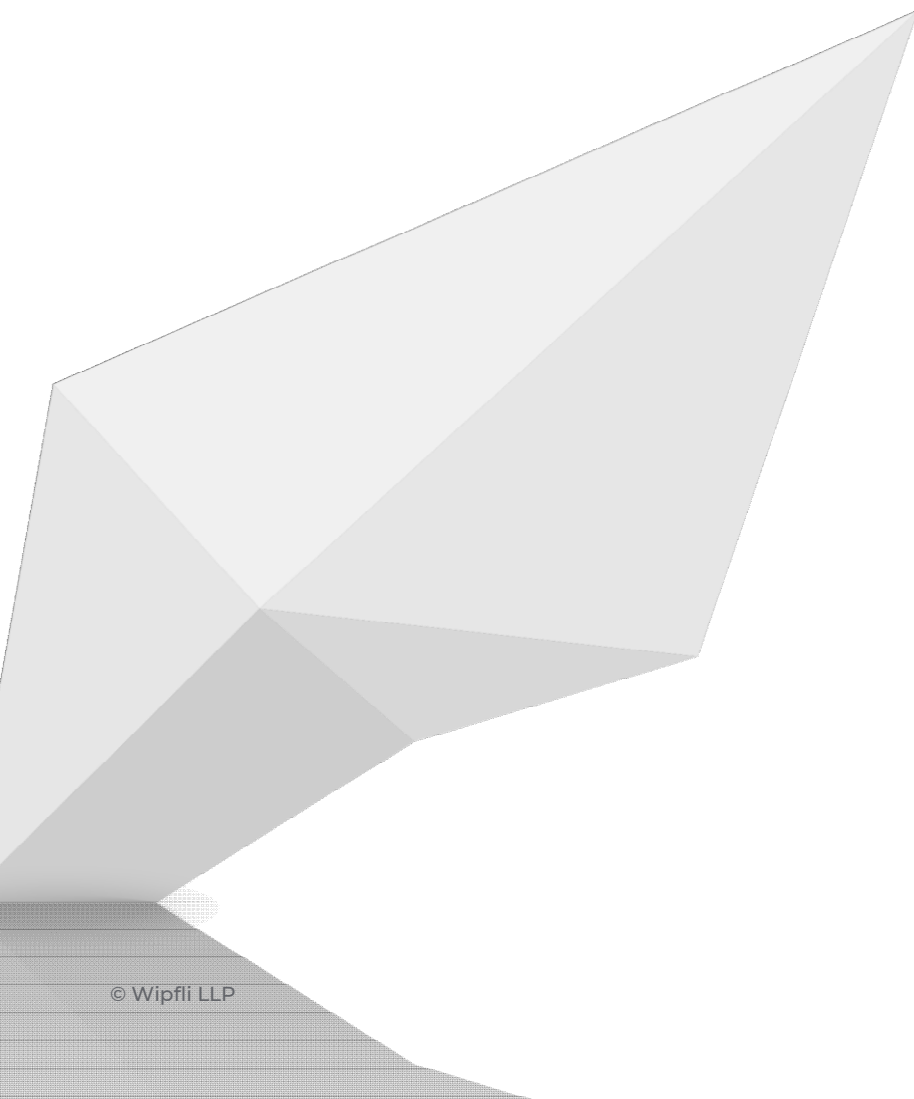


Bingham County, Idaho

Financial Statements and Supplemental
Information

Year Ended September 30, 2019



Bingham County, Idaho

Year Ended September 30, 2019

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Bingham County, Idaho

Management's Discussion and Analysis

The discussion and analysis of Bingham County, Idaho's (the "County") financial performance provides an overall review of the County's financial activities for the fiscal year ended September 30, 2019. The intent of the discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the basic financial statements to enhance their understanding of the County's financial performance. This summary should not be taken as a replacement for the audit report, which consists of the basic financial statements, notes to the financial statements, required and supplementary information.

Financial Highlights for FY2019

- The assets of the Bingham County, Idaho exceeded its liabilities at the close of fiscal year 2019 by \$24,733,227 (net position). Of this amount, \$10,913,184 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$3,758,969 in comparison with the prior year mainly due to normal governmental revenues in excess of expenditures.
- As of the close of fiscal year 2019, Bingham County, Idaho's governmental funds reported combined ending fund balances of \$13,245,351, an increase of \$3,203,230 in comparison with the prior year. Approximately \$7,860,158 of this total amount is available for spending at the County's discretion (unassigned fund balance).
- As of the close of fiscal year 2019, Bingham County, Idaho's proprietary funds reported combined ending net position of \$3,774,821, a decrease of \$7,184 in comparison with the prior year.
- At the end of fiscal year 2019, unassigned fund balance for the General Fund was \$2,293,187.

Overview of the Financial Statements

This document serves as an introduction to the County's basic financial statements. There are three components to the basic financial statements - government wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary and supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

These statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business, using the economic resources measurement focus and the accrual basis of accounting.

The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of improvements or deterioration of the financial position of the County.

The *statement of activities* presents information that shows how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

Bingham County, Idaho

Management's Discussion and Analysis

These statements highlight the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, public works, health and sanitation, culture and recreation, education, and economic development. The County has two business-type activities including Solid Waste and 911 Emergency Communication.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Bingham County, Idaho can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The County's Governmental Funds during the reporting period use the modified accrual basis of accounting and activities are converted to the accrual basis of accounting for government-wide financial statement reporting purposes.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

The County maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for major funds, (the General, Justice, Road & Bridge, Road & Bridge Special Projects, and Payment in Lieu of Taxes Funds). All other non-major governmental funds are combined and presented in one column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Bingham County, Idaho adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget for the major funds.

Proprietary Funds. The County maintains two proprietary funds (Solid Waste and 911 Emergency Communication Funds). Proprietary funds are reported in the same way as the government-wide financial statements.

Fiduciary Funds. The County also maintains two types of fiduciary funds (private purpose trust funds and agency funds), which are used to account for resources - almost exclusively cash and investments - held by the County for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is the same as that used for proprietary funds.

Notes to the Financial Statements

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

Bingham County, Idaho

Management's Discussion and Analysis

Required Supplementary Information

This information addresses the County's infrastructure assets reported using the modified approach; budgetary comparison schedules of major funds; Multiyear Schedules of Changes in Net Pension Liability and Related Ratios; the Multiyear Schedules of IMRF Contributions; and Schedule of Other Postemployment Benefit Funding Progress. The County adopts an annual appropriated budget for its General Fund, Special Revenue Funds, Debt Service Fund, and Internal Service Fund. A budgetary comparison schedule has been provided for the General Fund and major Special Revenue Funds to demonstrate compliance with this budget. The IMRF pension schedules have been provided to present the County's progress in funding its obligation to provide pension benefits to County employees through the IMRF system.

Supplementary Information

This information as discussed earlier in connection with the General Fund, non-major governmental funds, and agency funds is presented immediately following the required supplementary information.

Government-Wide Financial Statement Analysis

As previously addressed, net position may serve the purpose over time as a useful indicator of financial position. To that end, the County's assets exceeded its liabilities by \$24,733,227 for FY2019. The following table represents a condensed Statement of Net Position of the County for governmental activities as of September 30, 2019 and 2018.

Condensed Statement of Net Position

<i>Years Ended September 30,</i>	Governmental Activities		Business-type Activities		Total Government Activities	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 14,764,288	\$ 11,897,965	\$ 3,295,011	\$ 3,172,069	\$ 18,059,299	\$ 15,070,034
Capital assets	12,214,553	11,727,546	1,605,490	1,600,862	13,820,043	13,328,408
Total assets	26,978,841	23,625,511	4,900,501	4,772,931	31,879,342	28,398,442
Deferred outflows of resources	861,517	988,939	44,882	55,110	906,399	1,044,049
Total assets and deferred outflows of resources	27,840,358	24,614,450	4,945,383	4,828,041	32,785,741	29,442,491
Current and other liabilities	1,008,480	1,306,376	343,288	261,484	1,351,768	1,567,860
Pension plan payable	3,348,333	4,395,291	191,607	245,996	3,539,940	4,641,287
Other long-term liabilities	973,525	899,462	553,150	493,421	1,526,675	1,392,883
Total liabilities	5,330,338	6,601,129	1,088,045	1,000,901	6,418,383	7,602,030
Deferred inflows of resources	1,551,614	821,068	82,517	45,135	1,634,131	866,203
Total liabilities and deferred inflows of resources	6,881,952	7,422,197	1,170,562	1,046,036	8,052,514	8,468,233
Net position:						
Net investment in capital assets	12,214,553	11,727,546	1,605,490	1,600,862	13,820,043	13,328,408
Unrestricted	8,743,853	5,464,707	2,169,331	2,181,143	10,913,184	7,645,850
Total net position	\$ 20,958,406	\$ 17,192,253	\$ 3,774,821	\$ 3,782,005	\$ 24,733,227	\$ 20,974,258

Bingham County, Idaho

Management's Discussion and Analysis

There is no portion of the County's net position that is considered restricted. Restricted net assets are resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$10,913,184, may be used to meet the government's ongoing obligations to citizens and creditors. The net position of the County, as a whole, increased \$3,758,969 from 2018 to 2019.

A portion of the County's net position is reflected in its investments in capital assets (i.e., land, buildings, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The County uses these assets to provide services. Therefore, these assets are not available for future spending. Although the County's investments in its capital assets are reported net of available debt, it is important to note that under this consideration the resources required to repay this type of debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these types of liabilities.

The following condensed financial information was derived from the Government-Wide Statement of Activities and reflects how the County's net position changed during the fiscal years.

Condensed Statement of Activities Governmental Activities

For the Years Ended September 30,	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Revenues:				
Program revenues:				
Charges for services	\$ 2,670,013	\$ 2,300,842	\$ 2,805,498	\$ 2,818,190
Operating grants and contributions	7,247,536	6,985,184	150,462	118,369
General revenue:				
Property taxes	13,607,726	13,035,750	-	-
Public service taxes	3,102,412	2,959,536	-	-
Intergovernmental revenues	832,245	813,867	-	-
Earnings on investments	346,428	236,614	-	-
Miscellaneous	255,471	27,129	-	-
Total revenues	28,061,831	26,358,922	\$ 2,955,960	\$ 2,936,559
Expenses:				
General government	7,464,547	7,158,522	\$ -	\$ -
Public safety	7,923,156	8,207,263	-	-
Public works	5,108,836	5,872,043	-	-
Health and sanitation	2,639,798	2,407,528	-	-
Culture and recreation	413,540	318,618	-	-
Education	95,751	47,400	-	-
Conservation/economic development	579,573	641,934	-	-
Capital outlay	50,477	38,906	-	-
Solid waste	-	-	2,189,278	1,919,699
911 emergency communication	-	-	773,866	658,716
Total expenses	24,275,678	24,692,214	2,963,144	2,578,415
Revenues over (under) expenses	3,786,153	1,666,708	(7,184)	358,144
Other, special items, and transfers	(20,000)	(20,000)	-	-
Change in net position	\$ 3,766,153	\$ 1,646,708	\$ (7,184)	\$ 358,144

Bingham County, Idaho

Management's Discussion and Analysis

Net position increased \$3,758,969 over the previous year. The County's 2019 total revenues come from a variety of sources including 48.5% from property taxes, and 11.1% comes from public service taxes. Another 9.5% comes from fees charged for services.

In the following table, we have presented the cost of each of the County's functions as well as the net cost (total cost less revenues generated by the activities) for each. Net costs help to show what functions are being covered by direct revenue and those that are covered by the net revenue of others.

For the year ended September 30,	2019		2018	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
<i>Governmental Activities</i>				
General government	\$ 7,464,547	\$ 4,703,016	\$ 7,158,522	\$ 4,915,475
Public safety	7,923,156	6,904,336	8,207,263	7,301,073
Public works	5,108,836	211,601	5,872,043	762,063
Health and sanitation	2,639,798	1,706,927	2,407,528	1,604,837
Culture and recreation	413,540	190,966	318,618	173,697
Education	95,751	11,233	47,400	(31,797)
Conservation/economic development	579,573	579,573	641,934	641,934
Capital outlay	50,477	50,477	38,906	38,906
Total governmental activities	24,275,678	14,358,129	24,692,214	15,406,188
<i>Business-type Activities</i>				
Solid waste	2,189,278	(232,736)	1,919,699	428,895
911 emergency communication	773,866	239,920	658,716	(70,751)
Total business activities	\$ 2,963,144	\$ 7,184	\$ 2,578,415	\$ 358,144

Charges for services, operating grants, and contributions of \$9,917,549 are received and used to fund the general government expenses of the County. The remaining \$14,358,129 in general government expenses is funded by property taxes, public service taxes, intergovernmental revenues, and other revenue sources.

Financial Analysis of the County's Major Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2019, the County's governmental funds reported combined ending fund balances of \$13,245,351, an increase of \$3,203,230 in comparison with the previous fiscal year. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$2,293,187. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenses. Unassigned fund

Bingham County, Idaho

Management's Discussion and Analysis

balance represents 34.9% of total general fund expenses.

The general fund is the primary operating fund of the County. At September 30, 2019, the unassigned fund balance of the General Fund was \$2,293,187, while total fund balance was \$2,293,187. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The fund balance of the General Fund increased by \$947,466 before transfers during the current fiscal year.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$13,820,043 (net of accumulated depreciation.) Capital assets include land, infrastructure, buildings, improvements other than buildings, machinery and equipment, and when applicable, construction in process.

Major capital transactions during the year were for the purchase of several road construction trucks and associated equipment, the purchase of several vehicles for the sheriff's department plus additional equipment for various departments. Additional information about the County's capital assets can be found in Note 4 of the financial statements.

The County has adopted an allowable alternative to reporting depreciation for its road network. Under this alternative method, referred to as the "modified approach," the County must maintain an asset management system and demonstrate that its highways and roads are being preserved at or above condition levels established by County policy. Infrastructure assets accounted for under the modified approach are not depreciated and maintenance and preservation costs are expensed.

The Bingham County Road and Bridge department manages its road network using a rating system. This system uses a measurement scale that considers the condition of the roads as denoted by pavement condition. During fiscal year 2017, the County switched to using the Paser Manual for asphalt road condition evaluation. This system rates paved roads on a scale from 10 (Excellent) to 1 (Failed). Prior to fiscal year 2017, the conditions were as follows: A paved road is considered to be in "A" or "Excellent" condition when it is new, in "B" or "Good" condition when only chip seals are required, in "C" or "Fair" condition when maintenance more than chip sealing is required, in "D" or "Poor" condition when it is uneven to drive on (overlay, etc.), and in "F" or "Failed" condition when it needs gravel, shoulders, widening, etc. and in "O" condition for all others.

It is Bingham County Road and Bridge's goal to maintain at least 50% of its road network at a category level of Fair or above, and allow no more than 10% at a category level of Failed. In order to achieve a complete condition assessment of all County roads within a period of three years, condition assessments are performed on approximately one-third of the roads annually. The most recent condition assessment, completed in 2015 and updated in fiscal year 2017, shows that 100.00% of the County's roads were in Fair or better condition.

Comparisons with the prior year reflected changes in assessment levels. Between the Road and Bridge and Road and Bridge – Special Projects funds, \$6,251,675 was budgeted to maintain eligible infrastructure assets and \$5,799,320 was spent.

Bingham County, Idaho

Management's Discussion and Analysis

The costs of construction and maintenance needed to maintain and replace aging and deteriorating infrastructure are reflected in the following table.

	Increased (decreased) costs for Road Departments		
	2019	2018	Difference
Road Oil CMS2 (per ton)	\$ 380	\$ 365	15
Diesel (per gal w/o taxes)	2.30	2.54	(0.24)
Gasoline (per gal w taxes)	2.40	2.42	(0.02)

Debt Administration. At September 30, 2019 and 2018, the County had no general obligation debt outstanding. Additional information about the County's long-term obligations can be found in Note 8 of the financial statements.

	2019	2018
Compensated absences	\$ 384,239	\$ 395,853
Landfill closure costs	553,150	493,421
Total	\$ 937,389	\$ 889,274

Economic Factors

The County is continuing to build and strengthen its tax base and economy not only by expanding existing businesses, but by attracting new businesses. Because of sound financial planning, good judgment, and restraint, County leadership has positioned itself to be able to continue to provide quality services as well as continue to work on planned capital improvements. In short, we are cautiously optimistic in our economic outlook for 2020.

Current Financial Issues and Concerns

Bingham County was created in 1885 and is located in southeastern Idaho and serves the cities of Blackfoot, Shelley, Firth, Atomic City, Basalt, and Aberdeen as well as surrounding rural unincorporated communities. Blackfoot serves as the county seat. Rich volcanic soil and access to irrigation from the Snake and Blackfoot Rivers have made Bingham County a productive agriculturally based county. Although the County economy depends heavily on agriculture, the proximity to the Idaho National Laboratory, the Fort Hall Indian Reservation, and two larger cities, Idaho Falls to the north and Pocatello to the south, provide a wide variety of employment opportunities. The population for Bingham County was estimated at 46,236 for 2018 with the average unemployment rate at 2.6% - the lowest recorded since 2007.

Real and personal property tax assessments, based on net taxable value, increased from \$1,994,813,539 in 2018 to \$2,204,942,514 in 2019. Low housing inventory in Bingham County continues to push values up during this time period. Tax collections remain stable. Government employment provides 30% of the jobs in the County because of Idaho's State Hospital South, University of Idaho Agriculture Experiment Station, local school districts, cities, and Bingham County.

Bingham County, Idaho

Management's Discussion and Analysis

Current Financial Issues and Concerns (Continued)

Major non-governmental employers in the area include Basic American Foods, Bingham Memorial Hospital, Idaho Supreme Potatoes, Premier Technology, Spudnik Equipment, Wada Farms, Golden Valley Natural, Glanbia Foods, Walmart, and Shoshone Bannock Tribal Enterprises. The following companies have their headquarters in Bingham County: Premier Technology, Spudnik Equipment, and First American Title.

Patriot Field, a veteran's memorial park across from the courthouse dedicated in 2016, continues to draw visitors and community members. The nearly two acre park with nine flag poles, walking paths and memorial wall is a tribute to the veterans of Bingham County. The project was funded with county funds matched with funds from the Blackfoot Urban Renewal Agency. May 2019 saw the addition of a seven foot statue depicting two young children receiving a folded flag from a military officer. The \$120,000 cost for this statue was raised through private donations from individuals and businesses. The sculptor was Ben Hammond, a renowned artist raised in Bingham County.

The County continues to maintain a healthy financial position using conservative financial management principles with the understanding that this is the public's money and we are about the public's business. County leadership has positioned itself to be able to continue to provide quality services and to work on planned capital improvements.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Pamela W. Eckhardt, Clerk, Bingham County, 501 N. Maple, Room 107, Blackfoot, Idaho 83221 (208) 782-3160.

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Bingham County, Idaho
Blackfoot, Idaho

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bingham County, Idaho as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison information, and other required supplementary information on pages 1 through 8

and pages 48 through 58 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, 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 Matters - 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 financial statements and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules listed in the table of contents 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. In our opinion, the combining and individual nonmajor fund financial statements and other schedules listed in the table of contents 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 April 30, 2020, on our consideration of the County's internal control over financial reporting and 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.



Wipfli LLP
CPAs and Consultants

Idaho Falls, Idaho
May 7, 2020

Bingham County, Idaho

Government-wide Statement of Net Position

September 30, 2019

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and investments	11,928,929	3,219,451	15,148,380
Receivables			
Property taxes	323,586		323,586
Intergovernmental	2,288,428		2,288,428
Other	223,345	75,560	298,905
Capital assets			
Land and infrastructure	4,091,237	99,150	4,190,387
Depreciable assets, net	8,123,316	1,506,340	9,629,656
Total assets	26,978,841	4,900,501	31,879,342
DEFERRED OUTFLOWS OF RESOURCES			
Changes of assumptions and other inputs - OPEB	69,447		69,447
Related to pensions	792,070	44,882	836,952
Total deferred outflows of resources	861,517	44,882	906,399
LIABILITIES			
Current liabilities			
Accounts payable	699,651	327,151	1,026,802
Accrued salaries and benefits	308,829	16,137	324,966
Noncurrent liabilities			
Due within one year			
Compensated absences	384,239		384,239
Due in more than one year			
Pension plan payable	3,348,333	191,607	3,539,940
Other post employment benefits	589,286		589,286
Landfill closure costs		553,150	553,150
Total liabilities	5,330,338	1,088,045	6,418,383
DEFERRED INFLOWS OF RESOURCES			
Differences between expected & actual experience - OPEB	10,976		10,976
Related to pensions	1,540,638	82,517	1,623,155
Total deferred inflows of resources	1,551,614	82,517	1,634,131
NET POSITION			
Net investment in capital assets	12,214,553	1,605,490	13,820,043
Unrestricted	8,743,853	2,169,331	10,913,184
Total net position	20,958,406	3,774,821	24,733,227

The accompanying notes are an integral part of this statement.

Bingham County, Idaho

Statement of Activities

For the Year Ended September 30, 2019

Functions / Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities						
General government	7,464,547	1,390,572	1,370,959		(4,703,016)	(4,703,016)
Public safety	7,923,156	576,837	441,983		(6,904,336)	(6,904,336)
Public works	5,108,836	42,733	4,854,502		(211,601)	(211,601)
Health and sanitation	2,639,798	601,971	330,900		(1,706,927)	(1,706,927)
Culture and recreation	413,540	57,900	164,674		(190,966)	(190,966)
Education	95,751		84,518		(11,233)	(11,233)
Conservation/economic development	579,573				(579,573)	(579,573)
Capital outlay	50,477				(50,477)	(50,477)
Total governmental activities	24,275,678	2,670,013	7,247,536	0	(14,358,129)	0
Business-type activities						
Solid waste	2,189,278	2,374,764	47,250			232,736
911 emergency communications	773,866	430,734	103,212			(239,920)
Total business-type activities	2,963,144	2,805,498	150,462	0	0	(7,184)
Total primary government	27,238,822	5,475,511	7,397,998	0	(14,358,129)	(7,184)
Property taxes					13,607,726	13,607,726
Public service taxes					3,102,412	3,102,412
Grants not restricted to specific programs					832,245	832,245
Earnings on investments					346,428	346,428
Miscellaneous and contributions					255,471	255,471
Transfers					(20,000)	(20,000)
Total general revenues					18,124,282	0
Change in net position					3,766,153	(7,184)
Net position - beginning					17,192,253	3,782,005
Net position - ending					20,958,406	3,774,821

The accompanying notes are an integral part of this statement.

Bingham County, Idaho

Balance Sheet

Governmental Funds

September 30, 2019

	General	Road and Bridge	Justice	Road and Bridge Special Projects	Payment in Lieu of Taxes	Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	1,944,737	1,222,213	573,413	722,358	5,604,124	1,862,084	11,928,929
Receivables							
Property taxes	95,179	16,396	96,810	11,389		103,812	323,586
Intergovernmental	534,674	959,102	397,547	316,022		81,083	2,288,428
Other			406		222,939		223,345
Total assets	2,574,590	2,197,711	1,068,176	1,049,769	5,827,063	2,046,979	14,764,288
LIABILITIES							
Accounts payable	114,928	201,544	101,138	49,686	37,153	195,202	699,651
Accrued salaries and benefits	82,016	52,065	123,581			51,167	308,829
Total liabilities	196,944	253,609	224,719	49,686	37,153	246,369	1,008,480
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	84,459	14,591	85,878	10,082	222,939	92,508	510,457
FUND BALANCE							
Assigned		1,929,511	757,579	990,001		1,708,102	5,385,193
Unassigned	2,293,187				5,566,971		7,860,158
Total fund balances	2,293,187	1,929,511	757,579	990,001	5,566,971	1,708,102	13,245,351
Total liabilities, deferred inflows of resources, and fund balances	2,574,590	2,197,711	1,068,176	1,049,769	5,827,063	2,046,979	14,764,288

The accompanying notes are an integral part of this statement.

Bingham County, Idaho

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

September 30, 2019

Total fund balances - governmental funds	13,245,351
<p>Amounts reported for governmental activities in the statement of net position are different due to the following items:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$30,761,471 and the accumulated depreciation is \$18,546,918.</p>	
	12,214,553
<p>Property taxes receivable will be collected this year but are not available soon enough to pay for the current period's expenditures, and therefore are shown as unavailable in the funds.</p>	
	287,518
<p>Other receivables from the PILT fund will be collected but are not available soon enough to pay for the current period's expenditures, and therefore are shown as unavailable in the funds.</p>	
	222,939
<p>The net pension liability and the deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position: Net pension liability is \$3,348,333, deferred inflows of resources related to pensions is \$1,540,638 and deferred outflows of resources related to pensions is \$792,070.</p>	
	(4,096,901)
<p>Liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. These liabilities at year end consisted of:</p>	
Compensated absences	(384,239)
Other post employment benefits obligations and related deferred inflows and outflows	(530,815)
<hr/>	
Total net position - governmental activities	20,958,406
<hr/>	

The accompanying notes are an integral part of this statement.

Bingham County, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended September 30, 2019

REVENUES	General	Road and Bridge	Justice	Road and Bridge Special Projects	Payment in Lieu of Taxes	Nonmajor Funds	Total Governmental Funds
Property taxes	3,956,048	654,736	4,168,674	469,852		4,377,427	13,626,737
Licenses and permits	318,979		86,651			57,853	463,483
Intergovernmental revenue	2,029,117	3,794,913	1,769,816	1,211,241	852,245	624,932	10,282,264
Charges for services	474,214	403	375,663	6,792		328,214	1,185,286
Fines and forfeitures	597					232,904	233,501
Interest and dividend income	29,604		316,824				346,428
Miscellaneous and contributions	707,431	64,342	19,892	25,625	471,102	674,751	1,963,143
Total revenues	7,515,990	4,514,394	6,737,520	1,713,510	1,323,347	6,296,081	28,100,842
EXPENDITURES							
Current							
General government	4,575,186				317,472	2,510,890	7,403,548
Public safety	1,346,898		6,075,461			333,926	7,756,285
Public works		3,563,802		1,633,275		2,578	5,199,655
Health and sanitation	153,075					2,443,349	2,596,424
Culture and recreation						389,931	389,931
Education						95,751	95,751
Conservation/economic development	362,627					216,946	579,573
Capital outlay	130,758	592,186	59,266	10,057		64,178	856,445
Total expenditures	6,568,544	4,155,988	6,134,727	1,643,332	317,472	6,057,549	24,877,612
Revenues over (under) expenditures	947,446	358,406	602,793	70,178	1,005,875	238,532	3,223,230
OTHER FINANCING SOURCES (USES)							
Operating transfers						(20,000)	(20,000)
Net change in fund balance	947,446	358,406	602,793	70,178	1,005,875	218,532	3,203,230
Fund balance at October 1, 2018	1,345,741	1,571,105	154,786	919,823	4,561,096	1,489,570	10,042,121
Fund balance at September 30, 2019	2,293,187	1,929,511	757,579	990,001	5,566,971	1,708,102	13,245,351

The accompanying notes are an integral part of this statement.

Bingham County, Idaho

Reconciliation of the Governmental Funds Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities

For the Year Ended September 30, 2019

Total net change in fund balances - governmental funds	3,203,230
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Amounts reported for governmental activities in the statement of activities are different due to the following:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$1,097,303 and net disposals of \$5,200 is exceeded by capital outlays of \$1,589,510 in the current period.	487,007
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Because some property taxes and a receivable from BURA will not be collected for several months after the County's fiscal year ends, they are not considered 'available' revenues in the governmental funds. Unavailable tax revenues decreased by \$19,011 this year and collections on the BURA receivable were \$20,000.	(39,011)
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In the statement of activities, certain operating expenses - compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This year vacation leave used exceeded vacation leave earned by this amount.	11,614
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Vested employee benefits are reported in the governmental funds when amounts are paid. The statements of activities reports the value of benefits earned during the year.

Change in net pension liability	1,046,958	
Change in deferred outflows of resources related to pensions	(196,869)	
Change in deferred inflows of resources related to pensions	(719,570)	
Change in OPEB	(27,206)	
		103,313

Total change in net position - governmental activities	3,766,153
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The accompanying notes are an integral part of this statement.

Bingham County, Idaho

Statement of Net Position

Proprietary Funds

September 30, 2019

	Solid Waste	911 Emergency Communication	Total Proprietary Funds
ASSETS			
Cash and cash equivalents	2,508,764	710,687	3,219,451
Receivables	37,658	37,902	75,560
Capital assets			
Land	99,150		99,150
Depreciable assets, net	1,032,515	473,825	1,506,340
Total assets	3,678,087	1,222,414	4,900,501
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	41,938	2,944	44,882
LIABILITIES			
Current liabilities			
Accounts payable	236,209	90,942	327,151
Accrued salaries and benefits	12,575	3,562	16,137
Noncurrent liabilities			
Pension plan payable	181,504	10,103	191,607
Landfill closure costs	553,150		553,150
Total liabilities	983,438	104,607	1,088,045
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	70,131	12,386	82,517
NET POSITION			
Net investment in capital assets	1,131,665	473,825	1,605,490
Unrestricted	1,534,791	634,540	2,169,331
Total net position	2,666,456	1,108,365	3,774,821

The accompanying notes are an integral part of this statement.

Bingham County, Idaho
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds

For the Year Ended September 30, 2019

	Solid Waste	911 Emergency Communication	Total Proprietary Funds
OPERATING REVENUES			
Operating grant from the State of Idaho		103,212	103,212
Charges for services	2,374,764	430,734	2,805,498
Rental and other income	47,250		47,250
Total operating revenues	2,422,014	533,946	2,955,960
OPERATING EXPENSES			
Salaries and wages	429,817	107,076	536,893
Employee benefits	175,035	33,701	208,736
Line charges		11,926	11,926
Subcontractor and other disposal costs	1,093,470		1,093,470
Maintenance and other vehicle costs	156,666	105,426	262,092
Supplies and other operating expenses	143,187	476,252	619,439
Depreciation	191,103	39,485	230,588
Total operating expenditures	2,189,278	773,866	2,963,144
Change in net position	232,736	(239,920)	(7,184)
Net position at October 1, 2018	2,433,720	1,348,285	3,782,005
Net position at September 30, 2019	2,666,456	1,108,365	3,774,821

The accompanying notes are an integral part of this statement.

Bingham County, Idaho
Statement of Cash Flows
Proprietary Funds

For the Year Ended September 30, 2019

	Solid Waste	911 Emergency Communication	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	2,376,555	428,100	2,804,655
Cash payments for personnel costs	(607,943)	(141,433)	(749,376)
Cash payments for services and supplies	(1,291,576)	(556,850)	(1,848,426)
Other operating revenues	47,250	103,212	150,462
Net cash provided (used) by operations	524,286	(166,971)	357,315
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
	0	0	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(235,216)	0	(235,216)
CASH FLOWS FROM INVESTING ACTIVITIES			
	0	0	0
Net increase (decrease) in cash and cash equivalents	289,070	(166,971)	122,099
Cash at beginning of year	2,219,694	877,658	3,097,352
Cash and cash equivalents at end of year	2,508,764	710,687	3,219,451

The accompanying notes are an integral part of this statement.

Bingham County, Idaho
Statement of Cash Flows
Proprietary Funds

For the Year Ended September 30, 2019

	Solid Waste	911 Emergency Communication	Total Proprietary Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	232,736	(239,920)	(7,184)
Depreciation expense	191,103	39,485	230,588
(Increase)/decrease in assets			
Receivables	1,791	(2,634)	(843)
Change in deferred outflows of resources	8,166	2,062	10,228
Increase/(decrease) in liabilities			
Accounts payable	42,018	36,754	78,772
Accrued payroll	2,321	711	3,032
Pension plan payable	(43,423)	(10,966)	(54,389)
Landfill closure costs	59,729		59,729
Change in deferred inflows of resources	29,845	7,537	37,382
Net cash flows from operating activities	524,286	(166,971)	357,315

The accompanying notes are an integral part of this statement.

Bingham County, Idaho

Statement of Fiduciary Net Position

September 30, 2019

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	3,111,000	420,480
Receivables	275	430,046
Total assets	3,111,275	850,526
LIABILITIES		
Accounts and other payables	465,931	420,480
Payable to taxing districts		430,046
Total liabilities	465,931	850,526
NET POSITION		
Held in trust for individuals, organizations, and other governments	2,645,344	0

The accompanying notes are an integral part of this statement.

Bingham County, Idaho
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended September 30, 2019

ADDITIONS	
Licenses and permits	2,076,981
Intergovernmental revenue	21,028
Charges for services	154,376
Fines and forfeitures	253,934
Miscellaneous and contributions	3,479,601
<hr/>	
Total additions	5,985,920
<hr/>	
DEDUCTIONS	
Trust remittance and other deductions	6,033,627
<hr/>	
TRANSFERS FROM (TO) OTHER FUNDS	20,000
<hr/>	
Change in net position	(27,707)
Net position at October 1, 2018	2,673,051
<hr/>	
Net position at September 30, 2019	2,645,344
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The accompanying notes are an integral part of this statement.

Bingham County, Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

Bingham County (the County) is organized and operates under the provisions of the Idaho Constitution and the accounting policies and practices of the County conform to accounting principles generally accepted in the United States as applied to governments.

The financial statements of the Bingham County, Idaho (the "County") have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The County's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial position. The significant accounting principles and policies utilized by the County are described below:

Reporting Entity

The scope of the reporting entity is intended to cover those funds under the direct jurisdiction of the governing boards, elected or appointed, that exercise substantial or total administrative and supervisory authority in their name and are considered to be substantially autonomous from Bingham County government. In addition, the County receives and disburses money from various agency accounts held for other entities. These accounts are maintained for others only in fiduciary funds and beyond that are not included in this report.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all nonfiduciary activities of the County. Governmental activities, which are normally supported by taxes, intergovernmental revenues, and other non-exchange transactions are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The statement of net position presents the reporting entity's assets, deferred outflow of resources, liabilities, and deferred inflows of resources, with the difference reported as net position (net investment in capital assets; restricted net position; or unrestricted net position). Net investment in capital assets consists of capital assets,

Bingham County, Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

net of accumulated depreciation, and reduced by outstanding debt. Restricted net position results when constraints placed on net position use are imposed by third parties through constitutional provisions or enabling legislation.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

The County applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Fund Financial Statements

The fund statements provide information about the County's funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

Governmental Fund Types

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. Governmental fund types includes General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds. The County currently has no Capital Projects or Debt Services funds. The County reports the following major governmental funds:

General Fund - This 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. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Road and Bridge – These funds are used to account for maintenance of County roads and bridges and is funded primarily from State Highway User revenue as well as from general property tax revenues.

Justice Fund – This fund accounts for law enforcement activities of the County. It is funded primarily from general property tax revenues, prisoner housing, and grants.

Road and Bridge – Special Projects – This fund accounts for the maintenance and replacement of County roads and bridges and is primarily funded from State Highway User revenue as well as from general property tax revenues.

Bingham County, Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

PILT Fund – This fund accounts for internal restrictions of funds accumulated for County contingencies and future capital expansion of facilities or other capital projects. It is funded by federal “payment in lieu of taxes” revenues.

Additionally, the remaining governmental funds are considered to be non-major funds and are consolidated in a non-major funds column (on the combined fund statements). The non-major funds are displayed individually in combining schedules.

Proprietary Fund Types

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Position. The County reports the following major proprietary funds:

Solid Waste Fund – This fund accounts for the transfer of solid waste and landfill operations of the County. It is funded primarily from user fees.

911 Emergency Communication – This fund accounts for the operation of emergency communications as primarily funded by charges to land-line and cell phone users.

Fiduciary Fund Types

Fiduciary Funds account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. The reporting focus is on net position and changes in net position.

Trust and Agency Funds

Expendable Trust Funds account for funds held in a trustee capacity. The accounting is essentially the same manner used for governmental funds. Agency funds are purely custodial in nature.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financials statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Bingham County, Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers all imposed nonexchange revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes and other taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Bingham County, Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Control

The Idaho Constitution and the Idaho State Tax Commission prescribe the budget process and procedures for governmental subdivisions. Bingham County has satisfied the basic requirements prescribed in the following particulars:

- 1) Formulation of subsequent year budget requirements by internal County officers and personnel;
- 2) Perusal of formulated budgets by the County Commissioners and its clerk;
- 3) Presentation of preliminary and final budget requirements in formal news media of the County;
- 4) Open hearings to permit taxpayer input before such budgets are formally adopted;

Subsequent control budgets following adoption are accomplished through a budget-expenditures control system with interim status accounting and reporting made available to officers and employees for management purposes. Budgets are adopted on a cash basis of accounting. The County does not maintain a formal encumbrance accounting system.

The General and major Special Revenues Funds statements of revenues, expenditures, and changes in fund balance present a comparison of budgetary data to actual results. These reports utilize the same basis of accounting for both budgetary purposes and actual results.

Cash and Investments

The County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash also includes amounts held in the local government investment pool and money market accounts. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. Investments of the primary government consist of certificates of deposits with original maturities of greater than three months, government agency bonds, and corporate bonds.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include:

Level 1, defined as observable inputs such as quoted market prices in active markets;

Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and

Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions.

The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Bingham County, Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables

Property taxes are recognized as revenue in the period for which the taxes are levied. The tax levy is used to finance operations of the County's fiscal year ended September 30, 2019. All property taxes are considered due as of the second Monday in January and are levied on the second Monday in September. Taxes are payable in two installments on December 20 and June 20 of the following year. All taxes collected within 60 days of September 30, 2019 are considered available to pay current liabilities. Amounts not collected are deferred and recognized when they become available to the County.

The County's proprietary fund's accounts receivable are reported at their gross amount. The County estimates that the amount of uncollectible accounts would not be significant to the outstanding balance, therefore no amounts have been accrued for bad debt.

Other receivables in the governmental and proprietary funds are also recorded at gross. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category and it occurs on the government-wide statement of net position. The County reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources related to pensions and County contributions to pension plans subsequent to the measurement date of the collective net pension liability (asset).

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of item, one which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second relates to the difference between projected and actual investment returns on the funds invested in the PERSI pension plan and is reported in the government-wide Statement of Net Position. The amount is deferred and recognized as an inflow of resources in the period that the amounts became available.

Bingham County, Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Purchased or constructed capital assets, including property, plant, equipment, and infrastructure are reported at cost or estimated historical cost in the government-wide financial statements. The County defines capital assets as equipment assets with an initial cost of more than \$10,000; land and building assets with an initial cost of \$50,000 or more, and \$250,000 or more for infrastructure, and an estimated life in excess of one year.

Donated capital assets are recorded at their acquisition value at the date of donation. Renewals and betterments are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures in the governmental funds for equipment, vehicles, real property acquisitions, improvements, and infrastructure are recorded as capital outlay. Maintenance and repairs of a routine nature are charged to expenses/expenditures as incurred and are not capitalized.

Building, equipment, infrastructure, and other depreciable assets are depreciated using the straight-line method over estimated useful lives from 5 to 70 years. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, the County has included the value of all major infrastructure capitalized since 1980.

The County has adopted an allowable alternative to reporting depreciation for its roads network. Under this alternative method, referred to as the "modified approach," the County must maintain an asset management system and demonstrate that its roads are being preserved at or above condition levels established by County policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

Compensated Absences

Government Accounting Standards Board codification specifies that a liability should be accrued for leave benefits that meet the following conditions:

- The employer's obligation relative to employee rights to receive compensation for future absences is attributable to employee services already rendered
- The obligation related to rights that vest or accumulate
- Payment of the obligation is probable
- The amount can be reasonably estimated

The County records a liability for accrued vacation and sick time when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The County uses the vesting method to calculate the compensated absence liability.

In proprietary funds, compensated absences are expensed when earned. The entire amount of compensated absences is reported as a liability.

Bingham County, Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension Plan

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

Other Post-Employment Benefits ("OPEB") Obligations

Employees who retire and have not yet become eligible for Federal Medicare coverage are eligible to purchase insurance through the County's healthcare plan. Although retirees pay their own premium, there is an implicit cost due to increased group premiums when retirees are included in County insurance plans. For the purpose of measuring the net other post-employment benefit liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and other post-employment benefit expenses, information about fiduciary net position of the implicit medical benefit Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the County's policy to use externally restricted resources first.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid

Bingham County, Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the County Commissioners – the County’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Commissioners removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance: This classification reflects the amounts constrained by the County’s “intent” to be used for specific purposes, but the amounts are neither restricted nor committed. The County Commissioners has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Risk Management

The County is exposed to a considerable number of risks of loss, including: (a) damage to and loss of property and contents; (b) employee torts; (c) professional liability, i.e. errors and omissions; (d) environmental damage; (e) workers’ compensation, i.e. employee injuries; and (f) medical insurance costs of employees. Commercial policies transferring the risks of loss, except for relatively small deductible amounts, are purchased for property and content damage, employee torts, and professional liabilities. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States 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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Bingham County, Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The County has not determined the effect of this Statement.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County has not determined the effect of this Statement.

Subsequent Events

The County has evaluated subsequent events through May 7, 2020, which is the date the financial statements were available to be issued. Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the County had not yet suffered material adverse impact from the CV19 Crisis. The future impact of the CV19 Crisis on the County, cannot be reasonably estimated at this time. There were no other subsequent-type events required to be disclosed.

Note 2: Cash and Investments

Deposits with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of September 30, 2019, \$3,665,914, including the money market, was not insured or collateralized.

Investments

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The government utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. The carrying value of the County's investments at year end was \$12,773,009 and the fair value was \$12,773,009. The amount not covered by insurance was \$5,995,465.

Bingham County, Idaho

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

The County invests in the Local Government Investment Pool (LGIP) through the Idaho State Treasurer. All funds are invested by the Idaho State Treasurer's office in accordance with Sections 67-1210 and 67-1210A of the Idaho Code. All investments for the LGIP are collateralized with securities held by the LGIP's safekeeping agent in the LGIP's name. The investments held by the LGIP are carried at cost, which is not materially different than fair value (determined by the Idaho State Treasurer's office). The investments are subject to risk from market and interest rate fluctuations. The County has included this in cash.

All of the County's investments that are measured or disclosed at cost, which is not materially different from fair value (as determined by the Idaho State Treasurer's office). All investments fall within Level 2 of the fair value hierarchy.

The County's investment accounts, including government agencies, commercial paper, corporate bonds, certificates of deposit, and money market funds, are held with Moreton Asset Management, MBS, Inc., ProEquities, and Edward Jones. The money market funds are included as cash in the financial statements. The weighted average duration was .77 years.

As of September 30, 2019, the County had the following investments showing the distribution by maturity and rating:

Investment Type	Remaining Maturity (in Years)			Total Fair Value	Rating
	12 Months or Less	1-5 Years	5-10 Years		
US Agencies	\$ 104,890			\$ 104,890	AAA
Asset-backed Securities	\$ 200,169	3,849,081	1,831,109	5,880,359	AAA/AA+
State Investment Pool	\$ 5,502,294			5,502,294	AAA
Certificates of Deposit	348,996	936,470		1,285,466	N/A
Total Investments	6,156,349	4,785,551	1,831,109	\$ 12,773,009	

Interest rate risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County does not have a written policy addressing credit risk, custodial credit risk, or interest risk.

Credit risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented above is the actual rating as of year-end for each investment type. The County follows the requirements of the Idaho Public Depository Law (Idaho Code Section, Title 57-100), and applicable investment rights and restrictions cited by Idaho Code Section, Title 67, 67-1210.

Concentration of credit risk. The County utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Foreign Currency Risk. The County has no foreign currency risk for investments at year end.

Bingham County, Idaho

Notes to Financial Statements

Note 3: Interfund Balances and Activity

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) to use unrestricted revenues collected in the general or PILT funds to finance various programs accounted for in other funds in accordance with budgetary and other authorizations, and (3) to close out trust funds no longer deemed necessary by the county commissioners.

Interfund transfers at September 30, 2019, were as follows:

Fund	Transfer In	Transfer Out
Nonmajor fund -		
Ambulance Fund	-	20,000
Trust fund -		
Ambulance Vehicle Trust Fund	20,000	-
Total	20,000	20,000

Note 4: Capital Assets

Capital asset balances and activity for the year ended September 30, 2019, were as follows:

Governmental Activities:	Balance 09/30/18	Increases	Decreases and Transfers	Balance 09/30/19
Capital assets, not being depreciated:				
Land	1,847,408	-	-	1,847,408
Infrastructure	2,243,829	-	-	2,243,829
Total capital assets, not being depreciated	\$ 4,091,237	\$ -	\$ -	\$ 4,091,237
Capital assets, being depreciated:				
Infrastructure	3,041,625	-	-	3,041,625
Buildings and improvements	7,585,074	-	-	7,585,074
Machinery and equipment	15,174,738	1,589,510	(720,713)	16,043,535
Total capital assets, being depreciated	25,801,437	1,589,510	(720,713)	26,670,234
Accumulated depreciation:				
Infrastructure	(816,438)	(60,833)	-	(877,271)
Buildings and improvements	(5,107,531)	(186,532)	-	(5,294,063)
Machinery and equipment	(12,241,159)	(849,938)	715,513	(12,375,584)
Total accumulated depreciation	(18,165,128)	(1,097,303)	715,513	(18,546,918)
Total capital assets, being depreciated, net	\$ 7,636,309	\$ 492,207	\$ (5,200)	\$ 8,123,316
Governmental activities capital assets, net	11,727,546	492,207	(5,200)	12,214,553

Bingham County, Idaho

Notes to Financial Statements

Note 4: Capital Assets (Continued)

Business-type Activities:	Balance 09/30/18	Increases	Decreases and Transfers	Balance 09/30/19
Capital assets, not being depreciated:				
Land	99,150	-	-	99,150
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,457,139	\$ -	\$ -	\$ 1,457,139
Infrastructure	19,870	-	-	19,870
Machinery and equipment	902,300	235,216	-	1,137,516
Total capital assets, being depreciated	2,379,309	235,216	-	2,614,525
Accumulated depreciation:				
Buildings and improvements	(463,173)	(61,106)	-	(524,279)
Infrastructure	(397)	(398)	-	(795)
Machinery and equipment	(414,027)	(169,084)	-	(583,111)
Total accumulated depreciation	(877,597)	(230,588)	-	(1,108,185)
Total capital assets, being depreciated, net	\$ 1,501,712	\$ 4,628	\$ -	\$ 1,506,340
Business-type activities capital assets, net	1,600,862	4,628	-	1,605,490

Depreciation expense was charged to the governmental functions as follows:

Governmental activities:	
General government	170,726
Public safety	275,413
Public works	584,181
Health, welfare, and sanitation	43,374
Culture and recreation	23,609
Total depreciation expense, governmental activities	1,097,303
Business-Type activities:	
Solid waste (health and sanitation)	191,103
911 Emergency Communication (public safety)	39,485
Total depreciation expense, business-type activities	230,588
Total primary government	1,327,891

Bingham County, Idaho

Notes to Financial Statements

Note 5: Pension Plan

Plan Description

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

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

Pension Benefits

The Base Plan provides retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2019, it was 6.79% and 8.36% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. Beginning July 1, 2019, these rates were increased to 11.94% for general employees and 12.28% for police and fire fighters. The County's contributions were \$1,206,300 for the year ended September 30, 2019.

Bingham County, Idaho

Notes to Financial Statements

Note 5: Pension Plan (Continued)

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

At September 30, 2019, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2019, the County's proportion was .3101205 percent.

For the year ended September 30, 2019, the County recognized pension expense of \$1,133,528. At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 328,983	\$ 417,199
Changes in assumptions or other inputs	196,912	-
Net difference between projected and actual earnings on pension plan investments	-	1,205,956
County contributions subsequent to the measurement date	311,057	-
Total	\$ 836,952	\$ 1,623,155

\$311,057 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2020.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2018, the beginning of the measurement period ended June 30, 2019, is 4.8 years and 4.8 years for the measurement period June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

<i>Year Ended September 30,</i>		
2020	\$	(127,469)
2021		(546,116)
2022		(266,022)
2023	\$	(157,653)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost

Bingham County, Idaho

Notes to Financial Statements

Note 5: Pension Plan (Continued)

Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

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

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	1%

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

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

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

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

Bingham County, Idaho

Notes to Financial Statements

Note 5: Pension Plan (Continued)

<i>Asset Class</i>	Expected Return *	Expected Risk	Strategic Normal	Strategic Ranges
Equities	- %	- %	70.00 %	66%-77%
Broad Domestic Equity	9.15	19.00	55.00	50%-65%
International	9.25	20.20	15.00	10%-20%
Fixed Income	3.05	3.75	30.00	23%-33%
Cash	2.25	0.90	-	0%-5%

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

*Expected arithmetic return net of fees and expenses

Actuarial Assumptions

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

Long-Term Expected Geometric Rate of return, Net of Investment Expenses	7.05%
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Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	1% Decrease (7.05%)	1% Decrease (8.05%)
Employer's proportionate share of the net pension liability (asset)	\$ 10,691,980	\$ 3,348,333	\$ (2,374,571)

Bingham County, Idaho

Notes to Financial Statements

Note 5: Pension Plan (Continued)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the pension plan

At September 30, 2019, the County reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note 6: Other Postemployment Benefits

Plan Description. Bingham County, Idaho's Post-Retirement Healthcare Plan is administered by the Government Employees Medical Plan (GemPlan). It is an agent multi-employer post-employment benefit healthcare plan. GemPlan provides medical and prescription drug insurance coverage for eligible retirees and their eligible dependents. Eligible retirees include employees who are age 55 years and older and have completed 20 years of continuous service with the County. A retiree who retires with the Public Employee Retirement System of Idaho (PERSI) is eligible to keep the County's medical coverage as a retiree until age 65, or until the retiree is eligible for coverage under Medicare.

Once a retiree becomes eligible for Medicare, the spouse can continue medical coverage until the spouse is eligible for Medicare. Surviving spouses are eligible for medical benefits until age 65. The retiree is on the same medical plans as the County's active employees.

Funding Policy. The contribution requirement of plan members is established by the County's insurance committee in conjunction with its insurance provider. The required contribution is based on projected pay-as-you-go financing requirements.

Annual OPEB Cost and Net OPEB Obligation. The Net other post-employment benefit liability (NOL) was measured as of October 1, 2019, and the total other post-employment benefit liability was determined by an actuarial valuation as of October 1, 2018.

Funded Status and Funding Progress. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. The County does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-basis and there is not a trust for accumulating plan assets. The following actuarial methods and assumptions were used in the October 1, 2018, accounting valuation:

Valuation Timing	Actuarial valuations are performed biennially as of October 1 for accounting purposes only. The most recent valuation was performed as of October 1, 2018.
Actuarial Cost Method	Entry Age, level percentage of page

Bingham County, Idaho

Notes to Financial Statements

Note 6: Other Postemployment Benefits (Continued)

Discount Rate	3.50%
Salary Rate Increase	3.00%
Health Care Trend	Medical with vision trend is 6.25% decreasing to 5% over five years. Dental and vision trending are not significant, so has not been included in this valuation.
Mortality	RP-2014 adjusted to 2006 Total Dataset Mortality Tables with MP-2018 Generational Improvement Scale.

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There have been no significant changes between the valuation date and the fiscal year end. Any significant changes during this period must be reflected as prescribed by GASB 75. The following table shows the total OPEB Liability of the County:

	2019	2018	2017
Total OPEB Liability	589,286 \$	503,609 \$	485,691
Covered employee payroll	9,260,976	10,099,385	9,960,832
Total OPEB liability as a % of covered-employee payroll	6.36 %	4.99 %	4.88 %
*Discount Rate	3.9 %	3.5 %	3.5 %
20 Year Tax-Exempt Municipal Bond Yield	3.9 %	3.5 %	3.5 %

*The discount rate was based on the 20-year Municipal Bond Index at October 1, 2018.

Changes Since Prior Valuation

Plan Change: None

Plan Experience: Liability loss due to updated census data and claims and premiums different than expected.

Assumption Change: healthcare trend change, Mortality tables updated from MP-2016 to MP-2018 Generational Improvement Scale. The discount rate increased to 3.9%. The combination of these changes reduced the liability.

Method Changes: None.

Changes in Total OPEB Liability

<i>Changes in Total OPEB Liability</i>	Increase (Decrease) in Total OPEB Liability
Balance as of October 1, 2017	\$ 503,609
Changes for the year:	
Service cost	29,283
Interest on total OPEB liability	18,098
Assumption Changes	(13,172)
Differences between Expected and Actual Experience	83,337
Expected benefit payments	(31,869)
Total	\$ 589,286

Bingham County, Idaho

Notes to Financial Statements

Note 6: Other Postemployment Benefits (Continued)

Sensitivity Analysis

The following presents the total OPEB liability of the County, calculated using the discount rate of 7.1%, as well as what the school County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.1%) or 1 percentage point higher (8.1%) than the current rate.

	1% Decrease (6.05%)	1% Decrease (7.05%)	1% Decrease (8.05%)
Total October 1, 2018, OPEB Liability	\$ 636,271	\$ 589,286	\$ 546,136

The following presents the total OPEB liability of the County, calculated using the current healthcare cost trend rates as well as what the County's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease (6.05%)	1% Decrease (7.05%)	1% Decrease (8.05%)
Total October 1, 2018, OPEB Liability	\$ 531,655	\$ 589,286	\$ 658,559

<i>OPEB Expense</i>	October 1, 2017 to September 30, 2018	
Service cost	\$	29,283
Interest on total OPEB liability		18,098
Liability gain or loss		13,890
Effect of assumptions, changes, or inputs		(2,196)
Total	\$	59,075

Other Post-Employment Benefits Expense and Deferred Outflows of Resources and Deferred Inflows for Resources Related to Other Post-employment Benefits

Schedule of Deferred Inflow/Outflow of Resources

	Original Amount	Date Established	Original Recognitio n Period	Amount Recognize d	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience/changes in assumptions	\$ -	September 30, 2018	-	\$ -	\$ -	\$ -
Changes in assumptions of other inputs	70,165	September 30, 2019	6	(11,694)	(10,976)	69,447
Total	\$ 70,165			\$ (11,694)	\$ (10,976)	\$ 69,447

Bingham County, Idaho

Notes to Financial Statements

Note 6: Other Postemployment Benefits (Continued)

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other post-employment benefits will be recognized in OPEB expense as follows:

Year Ending September 30,	Amount to Recognize*
2020	11,694
2021	11,694
2022	11,694
2023	11,694
2024	11,695

*Note that additional future deferred inflows and outflows of resources may impact these numbers.

Note 7: Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The County funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in fixed annuity contracts administered by PEBSO Deferred Compensation Plan Administrator.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

Note 8: Long-Term Obligations

Compensated Absences - The County's benefits include a provision for compensated absences. The liability for this benefit is liquidated by the fund in which the employee is paid from.

Landfill Post Closure Costs - Bingham County recalculated their post closure care testing liability for the Fielding, Aberdeen, and Rattlesnake Landfills during the 2019 fiscal year which resulted in an increase of \$59,729.

The following is a summary of the changes in long-term obligations for the year ended September 30, 2019:

	Balance at Oct 1, 2018	Additions	Reductions	Balance at Sept 30, 2019	Amounts due within one year
Compensated absences	395,853	-	(11,614)	384,239	384,239
Landfill closure costs	493,421	59,729	-	553,150	-
Total long-term obligations	889,274	59,729	(11,614)	937,389	384,239

Bingham County, Idaho

Notes to Financial Statements

Note 9: Closure and Postclosure Care Costs

Idaho IDAPA 16, Title 01, Chapter 6 and federal regulations require the Bingham County solid waste landfills to place a final cover on its solid waste landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste. The Fielding landfill with estimated monitoring costs of \$211,200 was closed at the beginning of the 2003 fiscal year. Aberdeen landfill is estimated to last approximately 60-80 years, an increase from an estimated 30 years, with projected closing costs of \$37,250 and post closure costs of \$86,700. The Rattlesnake landfill opened in 2003 and has an estimated life of approximately 140 years, with projected closing costs of \$63,000 and post closure cost of \$153,000. The Central Transfer Station is operated on an in and out basis with no waste accumulating; therefore, it is estimated to have an indefinite life, and estimated costs of closure and post closure care are \$0. The Bingham County solid waste landfill will recognize the remaining estimated cost of closure and post closure care as the remaining estimated capacity is filled. The estimated liability is based on what it would cost to perform all closure and post closure care of the current site in 2019 dollars. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Final cover will be put on portions of the landfill when they are ready for closure to reduce the final cover costs when the landfill is closed.

The Bingham County solid waste landfills are not required to fund contributions to a trust to finance closure and post closure care. The County may find that funding requirements may be inadequate or that additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) and these costs may need to be covered by charges to future landfill users or from tax revenue.

Note 10: Deficit Fund Balance

There were no deficit fund balances in the major funds of the County at September 30, 2019

Note 11: Fund Balance

As of September 30, 2019, there were no restricted or encumbered fund balances.

Note 12: Blackfoot Urban Renewal Agency Agreement

On May 24, 2005, the County entered into an agreement with the Blackfoot Urban Renewal Agency. The County purchased 25.22 acres of property located near Blackfoot, Idaho, on West Bridge Street near the Snake River and transferred the title to the Blackfoot Urban Renewal Agency with the understanding that it would be used for the development of a technology industrial park. The Agency agreed to pay annually to the County an amount of money equal to the property tax revenue of a subdivision located in the Parkway-Meridian Urban Renewal Area during such time that the Parkway-Meridian Urban Renewal area exists. In addition, the Agency also agreed to pay annually to the County an amount equal to the personal property tax revenue the County would normally receive each year on the personal property located within the Riverview Industrial Park until such time as the total amount expended is equal to the amount the County paid for the property or until such time as the Riverview Urban Renewal Area is terminated. As of September 30, 2019, the balance of the note receivable was \$222,939. Revenue will be recognized under the cost recovery method as payments are received. The remaining receivable balance will be reflected in the liability section as deferred revenue.

Bingham County, Idaho

Notes to Financial Statements

Note 13: Tax Abatements

The County enters into property tax abatement agreements with local businesses under Idaho Code 63-606A – Small Employer Growth Incentive Exemption. This Code allows localities to abate all or a portion of such property from property taxation when the investments in such property benefit the citizens within the county in a manner and to such a degree that to grant the exemption is necessary and just. The County's reasoning for this abatement is for a variety of economic development purposes, including business relocation, retention, and expansion. Under this law, a 75% tax abatement was granted to Agri-Services for five years beginning in 2015 to encourage relocation and job-creation. The amount abated during the 2019 fiscal year was \$27,298.

In addition, a 75% tax abatement was granted to Trent Lott/Movie Mill Theater for five years beginning in 2019 to encourage community restoration and job-creation. The amount abated during the 2019 fiscal year was \$16,767.

Note 14: Hospital Lease and Transfer Agreement

Due to an Idaho State Supreme Court decision that prevents any government entity from issuing debt without voter approval, Bingham Memorial Hospital, a former component unit of Bingham County, transitioned from a county hospital to a nonprofit hospital. During the year ended June 30, 2007, BMH, Inc. (BMH) was incorporated as an Idaho nonprofit corporation in accordance with Section 501(c)(3) of the Internal Revenue Code. A hospital lease and transfer agreement between the County and BMH was executed on June 22, 2007. Under the terms of the Agreement and in compliance with Idaho Code Section 31-3513A, the County is leasing the hospital to BMH, effective July 1, 2007, and ending June 30, 2106. Under the provisions of this lease, BMH is leasing all facilities, operations, operating assets, acquired assets, charitable assets, and the offsetting liabilities at a rate of \$1 per year for 99 years. In addition, the County's ownership interest in Bingham Land, LLC was transferred to BMH.

In conjunction with the Agreement, there was a liquid assets transfer agreement between the County and BMH that was effective July 1, 2007. The liquid assets transfer agreement stipulates three types of payments due from BMH to the County for consideration of the liquid assets transferred under the Agreement. The first of these payments was a \$150,000 payment due annually beginning July 1, 2008. The second payment was an amount equal to 5% of the "Excess of Revenues over Expenses" per BMH's audited financial statements, with a maximum payment of \$150,000 each year. This payment must be made within 150 days of each December 31 year-end, the new fiscal year-end of BMH, beginning with the year ending December 31, 2007. The final payment due from BMH to the County was related to indigent care claims, which were passed through to BMH. BMH was to reimburse the County up to \$150,000 per year for these payments. During 2015, an assignment and assumption agreement was entered in by the parties to the Agreement and the above terms were modified as described in the following paragraph.

Effective on August 25, 2015, Bingham County, Idaho and BMH, Inc. entered into an assignment and assumption agreement, whereby the County assigned its interests in CMRGO and DHHS to BMH. The parties further agreed that the real property and improvements which are owned by CMRGO shall be added to and be considered part of the original facilities under the hospital lease and transfer agreement. In consideration of such assignment and assumption a new payment structure was determined to be one annual payment not to exceed one-half of one percent ($\frac{1}{2}\%$) of BMH's annual net patient service revenue with a minimum fixed amount of \$400,000 plus up to \$100,000 for indigent care expense reimbursement. One effect of the above on the fiscal year ended September 30, 2015, government-wide statement of net position was that the investment in affiliates and the related equity in net position of affiliates no longer exists as the ownership was transferred to BMH and the existing assets are

Bingham County, Idaho

Notes to Financial Statements

now considered part of the assets subject to the hospital lease.

As of September 1, 2018, the hospital approved a sublease through BMH to BF Medical Investments, LLC. The sublease has been in effect since 2015. Complete financial statements of BMH, Inc., known as Bingham Memorial Hospital, can be obtained from their administrative office at 98 Popular Street, Blackfoot, Idaho 83221.

Note 15: Jointly Governed Organization

In October 2004, Bingham County, Bonneville County, the City of Shelley, and the City of Ammon entered into a joint powers agreement to provide joint financing, design, acquisition, construction, management, and operation of a regional sewage treatment and disposal facility. A separate legal entity, Eastern Idaho Regional Wastewater Authority, was created. It is governed by a board made up of representatives from each of the members of the joint powers' agreement. Assets acquired by the members of the joint powers agreement for the Eastern Idaho Regional Wastewater Authority during the construction phase are donated to the Authority as that phase becomes operational.

The Board of the Eastern Idaho Regional Wastewater Authority assesses and collects from each participating member debt service fees, discharge/hookup fees, operation and maintenance fees, and fees to pay for costs in excess of defined equivalent residential unit (ERU) allocations each year. Each member must collect, as a minimum, debt service fees, discharge/hookup fees, and operation and maintenance fees established by the board and remit them to the Authority. Each member may also establish its own minimum operation and maintenance fees and discharge/hookup fees in addition to those determined by the board. Each member of the joint powers' agreement pays a percentage of the repair, operation, and maintenance of the facility and transmission lines.

In the event of a federal, state, or local court action concerning the facility, each member will assume responsibility for such litigation in a direct proportion to the percentage of use of the system. If the facility needs to expand in the future and the Authority does not have adequate funds in their reserve fund accumulated from the discharge/hookup fees, each member of the joint powers agreement will pay additional funds necessary to construct and complete the next phase of the development of the facility.

During the 2009 – 2010 fiscal year, the facility began accepting flow from the City of Shelley, Bonneville County, and Bingham County. The Eastern Interceptor line was completed during the 2012 fiscal year and the Authority began accepting flow from the City of Ammon.

The Eastern Idaho Regional WasteWater Authority has a fiscal year end of September 30. Financial statements are available at: Eastern Idaho Regional WasteWater Authority, 618 East 1250 North, Shelley, Idaho 83274.

Required Supplemental Information

Bingham County, Idaho

Infrastructure Assets Reported Using the Modified Approach

September 30, 2019

As allowed by GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and analysis - for State and Local Governments, the County has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and/or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the County is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets;
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale,
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the County; and
- Document that the infrastructure assets are being preserved approximately at or above the condition levels established by the County.

Roads

Bingham County applies the modified approach to the 1,195.33 center lane miles of roads. The roads are owned and maintained by the County even though many of the roads are built on implied dedication or prescriptive easements. The goal of the County in conjunction with adopting the modified approach is to develop and provide a cost effective pavement maintenance and rehabilitation program that preserves the County's investment in its road network and enhances public transportation and safety.

The standards that Bingham County uses to evaluate the road conditions have been defined more clearly to the inspectors to improve the accuracy of the data. The County now utilizes a GIS/GPS system to measure the lengths of the roads and help eliminate errors in the data. Gravel roads have remained somewhat consistent from prior years. During fiscal year 2019, the County converted to the Paser system and completed a total assessment of road conditions. Over the course of fiscal year 2020, they intend to complete a more detailed assessment and long-term plan for County infrastructure.

See Independent Auditor's Report.

See Notes to Required Supplementary Information

Bingham County, Idaho

Infrastructure Assets Reported Using the Modified Approach

September 30, 2019

Measurement Scale

Gravel Roads	2019 Center Lane Miles
9-10 Only needs maintenance once a year and is safe	0
8 Requires occasional maintenance, needs only slight improvements	112.34
6-7 Adequate - will be needing gravel and other improvements in the future, but is okay for now	244.83
4-5 Needs gravel, etc.	133.29
1-3 Needs gravel, shoulders, widening, safety of road should be considered, etc.	46.15
Other (dirt)	0
Total gravel roads	536.61

Oiled Roads

9-10 Excellent	New and like-new	53.89
8 Very Good	Little or no maintenance required	285.15
6-7 Good	Some signs of aging, can extend life through sealcoat	219.24
4-5 Fair	Aging surface, but sound structural condition Needs work (overlay, strengthening, etc.)	100
1-3 Failed	Reconstruction needed	0
Not rated	Other (dirt)	0
Total oil roads		658.72

See Independent Auditor's Report.

See Notes to Required Supplementary Information

Bingham County, Idaho

Infrastructure Assets Reported Using the Modified Approach

September 30, 2019

Established Condition Level

It is the County's goal to maintain at least 50% of its roads/highways at or above the "fair" condition or better. Condition assessments are performed by geographic district within the network on approximately one third of the roads/highways each year in order to achieve a complete condition assessment at least once every three years. The last three assessments were December 2019, October 2015, and November 2013.

Assessed Conditions

The following table reports the center lane miles and the percentage of pavement meeting the "excellent" to "fair" condition ratings as assessed in 2013. The first year of implementation of these reporting standards was 2007. This chart reports a seven year trend analysis.

Bingham County Oil Road Condition Report						
Fiscal Year	Excellent Condition	Good Condition	Fair Condition	Total miles in Fair or Above Condition	Total Country Miles	% in Excellent to Fair Condition
2019	53.89	504.39	100.00	658.28	658.28	100.00%
2018	49.14	504.39	100.44	653.97	653.97	100.00%
2017	163.31	329.46	179.92	672.69	672.69	100.00%
2016	1.50	147.02	515.28	663.80	663.80	100.00%
2015	1.50	147.02	515.28	663.80	672.22	98.98%
2014	5.54	132.19	510.52	647.60	654.27	98.98%
2013	0.00	105.90	541.70	645.52	652.19	98.97%

During the 2011 fiscal year, the County implemented a GIS system to assist in tracking infrastructure in the County. Center-lane mileage was reassessed and adjusted from the prior year to reflect the more accurate information provided by the GIS system. In addition, the County changed how they were assessing road conditions. In prior years, if a road was chip-sealed, it was classified as "good". Now, the assessment is also based on some safety factors. This has changed the classification of some of the roads that were classified as "good" in prior years such that they are now classified as "fair". The information in the table above reflects the updated information, and had been further separated under the Pasar system.

The following table represents the County's estimated amounts needed to maintain and preserve its road network at or above its established condition levels, as well as the amounts actually spent on road maintenance and preservation, for the last six reporting periods (in thousands).

	2019	2018	2017	2016	2015	2014
Estimated spending	5,799	6,051	6,964	6,059	6,084	5,904
Actual spending	5,799	6,056	6,037	4,846	5,555	5,257

See Independent Auditor's Report.

See Notes to Required Supplementary Information

Bingham County, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget and Actual-
Governmental Funds - General Fund

For the Year Ended September 30, 2019

	Original and Final Budget	Budgetary Basis Actual	GAAP Differences	GAAP Basis Actual
REVENUES				
Property taxes	3,890,768	3,949,309	6,739	3,956,048
Licenses and permits	262,925	318,979		318,979
Intergovernmental revenue	1,979,387	2,009,993	19,124	2,029,117
Charges for services	432,250	474,214		474,214
Fines and forfeitures	500	597		597
Interest and dividend income	50,000	91,775	(62,171)	29,604
Miscellaneous and contributions	769,195	708,031	(600)	707,431
Total revenues	7,385,025	7,552,898	(36,908)	7,515,990
EXPENDITURES				
General government	5,119,978	4,579,490	(4,304)	4,575,186
Public safety	1,505,920	1,348,729	(1,831)	1,346,898
Health and sanitation	154,263	152,637	438	153,075
Conservation/economic development	444,064	363,826	(1,199)	362,627
Capital outlay	160,800	130,758		130,758
Total expenditures	7,385,025	6,575,440	(6,896)	6,568,544
Revenues over (under) expenditures	0	977,458	(30,012)	947,446
OTHER FINANCING SOURCES (USES)				
Operating transfers	0	(600)	600	0
Revenues and other financing sources over (under) expenditures and other uses	<u>0</u>	976,858	<u>(29,412)</u>	947,446
Fund balance at October 1, 2018		<u>976,027</u>		<u>1,345,741</u>
Fund balance at September 30, 2019		<u>1,952,885</u>		<u>2,293,187</u>

See Independent Auditor's Report.

See Notes to Required Supplementary Information

Bingham County, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget and Actual-
Governmental Funds - Road & Bridge Fund

For the Year Ended September 30, 2019

	Original & Final Budget	Budgetary Basis Actual	GAAP Differences	GAAP Basis Actual
REVENUES				
Property taxes	647,125	654,736	0	654,736
Intergovernmental revenue	3,654,200	3,794,913	0	3,794,913
Charges for services	450	403		403
Miscellaneous and contributions	202,100	64,342		64,342
Total revenues	4,503,875	4,514,394	0	4,514,394
EXPENDITURES				
Public works	4,008,175	3,563,802	0	3,563,802
Capital outlay	514,000	592,186		592,186
Total expenditures	4,522,175	4,155,988	0	4,155,988
Revenues over (under) expenditures	(18,300)	358,406	0	358,406
OTHER FINANCING SOURCES (USES)				
Operating transfers	0	0	0	0
Revenues and other financing sources over (under) expenditures and other uses	<u>(18,300)</u>	358,406	<u>0</u>	358,406
Fund balance at October 1, 2018		<u>1,571,105</u>		<u>1,571,105</u>
Fund balance at September 30, 2019		<u>1,929,511</u>		<u>1,929,511</u>

See Independent Auditor's Report.
See Notes to Required Supplementary Information

Bingham County, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget and Actual-
Governmental Funds - Justice Fund

For the Year Ended September 30, 2019

	Original and Final Budget	Budgetary Basis Actual	GAAP Differences	GAAP Basis Actual
REVENUES				
Property taxes	4,129,226	4,168,674	0	4,168,674
Licenses and permits	72,000	86,651		86,651
Intergovernmental revenue	1,663,052	1,769,816	0	1,769,816
Charges for services	398,100	375,663		375,663
Interest and dividend income	100,000	316,824		316,824
Miscellaneous and contributions	398,381	19,892		19,892
Total revenues	6,760,759	6,737,520	0	6,737,520
EXPENDITURES				
Public safety	6,700,759	6,075,461	0	6,075,461
Debt service - principal			0	
Debt service - interest			0	
Capital outlay	60,000	59,266	0	59,266
Total expenditures	6,760,759	6,134,727	0	6,134,727
Revenues over (under) expenditures	0	602,793	0	602,793
OTHER FINANCING SOURCES (USES)	0	0	0	0
Revenues and other financing sources over (under) expenditures and other uses	<u>0</u>	602,793	<u>0</u>	602,793
Fund balance at October 1, 2018		<u>204,182</u>		<u>154,741</u>
Fund balance at September 30, 2019		<u><u>806,975</u></u>		<u><u>757,534</u></u>

See Independent Auditor's Report.
See Notes to Required Supplementary Information

Bingham County, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget and Actual-
Governmental Funds - Road & Bridge, Special Projects Fund

For the Year Ended September 30, 2019

	Original and Final Budget	Budgetary Basis Actual	GAAP Differences	GAAP Basis Actual
REVENUES				
Property taxes	464,500	468,480	1,372	469,852
Intergovernmental revenue	1,147,600	1,203,301	7,940	1,211,241
Charges for services		6,792	0	6,792
Miscellaneous and contributions	117,400	25,625		25,625
Total revenues	1,729,500	1,704,198	9,312	1,713,510
EXPENDITURES				
Public works	1,724,500	1,633,318	(43)	1,633,275
Capital outlay	5,000	10,057		10,057
Total expenditures	1,729,500	1,643,375	(43)	1,643,332
Revenues over (under) expenditures	0	60,823	9,355	70,178
OTHER FINANCING SOURCES (USES)				
Operating transfers	0	0	0	0
Revenues and other financing sources over (under) expenditures and other uses	<u>0</u>	60,823	<u>9,355</u>	70,178
Fund balance at October 1, 2018		<u>623,277</u>		<u>919,823</u>
Fund balance at September 30, 2019		<u>684,100</u>		<u>990,001</u>

See Independent Auditor's Report.
See Notes to Required Supplementary Information

Bingham County, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget and Actual-
Governmental Funds - Payment in Lieu of Taxes

For the Year Ended September 30, 2019

	Original and Final Budget	Budgetary Basis Actual	GAAP Differences	GAAP Basis Actual
REVENUES				
Intergovernmental revenue	750,000	852,245		852,245
Miscellaneous and contributions		471,102		471,102
Total revenues	750,000	1,323,347	0	1,323,347
EXPENDITURES				
General government	750,000	317,472	0	317,472
Total expenditures	750,000	317,472	0	317,472
Revenues over (under) expenditures	0	1,005,875	0	1,005,875
OTHER FINANCING SOURCES (USES)				
Operating transfers	0	0	0	0
Revenues and other financing sources over (under) expenditures and other uses	<u>0</u>	1,005,875	<u>0</u>	1,005,875
Fund balance at October 1, 2018		<u>4,561,096</u>		<u>4,561,096</u>
Fund balance at September 30, 2019		<u><u>5,566,971</u></u>		<u><u>5,566,971</u></u>

See Independent Auditor's Report.

See Notes to Required Supplementary Information

Bingham County, Idaho

Required Supplementary Information

Fiscal Year Ended September 30, 2019

Schedule of Employer's Share of Net Pension Liability PERSI-Base Plan Last 10-Fiscal Years*

	2019	2018	2017	2016	2015
Employer's portion of net pension liability	0.30121%	0.31466%	0.32085%	0.33145%	0.32915%
Employers proportionate share of the net pension liability	3,539,939	4,641,287	5,043,135	6,719,033	4,334,367
Employer's covered payroll	10,444,333	10,099,385	9,960,832	9,693,958	8,950,566
Employer's proportional share of the net pension liability as a percentage of its covered payroll	33.89%	45.96%	50.63%	69.31%	48.43%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	91.69%	90.68%	87.26%	91.38%

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

Data reported is measured as of June 30, 2019 (measurement date).

Schedule of Employer Contributions PERSI-Base Plan Last 10-Fiscal Years *

	2019	2018	2017	2016	2015
Statutorily required contribution	1,205,834	1,154,360	1,128,064	1,097,356	1,076,655
Contributions in relation to the statutorily required contribut	1,206,300	1,154,301	1,135,675	1,097,356	1,043,636
Contribution (deficiency) excess	466	(59)	7,611		(33,019)
Employer's covered payroll	10,458,235	10,099,385	9,960,832	9,693,958	8,950,566
Contributions as a percentage of covered payroll	11.53%	11.43%	11.40%	11.32%	11.66%

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

Data reported is measured as of September 30, 2019.

See Independent Auditor's Report.

See Notes to Required Supplementary Information

Bingham County, Idaho
Required Supplementary Information
Fiscal Year Ended September 30, 2019

Schedule of Changes in Total OPEB Liability and Related Ratios

As of the measurement date of October 1, 2018	2019	2018
Total OPEB Liability		
Service cost	29,283	25,319
Interest on total OPEB liability	18,098	17,454
Changes of benefit terms		
Assumption changes	(13,172)	
Differences between expected and actual experience	83,337	
Effect of assumption changes or inputs	-	
Expected benefit payments	(31,869)	(24,855)
Net change in total OPEB liability	85,677	17,918
Total OPEB liability, beginning	503,609	485,691
Total OPEB liability, ending	589,286	503,609
Covered employee payroll	9,260,976	10,099,385
Total OPEB liability as a % of covered employee payroll	6.36%	4.99%

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

See Independent Auditor's Report.
See Notes to Required Supplementary Information

Bingham County, Idaho
Notes to Required Supplementary Information
Budget to Actual Statements (with GAAP Differences)

September 30, 2019

1. The legally adopted budget for Bingham County – State of Idaho is based on the cash basis of accounting. Adjustments to the modified accrual basis of accounting are listed as GAAP differences.

2. Debt payments are reclassified from general operating expense to show principal and interest portions of cash payments.

3. Higher operating expenses may be reflected on the GAAP basis if equipment was purchased at year-end with a partial payment budgeted in the current year and an account payable booked to reflect the final payment in the subsequent year's budget.

4. Capital outlays that do not meet the capitalization policy levels are reclassified out of capital outlay and into another expenditure.

See Independent Auditor's Report.

Other Information

Bingham County, Idaho
All Nonmajor Funds
Combining Balance Sheet

September 30, 2019

	Airport	District Court	State Fair	Health District	Historical Society	Indigent Services	Parks and Recreation	Transitional Revaluation	Tort	Vetrans Memorial	Weeds	Waterways	Court Facility	Drug Court	Interlock Monitoring	Junior College	Consolidated Elections	Bingham County Lab	Bingham County Ambulance	East Idaho Partnership	Fuel Trust	Other Special Revenue	All Nonmajor Funds
ASSETS																							
Cash and cash equivalents	22,118	206,026	10,073	29,899	13,734	239,686	92,698	177,604	206,119	5,367	125,649	79,170	64,051	51,104	25,470	86,748	247,579	29,460	26,724	83,139	18,561	21,105	1,862,084
Receivables																							
Property taxes	1	18,579	263	9,556	872	17,560	4,812	13,544	10,701	140	7,772								20,012				103,812
Intergovernmental		35,151					5,500					396				16,928			23,108				81,083
Total assets	22,119	259,756	10,336	39,455	14,606	257,246	103,010	191,148	216,820	5,507	133,421	79,566	64,051	51,104	25,470	103,676	247,579	29,460	69,844	83,139	18,561	21,105	2,046,979
LIABILITIES																							
Accounts payable		28,510				50,411	4,460	28,133			29,455	222		4,850			3,920	14,607	11,724		18,910		195,202
Accrued salaries and benefits		26,706				2,651	3,105	11,592			3,291	78		1,610			1,089	1,045					51,167
Total liabilities	0	55,216	0	0	0	53,062	7,565	39,725	0	0	32,746	300	0	6,460	0	0	5,009	15,652	11,724	0	18,910	0	246,369
DEFERRED INFLOWS OF RESOURCES																							
Unavailable revenue	1	16,525	233	8,544	785	15,611	4,271	12,081	9,665	126	6,916								17,750				92,508
Total deferred inflows of resources	1	16,525	233	8,544	785	15,611	4,271	12,081	9,665	126	6,916	0	0	0	0	0	0	0	17,750	0	0	0	92,508
FUND BALANCES																							
Assigned	22,118	188,015	10,103	30,911	13,821	188,573	91,174	139,342	207,155	5,381	93,759	79,266	64,051	44,644	25,470	103,676	242,570	13,808	40,370	83,139	(349)	21,105	1,708,102
Total fund balances	22,118	188,015	10,103	30,911	13,821	188,573	91,174	139,342	207,155	5,381	93,759	79,266	64,051	44,644	25,470	103,676	242,570	13,808	40,370	83,139	(349)	21,105	1,708,102
Total liabilities, deferred inflows of resources and fund balances	22,119	259,756	10,336	39,455	14,606	257,246	103,010	191,148	216,820	5,507	133,421	79,566	64,051	51,104	25,470	103,676	247,579	29,460	69,844	83,139	18,561	21,105	2,046,979

See Independent Auditor's Report.

Bingham County, Idaho
All Nonmajor Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2019

	Airport	District Court	State Fair	Health District	Historical Society	Indigent Services	Parks and Recreatio	Transitional Revaluation	Tort	Vetrans Memoria	Weeds	Waterway	Court Facility	Drug Court	Interlock Monitorin	Junior College	Colsolidated Elections	Bingham County Lab	Bingham County Ambulance	East Idaho Partnership	Fuel Trust	Other Special Revenue	All Nonmajor Funds	
REVENUES																								
Property taxes	75	801,199	11,103	403,260	40,126	641,549	199,819	632,922	477,577	5,910	326,101								837,786					4,377,427
Licenses and permits							57,853																	57,853
Intergovernmental revenue		282,301	57	2,085	209	3,289	23,036	3,292	2,494	31	1,690	132,490				82,828			91,130					624,932
Charges for services		187,442					47	13,512						28,692	3,842			81,989	12,690					328,214
Fines and forfeitures		214,564											18,340											232,904
Miscellaneous and contributions	307	39,137			4,400	234,396		138	24	5,030	1,530	4,482		48,602			123,787	19		42,943	158,827	11,129		674,751
Total revenues	382	1,524,643	11,160	405,345	44,735	879,234	280,755	649,864	480,095	10,971	329,321	136,972	18,340	77,294	3,842	82,828	123,787	82,008	941,606	42,943	158,827	11,129		6,296,081
EXPENDITURES																								
Current																								
General government		1,471,934						581,607	383,462	1,141			4,923				58,659						9,165	2,510,891
Public safety														61,452	1,431			111,866			159,176			333,925
Public works	2,578																							2,578
Health and sanitation				402,547		1,119,829													920,973					2,443,349
Culture and recreation			11,004		39,500		210,051					129,376												389,931
Education																95,751								95,751
Conservation/economic development											215,495											1,451		216,946
Capital outlay		2,627					23,324				31,599						6,628							64,178
Total expenditures	2,578	1,474,561	11,004	402,547	39,500	1,119,829	233,375	581,607	383,462	1,141	247,094	129,376	4,923	61,452	1,431	95,751	65,287	111,866	920,973	0	159,176	10,616		6,057,549
Revenues over (under) expenditures	(2,196)	50,082	156	2,798	5,235	(240,595)	47,380	68,257	96,633	9,830	82,227	7,596	13,417	15,842	2,411	(12,923)	58,500	(29,858)	20,633	42,943	(349)	513		238,532
OTHER FINANCING SOURCES (USES)																								
Operating transfers																			(20,000)					(20,000)
Net change in fund balance	(2,196)	50,082	156	2,798	5,235	(240,595)	47,380	68,257	96,633	9,830	82,227	7,596	13,417	15,842	2,411	(12,923)	58,500	(29,858)	633	42,943	(349)	513		218,532
Fund balance at October 1, 2018	24,314	137,933	9,947	28,113	8,586	429,168	43,794	71,085	110,522	(4,449)	11,532	71,670	50,634	28,802	23,059	116,599	184,070	43,666	39,737	40,196	0	20,592		1,489,570
Fund balance at September 30, 2019	22,118	188,015	10,103	30,911	13,821	188,573	91,174	139,342	207,155	5,381	93,759	79,266	64,051	44,644	25,470	103,676	242,570	13,808	40,370	83,139	(349)	21,105		1,708,102

See Independent Auditor's Report.

Bingham County, Idaho
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds

September 30, 2019

	Auditors Trust	Driver's License Trust	District Court Trust	Magistrate Court Trust	Catastrophic Fund Trust	Development Agreement Trust	Insurance Trust	Idaho Transportation Trust	Dept. of Law Enforcement Trust	Vehicle Resistration Trust	Range Improvement Trust	Planning & Zoning Costs Trust	Narcotics Fund Trust	Narcotics Revolving Trust	Sheriff Revolving Trust
ASSETS															
Cash and cash equivalents	64,981	20,460	13,357		61,036	128,607	2,202,560	10,555	9,842	148,233	25,049	5,361	610	12,002	71,099
Total assets	64,981	20,460	13,357	0	61,036	128,607	2,202,560	10,555	9,842	148,233	25,049	5,361	610	12,002	71,099
LIABILITIES															
Accounts payable	45,153	20,307					239,103	143	627	142,569		73			
Total liabilities	45,153	20,307	0	0	0	0	239,103	143	627	142,569	0	73	0	0	0
NET POSITION															
Held in trust for individuals, organizations, and other governments	19,828	153	13,357	0	61,036	128,607	1,963,457	10,412	9,215	5,664	25,049	5,288	610	12,002	71,099

See Independent Auditor's Report.

Bingham County, Idaho
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds

September 30, 2019

	Right of Way Use Fees Trust	Delinquent Mobile Home Trust	Prosecutors Trust	Clerk/ Recorder Trust	Restitution Trust	Sex Offender Fees Trust	Search & Rescue Trust	Community Service Prog. Trust	Court Fines and Fees	Magistrate Bond Trust	Ambulance Purchase Trust	Inmate Trust	Jail Trust	All Private Purpose Trust Funds
ASSETS														
Cash and cash equivalents	8,082		3,986	4,383	19,061	1,840	58,660	20,496	2,136	72,321	40,000	4,608	101,675	3,111,000
Receivables		275												275
Total assets	8,082	275	3,986	4,383	19,061	1,840	58,660	20,496	2,136	72,321	40,000	4,608	101,675	3,111,275
LIABILITIES														
Accounts payable					13,590	1,840		43	1,252	1,231				465,931
Total liabilities	0	0	0	0	13,590	1,840	0	43	1,252	1,231	0	0	0	465,931
NET POSITION														
Held in trust for individuals, organizations, and other governments	8,082	275	3,986	4,383	5,471	0	58,660	20,453	884	71,090	40,000	4,608	101,675	2,645,344

See Independent Auditor's Report.

Bingham County, Idaho
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended September 30, 2019

	Auditors Trust	Driver's License Trust	District Court Trust	Magistrate Court Trust	Catastrophic Fund Trust	Development Agreement Trust	Insurance Trust	Idaho Transportation Trust	Dept. of Law Enforcement Trust	Vehicle Resistration Trust	Range Improvement Trust	Planning & Zoning Costs Trust	Narcotics Fund Trust	Narcotics Revolving Trust	Sheriff Revolving Trust
ADDITIONS															
Licenses and permits		241,647						1,785		1,823,572					9,977
Intergovernmental revenue									14,411						
Charges for services	107,666														
Fines and forfeitures														23,698	
Miscellaneous and contributions	280,526		9,967		49,239	57,827	2,745,841				2,668	9,605			76,344
Total additions	388,192	241,647	9,967	0	49,239	57,827	2,745,841	1,785	14,411	1,823,572	2,668	9,605	0	23,698	86,321
DEDUCTIONS															
Intergovernmental expenditures											0				
Trust remittance	388,672	239,270	14,700	90	49,137		2,890,334	2,389	13,315	1,823,095		5,808	480	22,166	15,452
Total deductions	388,672	239,270	14,700	90	49,137	0	2,890,334	2,389	13,315	1,823,095	0	5,808	480	22,166	15,452
OTHER FINANCING SOURCES (USES)															
Operating transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions over (under) deductions	(480)	2,377	(4,733)	(90)	102	57,827	(144,493)	(604)	1,096	477	2,668	3,797	(480)	1,532	70,869
Net Position at October 01, 2018	20,308	(2,224)	18,090	90	60,934	70,780	2,107,950	11,016	8,119	5,187	22,381	1,491	1,090	10,470	230
Net Position at September 30, 2019	19,828	153	13,357	0	61,036	128,607	1,963,457	10,412	9,215	5,664	25,049	5,288	610	12,002	71,099

See Independent Auditor's Report.

Bingham County, Idaho
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds

For the Year Ended September 30, 2019

	Right of Way Use Fees Trust	Delinquent Mobile Home Trust	Prosecutors Trust	Clerk/ Recorder Trust	Restitution Trust	Sex Offender Fees Trust	Search & Rescue Trust	Community Service Prog. Trust	Court Fines and Fees	Magistrate Bond Trust	Ambulance Purchase Trust	Inmate Trust	Jail Trust	All Private Purpose Trust Funds
ADDITIONS														
Licenses and permits								18,214	2,814					2,076,981
Intergovernmental revenue														21,028
Charges for services	(5,600)		299				37,600							154,376
Fines and forfeitures					108,292					121,944				253,934
Miscellaneous and contributions				(179)		5,880						1,050	240,833	3,479,601
Total additions	(5,600)	0	299	(179)	108,292	5,880	37,600	18,214	2,814	121,944	0	1,050	240,833	5,985,920
DEDUCTIONS														
Intergovernmental expenditures														0
Trust remittance	2,700	82	1	3	107,099	5,920	14,855	24,655	1,930	181,337			230,137	6,033,627
Total deductions	2,700	82	1	3	107,099	5,920	14,855	24,655	1,930	181,337	0	0	230,137	6,033,627
OTHER FINANCING SOURCES (USES)														
Operating transfers	0	0	0	0	0	0	0	0	0	0	20,000	0	0	20,000
Additions over (under) deductions	(8,300)	(82)	298	(182)	1,193	(40)	22,745	(6,441)	884	(59,393)	20,000	1,050	10,696	(27,707)
Net Position at October 01, 2018	16,382	357	3,688	4,565	4,278	40	35,915	26,894	0	130,483	20,000	3,558	90,979	2,673,051
Net Position at September 30, 2019	8,082	275	3,986	4,383	5,471	0	58,660	20,453	884	71,090	40,000	4,608	101,675	2,645,344

See Independent Auditor's Report.

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

Board of Commissioners
Bingham County, Idaho
Blackfoot, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bingham County, Idaho as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Bingham County, Idaho's basic financial statements, and have issued our report thereon dated May 7, 2020.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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 Bingham County, Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Bingham County, Idaho'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 Bingham County, Idaho's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

May 7, 2020

Idaho Falls, Idaho