<b>513,389</b>	<b>486</b>	<b>-</b>	<b>5,694,830</b>
Excess of revenues over (under) expenditures	(980)	9,110	454	25,598	115,232	8,229	(74,405)	(42,144)	(478)	-	(439,590)
<b>Other financing sources (uses)</b>											
Transfers in	-	-	-	-	-	-	211,000	14,411	-	-	395,411
Transfers out	-	(170,000)	-	(1,200,000)	(115,232)	-	-	-	-	-	(1,580,732)
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total other fin. sources (uses)</b>	<b>-</b>	<b>(170,000)</b>	<b>-</b>	<b>(1,200,000)</b>	<b>(115,232)</b>	<b>-</b>	<b>211,000</b>	<b>14,411</b>	<b>-</b>	<b>-</b>	<b>(1,185,321)</b>
<b>Net change in fund balances</b>	<b>(980)</b>	<b>(160,890)</b>	<b>454</b>	<b>(1,174,402)</b>	<b>-</b>	<b>8,229</b>	<b>136,595</b>	<b>(27,733)</b>	<b>(478)</b>	<b>-</b>	<b>(1,824,911)</b>
Fund balance - beginning	3,077	168,779	47,852	1,212,866	-	(1,270)	130,651	32,863	18,138	2,737	4,177,530
<b>Fund balance - ending</b>	<b>\$ 2,097</b>	<b>\$ 7,889</b>	<b>\$ 48,306</b>	<b>\$ 38,464</b>	<b>\$ -</b>	<b>\$ 6,959</b>	<b>\$ 267,246</b>	<b>\$ 5,130</b>	<b>\$ 17,660</b>	<b>\$ 2,737</b>	<b>\$ 2,552,619</b>

See accompanying notes to the financial statements.

**CASSIA COUNTY**

Combining Statement of Fiduciary Net Assets  
 Agency Funds  
 September 30, 2013

	Range Improv Fund	Assessor Trust Fund	State Fund	Water Districts Fund	Court Trust	Taxing Districts Fund	Court Bonds
<b>ASSETS</b>							
Cash and Investments	\$ -	\$ 185,092	\$ 5,983	\$ -	\$ 88,717	\$ -	\$ 34,017
Other Assets	-	-	-	-	-	-	-
Total assets	-	185,092	5,983	-	88,717	-	34,017
<b>LIABILITIES</b>							
Vouchers Payable	-	171,398	5,990	-	55,138	38,048	-
Accrued liabilities	-	13,693	-	9	2,335	-	8,048
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	-	185,091	5,990	9	57,473	38,048	8,048
<b>NET ASSETS</b>							
Held in Trust	-	1	(7)	(9)	31,244	(38,048)	25,969
Total Net Assets	\$ -	\$ 1	\$ (7)	\$ (9)	\$ 31,244	\$ (38,048)	\$ 25,969

See accompanying notes to the financial statements.



**CASSIA COUNTY**

Combining Statement of Fiduciary Net Assets  
Agency Funds (continued, page 2 of 2)  
September 30, 2013

	<b>Court Restitution</b>	<b>Law Enforment Trust</b>	<b>Box Elder Bookmobile</b>	<b>Sheriffs Account</b>	<b>Tax Collector Account</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>						
Cash and Investments	\$ (3,758)	\$ 10,394	\$ 12,093	\$ 4,710	\$ 96,914	\$ 434,161
Other Assets	-	-	-	-	-	-
Total assets	(3,758)	10,394	12,093	4,710	96,914	434,161
<b>LIABILITIES</b>						
Vouchers Payable	1,183	-	-	4,710	96,914	373,381
Accrued liabilities	4,311	-	-	-	-	28,396
Deferred Revenue	-	-	-	-	-	-
Total liabilities	5,494	-	-	4,710	96,914	401,777
<b>NET ASSETS</b>						
Held in Trust	(9,252)	10,394	12,093	-	-	32,384
Total Net Assets	\$ (9,252)	\$ 10,394	\$ 12,093	\$ -	\$ -	\$ 32,384

See accompanying notes to the financial statements.

# Evans & Poulsen P.A.

**Certified Public Accountants**

Members of the American Institute of CPA's  
and the Idaho Society of CPA's  
Edward G. Evans, CPA  
Jeffrey D. Poulsen, CPA

## 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

To the Board of Commissioners  
Cassia County, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the discretely presented component unit of Cassia County, Idaho (the "County") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 23, 2014.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free 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.

*Evans & Poulsen*

Evans & Poulsen, PA

July 23, 2014