

CASSIA COUNTY

**BASIC FINANCIAL STATEMENTS
With Supplemental Information**

September 30, 2011

CASSIA COUNTY
BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011
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Cassia County, Idaho

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Joseph W. Larsen

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Ex Officio Auditor/Recorder

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LETTER OF TRANSMITTAL

March 9, 2012

To: Board of County Commissioners of Cassia County, Idaho
Citizens of Cassia County, Idaho:

Idaho statute requires that all general-purpose local governments with an annual budget that exceeds two hundred fifty thousand dollars annually submit a complete set of financial statements to the legislative council. The financial statements presented must conform with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the attached Basic Financial Statements with Management's Discussion and Analysis of Cassia County, Idaho, for the fiscal year ended September 30, 2011. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Evans and Poulsen, a firm of licensed certified public accountants, has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2011, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Cassia County Government Profile

Cassia County is located, geographically, in the south central plain of the Snake River, bordered to the south by the State of Utah and surrounded by Oneida, Power, Blaine, Minidoka, Jerome, and Twin Falls Counties. It is comprised of 2,565.08 square miles of land. The population base increased 7.2% in Cassia County from 21,416 in 2000 to 22,952 in 2010. 78.8% of the population of the County were high

school graduates between 2006 and 2010, nearly 10% higher than that of the entire State of Idaho during the same time period. There were 1,444 veterans residing in the County during the same time period. The median household income for that period was \$39,866, nearly \$7,000 below the average of the State of Idaho. The largest concentration of the County's population resides in the county seat of Burley.

A three member elected County Commission with overlapping terms governs the County. Responsibilities of the County Commissioners include passing ordinances and resolutions, adopting the budget, and appointing the heads of various departments. Other elected officials within the County are Clerk/Auditor/Recorder, Assessor, Coroner, Prosecutor, Sheriff, and Treasurer.

The County provides a full range of services under its general governmental functions. These services include public safety and protection, sanitation services, health and social services, culture and recreation, road and bridge construction and maintenance, planning and zoning, and general administrative services. Also included are services related to property assessment, budget development and administration, financial management, tax collection and investment of County assets, judicial administration, public records management, elections administration, and jury management. In addition, sanitation and emergency communications services are provided under an enterprise fund concept, with user charges providing revenue to pay operating expenses.

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

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

Local Economy

Cassia County is an agriculture based economy with dairy and dry farm operations as well as waterway and deep well irrigation crop farms. Production crops include potatoes, sugar beets, beans, alfalfa, wheat, and barley. Some industrial development has occurred with many having a direct relationship to agricultural production. Ethanol production and wind power generation are part of the local economy as well. Though construction has decreased with local and national economic suppression, the prospects are good for increases in domestic and business propositions as the economy improves. Recreational draws include the activities associated with the Snake River, a ski resort, mountain streams and lakes, the City of Rocks National Reserve, camping, hiking and hunting.

Financial Planning

Cassia County's 911/Emergency Communication department was involved with the placement of a repeater on Granite Pass in cooperation with the BLM to enhance communication in the southern part of the County. The cost to the taxpayer was very minimal to accomplish that.

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

The County Road and Bridge department purchased a new road grader to assist with the needs of rural County roads for repair and maintenance. Flooding in the Elba area has necessitated culvert repair and replacement. Work on bridge construction in the Almo area began in fiscal year 2011 and will continue as permits for construction allow. Cooperative work with the City of Rocks continues for road maintenance and snow removal. The Idaho Transportation Department reached an agreement with the County to take over the Idaho Highway 77 Spur known as the Elba-Almo Highway. In a cooperative agreement, the County will provide plowing of snow with ITD providing sand and salt.

Cassia County completed the purchase of the former Swenson's Market and parking lot for remodeling to create a new Justice Center to house court functions. Solving security issues, which would have presented a high degree of difficulty in the present courthouse, will be appropriately addressed in the proposed facility. The County has prudently placed funds in reserve each fiscal year for this identified need. Environment studies, architectural propositions, and construction work began at the onset of fiscal year 2012. Vacating areas of the present courthouse will facilitate elimination of other rented facilities for the Prosecuting Attorney, for the Public Defender, and for the University of Idaho Extension Office.

The dedication, experience, and ability of Deputy Auditors, Cara Petterson and Kris Zanone are reflected in the high quality of service they provide Cassia County in successfully safeguarding the assets of Cassia County. This office will continue to conduct in-house auditing in areas where the need arises and where quality control and efficiency can be improved. We have budgeted additional dollars to have our outside auditor, Evans and Poulsen CPA's do selected auditing where areas of concern can be identified and corrections made. The Adult Misdemeanor Probation Department and the Mini-Cassia Criminal Justice Center were randomly selected by the outside auditor to conduct more detailed auditing. The cooperation of both departments was greatly appreciated and suggestions were made to alter current procedures to improve accountability, promote cost savings, and emphasize efficiency.

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

Respectfully,

Joseph W. Larsen
Cassia County ClerkEx-officio Auditor

FINANCIAL SECTION

Evans & Poulsen P.A.

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Cassia County, ID

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the discretely presented component unit of Cassia County (the "County"), as of and for the fiscal year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the County's 2010 financial statements and, in our report dated February 18, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information and the discretely presented component unit of Cassia County as of September 30, 2011, and the respective changes in financial position thereof, and the respective budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2012 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, and combining and individual nonmajor fund and fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund and fiduciary fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Evans & Poulsen

EVANS & POULSEN, PA

February 21, 2012

***Cassia County
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2011***

The management of Cassia County offers this narrative overview, analysis, and accompanying financial statements for the fiscal year ended September 30, 2011. Included are financial performance and activities of the governmental services of Cassia County from October 1, 2010, through September 30, 2011. The County implemented the reporting model as adopted by the Governmental Accounting Standards Board (GASB) in their statement. Please read this statement in conjunction with the County's financial statement which immediately follows this section.

Elected Officials

A political subdivision of the State of Idaho, Cassia county consisted of the following elected Officials at fiscal year ended September 30, 2010:

Board of County Commissioners: Dennis Crane (Chairman), Paul Christensen, and Bob Kunau.

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

Clerk of the District Court: Joseph W. Larsen

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

Assessor: Dwight Davis

The Assessor determines property valuations, administers the property taxation system, and provides vehicle registration.

Treasurer: Patty Jusetsen

The Treasurer is the County Tax Collector and ex-officio public administrator.

Prosecuting Attorney: Alfred E. Barrus

The Prosecuting Attorney prosecutes crimes and is counsel to the county government.

Sheriff: Randy Kidd

The Sheriff is the Chief law enforcement officer of the county

Coroner: Craig Rinehart (appointed following the resignation of Paul B. Young)

The Coroner determines and certifies the manner and cause of death

Goals

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

The goal of our county to provide the best possible service with the revenues available continues to be a challenge. There remains a downturn in the global, the Federal, the State, and the local economies. The trickle-down effect is present from low interest rates on savings, consistently high unemployment, legislative exemptions, declining federally funded local programs, skyrocketing healthcare costs, increased property insurance rates, increased indigent medical costs, and unfunded State and Federal mandates.

Economic Conditions and Outlook

Located in South Central Idaho on the Snake River Plain, Cassia County is primarily an agricultural, livestock, and residential area. Retail and service industries are important secondary sources of employment and tax revenue. Urban development and construction has flat-lined at best. Considering all the aforementioned factors, the prospects of improvement in the future is uncertain.

Government-wide Financial Statements

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

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

Property Taxes raise a substantial amount of money and are in fact, the largest single source of county tax revenue. The assessment of property is completed on a timely basis utilizing the most accurate procedures and in accordance with the standards of the International Association of Assessing Officers. However, property tax revenues are no longer sufficient to support all functions of local government.

Payments in lieu of taxes (PILT Funds) are Federal payments made to Cassia County for loss in property tax revenues, caused by legislative actions which reduce or exempt Bureau of Land Management property from taxation.

The collection of property taxes is administered and completed by the County Treasurer.

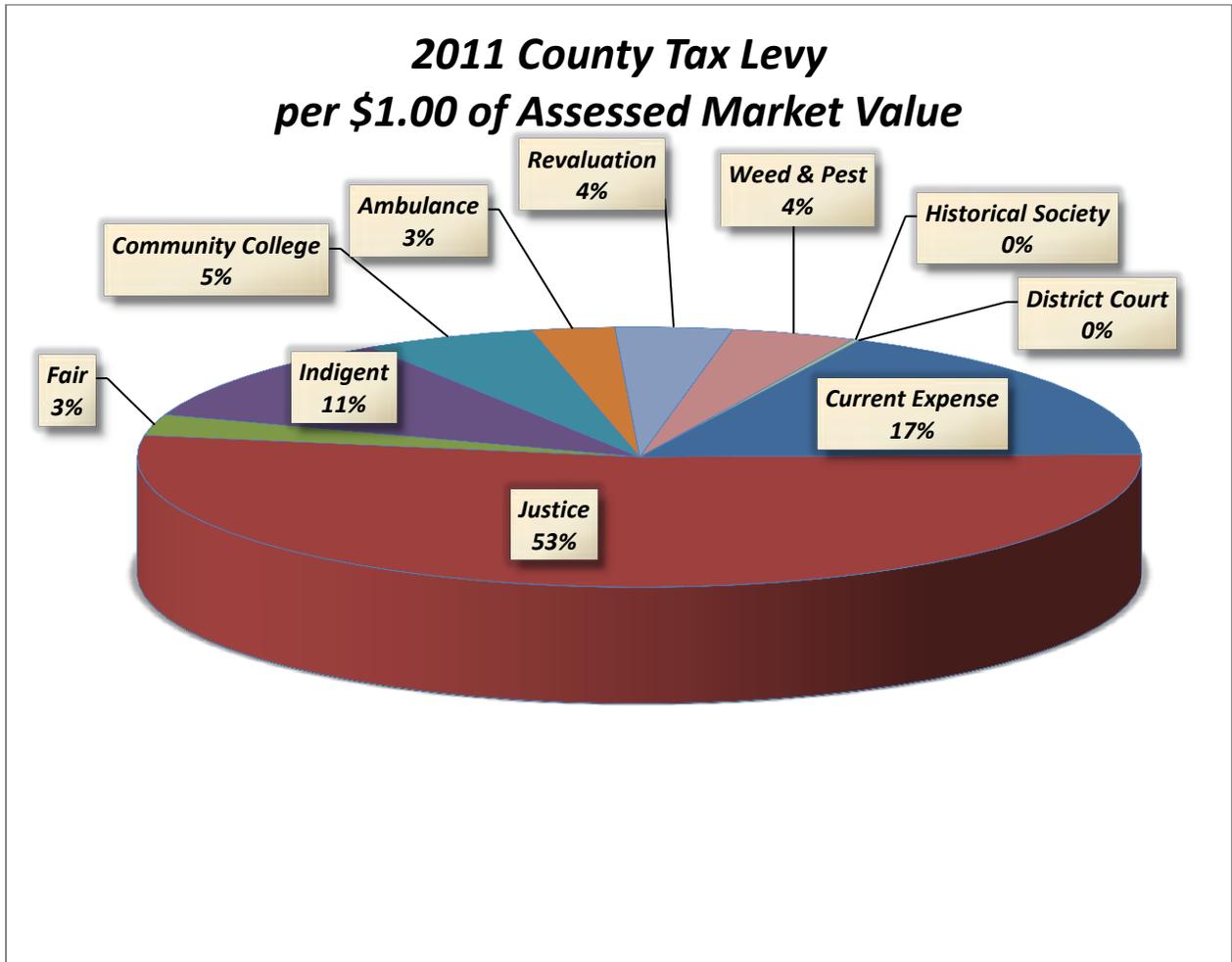
Fund Financial Statements

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

County Funds

The taxing funds listed below have their own levy limits which are set by the Idaho State Legislature and cannot be intermingled. Those levy funds are derived from property tax

revenues. The Major Funds listed reflect the 2011 County Tax Levy for each dollar of Assessed Market Value.



<i>Current Expense</i>	0.174708
<i>Justice</i>	0.529633
<i>Fair</i>	0.026072
<i>Indigent</i>	0.107512
<i>Community College</i>	0.055100
<i>Ambulance</i>	0.026878
<i>Revaluation</i>	0.037629
<i>Weed & Pest</i>	0.040317
<i>Historical Society</i>	0.002150
<i>District Court</i>	0.000000

2011 County Levy Rate:
.004987742

Cassia County Revenue Funds or Fee Collection Funds

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

Revenues for Major Funds are:

Cash Forward (referred to as Fund Balance)

Revenue other:

- State Sales Tax
- State Liquor Allocation
- State Sales Tax
- Federal Payment in Lieu of Taxes
- State Licenses & Fees
- County Licenses & Fees
- Interest on Investments
- Gross Elected Tax
- Federal Reimbursements

Receipts

Agricultural Equipment Property Tax Replacement

Property Tax Levy

Financial Information

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

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

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

Budgetary control is maintained by the issuance of monthly financial statements which reflect current and year to date expenditures and encumbrances, in comparison to budgeted

amounts. The portion of the year gone is compared to the portion of the budget amount expended when presented to the Board for authorization of payment. Anticipated expenditures are reviewed to determine that sufficient funds will be available prior to issuance of purchase approval or other commitments.

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

COUNTY FUNDS FINANCIAL ANALYSIS

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

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

Remaining Cash Balance:

	<u>FY Ending 9-30-10</u>	<u>FY Ending 9-30-11</u>	<u>\$ Change</u>	<u>% Change</u>
Current Expense:	\$ 1,075,714.63	\$ 1,131,166.00	(\$ 43,670.42)	- 4.06%
Justice:	\$ 661,803.62	\$ 1,161,569.21	\$ 499,765.59	75.52%

This gives an indication that the measures imposed in Fiscal Year 2010-2011 by management had a positive impact on the Current Expense Fund. However, it should be noted that the actual dollar amount increase in the Current Expense Fund was the result of tighter departmental budgeting and budget management during the fiscal year. Even though the Justice Fund has historically decreased due increases in overall costs to administer justice, a transfer of PILT funds to that fund late in the fiscal year accounts for the increase.

The expenditures for Indigent Medical costs have increased and the case load increased slightly during this fiscal year. That has impacted the budget for required County costs for Medical Indigents. Collection attempts on past due accounts have been moderately successful for voluntary assignment of tax refunds. However, with increased bankruptcy on behalf of required indigent repayment, very little success experienced with our collection procedures and many past due accounts remain unpaid. Increased unemployment has also been a contributing factor.

My observation is that the County Commissioners need to continue taking necessary steps to improve the fund balances of the county. Decreased funding that is anticipated in the future from both the Federal and State Government should require all optional services and personnel expenses to be brought to the table for evaluation. Prudent spending and logical saving should insure deliverance of county required services and personnel retention.

Having a healthy fund balance gives the Commissioners the opportunity to address projects or emergencies that occur during the year that were not anticipated at the time the budget was set. In the past, the receipt of fully funded PILT has been a tremendous boost to the fund balances to

allow response to emergencies that may occur during the year. However, proposed federal funding cuts may cause a significant decrease in PILT funds that the County receives. Loss of funding could compromise a healthy fund balance and could potentially put the County at risk in making budget adjustments during the year. It is more paramount than ever that the Commissioners make a concentrated effort to approve and hold to the budget. Department Heads need to monitor spending and be frugal with purchases of items that are not mission essential, which will assist in bringing the County closer to a sound fund balance. It will require the departments to look within their set budgets to adjust within those set amounts for unanticipated conditions that must be addressed.

Cassia County does not have a fixed salary scale with grades and steps. For fiscal year 2011, the Commissioners did approve a cost of living or salary increase for County Employee expenditures in the amount of 2.5% of the overall salary budget. Department Heads were given the discretion to allocate that increase based on merit for employees within their budget. In fiscal year ending September 30, 2011, the major medical premiums experienced some increase due to employee medical expenditures. Personnel costs continue to challenge management to remain competitive with salaries for comparable work in the private sector and at the same time be good stewards of county tax dollars. It is the Budget Officer's opinion that there should continue to be a willingness to place all options on the table, as is the case with State and Federal government, to decreasing costs and for appropriate accountability to the taxpayers of Cassia County.

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

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

The Commissioners continue to be diligent in requiring justification from any department requesting significant increases in operating or personnel increases. They have also used very good discretion in authorization of payment for expenses.

The County functioned much the same in 2011 as it did in previous years. I saw no significant changes in expenditures or revenues, with the exceptions of: 1) the more in-depth financial and program justifications required to be made to the Commissioners for any department; 2) the grants the county has applied for and received and the impact those have had on our budgets and department functions; 3) the rising costs of the Indigent Programs; and 4) the receipt of fully funded PILT monies, which has improved the overall financial status of Cassia County. The potential loss of those revenues could present a huge impact on the day-to-day functionality of Cassia County. A focus for FY 2012 will be a concentration on random internal auditing of certain functions of many departments, verification of all contracted obligations of the county, required documentation of all expenditures relating to petty cash and credit cards, and timely response from all Department Heads to accomplish this. The Auditor's Office procedures will

be for appropriately applying relevant accounting principles and standards as well as to refine applicable tax rule compliance.

Cassia County has purchasing procedures which work very well and this fiscal year, the Auditor's Office done well to implement inventory accountability.

The Commissioners, as it pertains to financial issues for the future, will be looking at providing superior service to the public, providing employee retention incentives, and continuing to evaluate and act upon courthouse security measures for both employees and patrons. Other considerations are for appropriate implementation and development of our GIS system and the County E-911 telephone system. A major concern continually facing the Commissioners is the ever-increasing expense of the Indigent Medical Assistance and the Non-Medical Assistance programs, and the manner in which they will be funded. The Indigent Programs continue to have a negative impact on existing County department budgets. Through changes in the State Statues, the County is no longer required to pay the medical expenses for those who are not legal residents of the United States, except for emergency medical care, which took effect on July 1, 2007. The hospitals are required to provide medical assistance for all, but the County does not incur liability for any medical bills of undocumented aliens, except those that were incurred because of emergent issues. Additional agreements between medical providers, including mental health care facilities, and the county have continued to be negotiated.

The County continues to receive the benefits of our taxpayers paying Property Taxes. The County generally receives in excess of a 90% tax collection. This is a very positive benefit to the County and to the elected officials and employees who continue to do their best to provide a superior service to the public. The County Assessor resolved some Protests of Valuation of Property Tax Assessments during the annual Board of Equalization hearing period. The Board of County Commissioners continue to hear appeals during the Board of Equalization hearing period. Cassia County Appraisers continue to be challenged to keep properties at Market Value. The challenge continues to be that there are people who have occupied the same property for long periods of time, possibly on fixed incomes, who continue to have property tax increases even with the homeowner's exemptions and circuit breaker benefits. This is an ongoing discussion with the State Legislature and may or may not result in changes to our budget and levy procedures. Property Taxes will continue to be a major item of discussion and continued talk during State legislation sessions have included the prospects of elimination of all or some portions of personal property taxes.

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

Joseph W. Larsen
Cassia County Clerk (*ex-officio Auditor*)
1459 Overland Avenue
Burley, Idaho, 83318
(208) 878-5231
cassiaclerk@cassiacounty.org

BASIC FINANCIAL STATEMENTS

CASSIA COUNTY

Statement of Net Assets
September 30, 2011

	<u>Primary Government</u>		<u>Component Unit</u>	
	<u>Governmental Activities</u>		<u>Fair Board</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
ASSETS				
Cash and Investments	\$ 7,682,152	\$ 7,791,040	\$ 97,367	\$ 99,965
Receivables:				
Taxes	239,815	251,618	-	-
Other	71,034	84,336	-	-
Prepaid Expenses	-	-	-	-
Due From Other Governments	-	-	-	-
Inventory - Note 1	-	-	-	-
Restricted Assets:				
Cash	-	-	-	-
Taxes Receivable	-	-	-	-
Capital Assets - Note 3:				
Land	1,667,051	1,066,801	-	-
Other Capital Assets, Net of Depreciation	3,579,420	3,431,896	40,800	45,370
Other Assets	-	-	-	-
Total assets	13,239,472	12,625,691	138,167	145,335
LIABILITIES				
Vouchers Payable and Accrued Liabilities	382,465	325,938	-	-
Deferred Revenue	-	-	-	-
Interest Payable	982	1,971	-	-
Long-Term Liabilities - Note 4:				
Due Within One Year	24,872	23,618	-	-
Due in More Than One Year	63,985	88,857	-	-
Total liabilities	472,304	440,384	-	-
NET ASSETS				
Invested in Capital Assets, net of related debt	5,157,614	4,386,222	40,800	45,370
Restricted for:				
Debt Service	-	-	-	-
Unrestricted	7,609,554	7,799,085	97,367	99,965
Total Net Assets	\$ 12,767,168	\$ 12,185,307	\$ 138,167	\$ 145,335

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet
Governmental Funds
September 30, 2011

	<u>General Fund</u>	<u>Jail Trust</u>	<u>Solid Waste</u>	<u>Justice</u>	<u>PILT</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Govt Funds 2011</u>	<u>Total Govt Funds 2010</u>
ASSETS								
Cash and investments	\$ 1,131,166	\$ 346,032	\$ 558,401	\$ 1,161,569	\$ 298,553	\$ 4,186,431	\$ 7,682,152	\$ 7,791,040
Receivables:								
Taxes	33,629	-	43,211	105,956	-	57,019	239,815	251,618
Other	71,034	-	-	-	-	-	71,034	84,336
Due from other governments	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ 1,235,829	\$ 346,032	\$ 601,612	\$ 1,267,525	\$ 298,553	\$ 4,243,450	\$ 7,993,001	\$ 8,126,994
LIABILITIES AND FUND EQUITY								
Liabilities:								
Vouchers payable	\$ 56,919	\$ 10	\$ -	\$ 123,318	\$ -	\$ 171,179	\$ 351,426	\$ 301,875
Accrued liabilities	10,733	-	-	14,119	-	6,187	31,039	24,063
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	31,210	-	40,075	98,073	-	52,793	222,151	218,841
Total liabilities	98,862	10	40,075	235,510	-	230,159	604,616	544,779
Fund Balance:								
Reserved - Special purpose	-	-	-	-	-	46,461	46,461	5
Unreserved								
General	1,136,967	-	-	-	-	-	1,136,967	1,146,168
Special revenue	-	346,022	561,537	1,032,015	298,553	3,966,830	6,204,957	6,436,042
Total fund balances	1,136,967	346,022	561,537	1,032,015	298,553	4,013,291	7,388,385	7,582,215
Total liabilities and fund balances	\$ 1,235,829	\$ 346,032	\$ 601,612	\$ 1,267,525	\$ 298,553	\$ 4,243,450	\$ 7,993,001	\$ 8,126,994

See accompanying notes to the financial statements.

CASSIA COUNTY

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities September 30, 2011

Total Governmental Fund Balances	\$ 7,388,385
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,246,471
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	222,151
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds	
Note Payable to Southern Idaho Regional Solid Waste District	(88,857)
Accrued Interest Payable	(982)
Net Assets of Governmental Activities	<u>\$ 12,767,168</u>

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2011

	General Fund	Jail Trust	Solid Waste	Justice	PILT	Other Governmental Funds	Total Govt Funds 2011	Total Govt Funds 2010
Revenues:								
Taxes - property	\$ 877,297	\$ -	\$ 559,242	\$ 2,055,327	\$ -	\$ 1,184,372	\$ 4,676,238	\$ 4,456,818
Taxes - sales and other	356,379	-	-	655,585	-	199,173	1,211,137	1,180,764
Payment in lieu of taxes	-	-	-	-	1,899,214	-	1,899,214	1,875,681
Fees and fines	423,632	801,527	33,878	218,917	-	1,238,799	2,716,753	2,698,375
Intergovernmental	-	690,694	-	1,779,943	-	2,116,962	4,587,599	4,310,525
Interest	173,819	-	-	-	-	3,905	177,724	180,878
Grants and miscellaneous	9,870	35,127	169,273	265,170	-	584,945	1,064,385	731,774
Total revenues	1,840,997	1,527,348	762,393	4,974,942	1,899,214	5,328,156	16,333,050	15,434,815
Expenditures:								
General government	2,104,008	-	-	-	-	2,714,689	4,818,697	4,146,387
Indigent Assistance	-	-	-	-	-	682,963	682,963	553,811
Highways and roads	-	-	-	-	-	335,760	335,760	293,808
Public safety	-	-	-	7,964,479	-	806,665	8,771,144	8,460,211
Other public service	-	-	677,815	-	-	1,027,814	1,705,629	1,703,481
Culture and recreation	-	-	-	-	-	124,633	124,633	186,941
Debt Service	-	-	-	-	-	-	-	-
Total expenditures	2,104,008	-	677,815	7,964,479	-	5,692,524	16,438,826	15,344,639
Excess of rev over(under) expend	(263,011)	1,527,348	84,578	(2,989,537)	1,899,214	(364,368)	(105,776)	90,176
Other financing sources (uses)								
Transfers in	283,810	1,203,536	-	4,522,428	-	515,000	6,524,774	6,360,595
Transfers out	(30,000)	(2,534,878)	-	(1,156,754)	(2,635,000)	(256,196)	(6,612,828)	(6,360,595)
Sale of capital assets	-	-	-	-	-	-	-	-
Total other fin sources(uses)	253,810	(1,331,342)	-	3,365,674	(2,635,000)	258,804	(88,054)	-
Net change in fund balances	(9,201)	196,006	84,578	376,137	(735,786)	(105,564)	(193,830)	90,176
Fund balance - beginning	1,146,168	150,016	476,959	655,878	1,034,339	4,118,855	7,582,215	6,522,620
Fund balance - ending	\$ 1,136,967	\$ 346,022	\$ 561,537	\$ 1,032,015	\$ 298,553	\$ 4,013,291	\$ 7,388,385	\$ 6,612,796

See accompanying notes to the financial statements.

CASSIA COUNTY

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2011

Net Change in Fund Balances - Total Governmental Funds \$ (193,830)

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

Fixed asset additions	\$ 977,304	
Depreciation expense	<u>(235,868)</u>	
		741,436

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

Difference in gain or loss on sale of capital assets		6,338
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Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues in the governmental funds.

	3,310
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The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Repayment of loan principal	23,618
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In the statement of activities, interest is accrued on outstanding debt, whereas in government funds, interest is expensed when due.

	<u>989</u>
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Change in Net Assets of Governmental Activities

	<u>\$ 581,861</u>
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See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2011

	Original Budget	Final Budget	2011 Actual	Variance with Final Budget: Favorable (Unfavorable)	2010 Actual
Revenues:					
Taxes - property	\$ 861,477	\$ 861,477	\$ 877,297	\$ 15,820	\$ 867,669
Taxes - sales and other	337,800	337,800	356,379	18,579	348,133
Fees and fines	467,886	467,886	423,632	(44,254)	527,401
Intergovernmental	-	-	-	-	2,000
Interest	200,000	200,000	173,819	(26,181)	174,575
Grants and miscellaneous	4,200	4,200	9,870	5,670	21,896
Total revenues	1,871,363	1,871,363	1,840,997	(30,366)	1,941,674
Expenditures:					
General government:					
Commissioners	111,750	111,750	108,268	3,482	105,808
Auditor	196,700	196,700	182,633	14,067	171,074
Treasurer	170,120	170,120	164,956	5,164	162,335
Assessor	353,580	353,580	342,824	10,756	346,729
Ag. extension	174,850	174,850	173,161	1,689	170,720
Buildings	265,200	265,200	166,221	98,979	209,385
Board of health	102,000	102,000	101,406	594	100,926
Planning and zoning	270,580	270,580	223,622	46,958	213,387
General	516,000	516,000	316,708	199,292	368,631
Civil defense	20,380	20,380	12,897	7,483	9,772
Elections	98,100	98,100	47,411	50,689	-
County Administration	292,380	292,380	257,228	35,152	259,724
Veterans officer	7,139	7,139	6,673	466	6,912
Total expenditures	2,578,779	2,578,779	2,104,008	474,771	2,125,403
Excess of rev over(under) expend	(707,416)	(707,416)	(263,011)	444,405	(183,729)
Other financing sources (uses):					
Transfers in	200,000	200,000	283,810	83,810	775,000
Transfers out	(30,000)	(30,000)	(30,000)	-	(11,363)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	170,000	170,000	253,810	83,810	-
Net change in fund balances	(537,416)	(537,416)	(9,201)	528,215	579,908
Fund balance - beginning	1,146,168	1,146,168	1,146,168	-	566,260
Fund balance - ending	\$ 608,752	\$ 608,752	\$ 1,136,967	\$ 528,215	\$ 1,146,168

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Jail Trust - Special Revenue Fund
Year Ended September 30, 2011

	Original Budget	Final Budget	2011 Actual	Variance with Final Budget: Favorable (Unfavorable)	2010 Actual
Revenues:					
Taxes - property	-	-	\$ -	\$ -	\$ -
Taxes - sales and other	-	-	-	-	-
Fees and fines	811,900	811,900	801,527	(10,373)	803,525
Intergovernmental	690,694	690,694	690,694	-	682,440
Grants and miscellaneous	30,000	30,000	35,127	5,127	11,675
Total revenues	1,532,594	1,532,594	1,527,348	(5,246)	1,497,640
Expenditures:					
Public safety:					
Miscellaneous	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of rev over(under) expend	1,532,594	1,532,594	1,527,348	(5,246)	1,497,640
Other financing sources (uses):					
Transfers in	1,231,755	1,231,755	1,203,536	(28,219)	956,075
Transfers out	(2,622,406)	(2,622,406)	(2,534,878)	87,528	(2,512,157)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	(1,390,651)	(1,390,651)	(1,331,342)	59,309	(1,556,082)
Net change in fund balances	141,943	141,943	196,006	54,063	(58,442)
Fund balance - beginning	150,016	150,016	150,016	-	208,458
Fund balance - ending	\$ 291,959	\$ 291,959	\$ 346,022	\$ 54,063	\$ 150,016

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Solid Waste - Special Revenue Fund
Year Ended September 30, 2011

	Original Budget	Final Budget	2011 Actual	Variance with Final Budget: Favorable (Unfavorable)	2010 Actual
Revenues:					
Taxes/use fees	\$ 602,100	\$ 602,100	\$ 593,120	\$ (8,980)	\$ 597,837
Miscellaneous	-	-	169,273	169,273	91,000
Total revenues	602,100	602,100	762,393	160,293	688,837
Expenditures:					
Landfill costs	683,878	683,878	677,815	6,063	675,994
Risk Management & Insurance	5,000	5,000	-	5,000	-
Remote Site Collection	5,000	5,000	-	5,000	-
Total expenditures	693,878	693,878	677,815	16,063	675,994
Excess of rev over(under) expend	(91,778)	(91,778)	84,578	176,356	12,843
Other financing sources (uses):					
Transfers in	-	-	-	-	90,000
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	-	-	-	-	90,000
Net change in fund balances	(91,778)	(91,778)	84,578	176,356	102,843
Fund balance - beginning	476,959	476,959	476,959	-	374,116
Fund balance - ending	<u>\$ 385,181</u>	<u>\$ 385,181</u>	<u>\$ 561,537</u>	<u>\$ 176,356</u>	<u>\$ 476,959</u>

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Justice - Special Revenue Fund
Year Ended September 30, 2011

	Original Budget	Final Budget	2011 Actual	Variance with Final Budget: Favorable (Unfavorable)	2010 Actual
Revenues:					
Taxes - property	\$ 1,983,700	\$ 1,983,700	\$ 2,055,327	\$ 71,627	\$ 1,970,281
Taxes - sales and other	567,670	567,670	655,585	87,915	641,147
Fees and fines	203,250	203,250	218,917	15,667	201,266
Intergovernmental	1,780,148	1,780,148	1,779,943	(205)	1,741,486
Grants and miscellaneous	129,767	129,767	265,170	135,403	128,397
Total revenues	4,664,535	4,664,535	4,974,942	310,407	4,682,577
Expenditures:					
Public safety:					
District Court	498,880	498,880	451,641	47,239	451,853
Juvenile justice	105,000	181,900	181,893	7	99,205
Prosecuting attorney	449,320	449,320	419,155	30,165	390,186
Public defender	524,130	544,130	543,763	367	554,499
Coroner	33,130	35,230	34,674	556	29,230
Law buildings	36,000	36,000	26,856	9,144	34,118
Sheriff patrol	1,961,165	1,961,165	1,934,126	27,039	1,846,052
Investigations	442,750	442,750	410,865	31,885	351,558
Dispatch	388,300	391,800	391,755	45	361,780
Administration	545,100	545,100	660,332	(115,232)	544,937
Detention center	2,622,406	2,622,406	2,497,819	124,587	2,423,292
Juvenile center	411,600	411,600	411,600	-	302,100
Total expenditures	8,017,781	8,120,281	7,964,479	155,802	7,388,810
Excess of rev over(under) expend	(3,353,246)	(3,455,746)	(2,989,537)	466,209	(2,706,233)
Other financing sources (uses):					
Transfers in	4,572,406	4,572,406	4,522,428	(49,978)	3,659,287
Transfers out	(1,156,755)	(1,156,755)	(1,156,754)	1	(892,395)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	3,415,651	3,415,651	3,365,674	(49,977)	2,766,892
Net change in fund balances	62,405	(40,095)	376,137	416,232	60,659
Fund balance - beginning	655,878	655,878	655,878	-	595,219
Fund balance - ending	\$ 718,283	\$ 615,783	\$ 1,032,015	\$ 416,232	\$ 655,878

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
PILT - Expendable Trust Fund
Year Ended September 30, 2011

	Original Budget	Final Budget	2011 Actual	Variance with Final Budget: Favorable (Unfavorable)	2010 Actual
Revenues:					
Payment in lieu of taxes	\$ 1,848,170	\$ 1,848,170	\$ 1,899,214	\$ 51,044	\$ 1,875,681
Miscellaneous	-	-	-	-	-
Total revenues	1,848,170	1,848,170	1,899,214	51,044	1,875,681
Expenditures:					
Other public service	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of rev over(under) expend	1,848,170	1,848,170	1,899,214	51,044	1,875,681
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(2,635,000)	(2,635,000)	(2,635,000)	-	(2,865,010)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	(2,635,000)	(2,635,000)	(2,635,000)	-	(2,865,010)
Net change in fund balances	(786,830)	(786,830)	(735,786)	51,044	(989,329)
Fund balance - beginning	1,034,339	1,034,339	1,034,339	-	2,023,668
Fund balance - ending	\$ 247,509	\$ 247,509	\$ 298,553	\$ 51,044	\$ 1,034,339

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Fiduciary Net Assets
Agency Funds
September 30, 2011

	Total Agency Funds
ASSETS	
Cash and Investments	\$ 283,701
Other Assets	-
Total assets	<u>283,701</u>
LIABILITIES	
Vouchers Payable and Accrued Liabilities	285,256
Deferred Revenue	-
Total liabilities	<u>285,256</u>
NET ASSETS	
Held in Trust	<u>(1,555)</u>
Total Net Assets	<u>\$ (1,555)</u>

See accompanying notes to the financial statements.

CASSIA COUNTY

Notes to Financial Statements
September 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Government-Wide Financial Statements

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

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

C. Fund Financial Statements

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

CASSIA COUNTY

Notes to Financial Statements September 30, 2011

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

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

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

The County reports the following major governmental funds:

General Fund (Current Expense Fund)

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

Jail Trust

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

Solid Waste Fund

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

Justice Fund

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

Payment in Lieu of Taxes Fund (PILT)

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

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

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

CASSIA COUNTY

Notes to Financial Statements September 30, 2011

E. Deposits and Investments

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County has no deposit policy for custodial credit risk. At year end, \$3,376,051 of the County's bank balance, including amounts held in agency funds, was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg Maturity (years)</u>
Idaho State Local Government Investment Pool	\$ 106,158	1.8
Federal Government Agency Bonds	<u>3,287,904</u>	8.2
Total Fair Value	\$ 3,394,062	

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

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

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

F. Inventory

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

G. Capital Assets

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

CASSIA COUNTY

Notes to Financial Statements September 30, 2011

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

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

H. Long-Term Liabilities

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

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

I. Budgets and Budgetary Accounting

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

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

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

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

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

CASSIA COUNTY

Notes to Financial Statements
September 30, 2011

K. Encumbrances

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

L. Use of Estimates

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

M. Application of Restricted or Unrestricted Resources

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

NOTE 2: PROPERTY TAXES

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

NOTE 3: CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance 9/30/10	Additions	Deletions	Balance 9/30/11
Governmental Activities				
Cost / Historical Value:				
Land (non-depreciable)	\$ 1,066,801	\$ 600,250	\$ -	\$ 1,667,051
Buildings	3,675,226	-	(4,261)	3,670,965
Improvements other than buildings	493,702	37,038	(2,553)	528,187
Construction in Process	-	-	-	-
Infrastructure assets	9,545,477	-	-	9,545,477
Equipment/Vehicles	3,223,340	340,016	(295,067)	3,268,289
Total	18,004,546	977,304	(301,881)	18,679,969
Accumulated Depreciation:				
Buildings	1,470,855	83,749	-	1,554,604
Improvements other than buildings	453,582	-	(13,152)	440,430
Infrastructure assets	9,335,930	31,655	-	9,367,585
Equipment/Vehicles	2,245,482	120,464	(295,067)	2,070,879
Total	13,505,849	235,868	(308,219)	13,433,498

CASSIA COUNTY

Notes to Financial Statements September 30, 2011

	Balance 9/30/10	Additions	Deletions	Balance 9/30/11
Net Book Value:				
Land (non-depreciable)	1,066,801	600,250	-	1,667,051
Buildings	2,204,371	(83,749)	(4,261)	2,116,361
Improvements other than buildings	40,120	37,038	10,599	87,757
Construction in Process	-	-	-	-
Infrastructure assets	209,547	(31,655)	-	177,892
Equipment/Vehicles	977,858	219,552	-	1,197,410
Total	\$ 4,498,697	\$ 741,436	\$ 6,338	\$ 5,246,471

Component Unit

Cost / Historical Value:

Land (non-depreciable)	\$ -	\$ -	\$ -	\$ -
Equipment/Vehicles	95,444	5,377	-	100,821
Total	95,444	5,377	-	100,821

Accumulated Depreciation:

Equipment/Vehicles	50,074	9,947	-	60,021
Total	50,074	9,947	-	60,021

Net Book Value:

Land (non-depreciable)	-	-	-	-
Equipment/Vehicles	45,370	(4,570)	-	40,800
Total	\$ 45,370	\$ (4,570)	\$ -	\$ 40,800

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

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

General Government	\$ 28,304
Highways and Roads	35,380
Public Safety	139,163
Other Public Service	21,228
Culture & Recreation	11,793
Total Governmental Activities Depreciation	\$ 235,868

NOTE 4: LONG-TERM DEBT

In 1995 the County agreed to pay the Southern Idaho Regional Solid Waste District for costs the District incurred to close the County's landfill. The costs, plus interest at 5.31%, were to be repaid over 18 years 6 months. The note is being serviced by the Solid Waste Special Revenue Fund.

The annual requirements to amortize this note are as follows:

CASSIA COUNTY

Notes to Financial Statements September 30, 2011

FYE Sept. 30:	Principal	Interest	Total
2012	24,872	3,397	28,269
2013	26,193	2,006	28,199
2014	27,584	2,006	29,590
2015	10,208	542	10,750
2016	-	-	-
Total	\$ 88,857	\$ 7,951	\$ 96,808

As of September 30, 2009, the note described above is the only long-term debt obligation of the County. The following is a summary of changes in long-term debt:

	Balance at 9/30/2010	Additions	Reductions	Balance at 9/30/2011
Landfill Closure Note	\$ 112,475	\$ -	\$ (23,618)	\$ 88,857
	\$ 112,475	\$ -	\$ (23,618)	\$ 88,857

NOTE 5: PENSION PLAN

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

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

The actuarially determined contribution requirements of the County and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended September 30, 2010, the required contribution rate as a percentage of covered payroll for members was 6.23% for general members and 7.65% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. The County's employer contributions required and paid were \$563,636, \$537,324 and \$532,599 for the three years ended September 30, 2011, 2010 and 2009 respectively.

NOTE 6: LITIGATION

There are currently several cases pending against Cassia County. All are either being defended by the County's liability carrier or the County. Any potential loss would be covered by the County's insurance carrier.

CASSIA COUNTY

Notes to Financial Statements
September 30, 2011

NOTE 7: RISK MANAGEMENT/INSURANCE COVERAGE

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

NOTE 8: FUND DEFICITS

As of September 30, 2011, no governmental or special revenue funds had a deficit balance.

NOTE 9: EXPENDITURES IN EXCESS OF BUDGET

During the year ended September 30, 2011, no funds had expenditures in excess of budget.

NOTE 10: CONTINGENT LIABILITIES / COMMITMENTS

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

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

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

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

NOTE 11: UNCOLLECTED RECEIVABLES

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

NOTE 12: SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 3, 2012, the audit report date.

CASSIA COUNTY

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2011

	Indigent	District Court	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	911 Commun.
ASSETS										
Cash and investments	\$ 453,034	\$ 317,249	\$ 80,673	\$ 315,666	\$ 92,174	\$ 32,892	\$ 1,454	\$ 72,026	\$ 147,656	\$ 594,097
Receivables:										
Taxes	20,796	4	-	7,369	6,374	4,767	443	10,086	7,168	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 473,830	\$ 317,253	\$ 80,673	\$ 323,035	\$ 98,548	\$ 37,659	\$ 1,897	\$ 82,112	\$ 154,824	\$ 594,097
LIABILITIES AND FUND EQUITY										
Liabilities:										
Vouchers payable	\$ 59,095	\$ 5,404	\$ 26,175	\$ 7,892	\$ 34,236	\$ -	\$ -	\$ -	\$ 1,085	\$ 5,917
Accrued liabilities	-	5,675	-	512	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Deferred revenue	19,265	4	-	6,811	5,904	4,412	414	9,340	6,636	-
Total liabilities	78,360	11,083	26,175	15,215	40,140	4,412	414	9,340	7,721	5,917
Fund Balance:										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	395,470	306,170	54,498	307,820	58,408	33,247	1,483	72,772	147,103	588,180
Total fund balances	395,470	306,170	54,498	307,820	58,408	33,247	1,483	72,772	147,103	588,180
Total liab. and fund bal.	\$ 473,830	\$ 317,253	\$ 80,673	\$ 323,035	\$ 98,548	\$ 37,659	\$ 1,897	\$ 82,112	\$ 154,824	\$ 594,097

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet
 Nonmajor Governmental Funds (continued, page 2 of 3)
 September 30, 2011

	County Elections	Boat License	Snow Mobile License	Drivers License	Police Reserve	Juvenile Justice	Court Interlock	EMS Fees	Narc. Seized Assets	Bond Int & Redempt.	Drug Task Force
ASSETS											
Cash and investments	\$ 24,180	\$ -	\$ 63,779	\$ 17,863	\$ -	\$ -	\$ 3,165	\$ 27,717	\$ 57,072	\$ -	\$ 97,981
Receivables:											
Taxes	-	-	-	-	-	-	-	-	-	12	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 24,180	\$ -	\$ 63,779	\$ 17,863	\$ -	\$ -	\$ 3,165	\$ 27,717	\$ 57,072	\$ 12	\$ 97,981
LIABILITIES AND FUND EQUITY											
Liabilities:											
Vouchers payable	\$ 3,297	\$ -	\$ 607	\$ 13,832	\$ -	\$ -	\$ -	\$ 6,500	\$ 134	\$ -	\$ 45
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	7	-
Total liabilities	3,297	-	607	13,832	-	-	-	6,500	134	7	45
Fund Balance:											
Reserved	-	-	-	-	-	-	-	-	-	5	-
Unreserved	20,883	-	63,172	4,031	-	-	3,165	21,217	56,938	-	97,936
Total fund balances	20,883	-	63,172	4,031	-	-	3,165	21,217	56,938	5	97,936
Total liab. and fund bal.	\$ 24,180	\$ -	\$ 63,779	\$ 17,863	\$ -	\$ -	\$ 3,165	\$ 27,717	\$ 57,072	\$ 12	\$ 97,981

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet
 Nonmajor Governmental Funds (continued, page 3 of 3)
 September 30, 2011

	DARE Trust	Court Facilities	Auction Excess	Physical Facilities	Jail Commissary	Law Enforcement	Cassia County Benefits	Adult Misdemeanor Probation	Widow's Benefit	Warrant Redemption	Total Nonmajor Governmental Funds
ASSETS											
Cash and investments	\$ 5,091	\$ 158,419	\$ 46,456	\$ 1,272,312	\$ -	\$ -	\$ 139,915	\$ 144,694	\$ 18,129	\$ 2,737	\$ 4,186,431
Receivables:											
Taxes	-	-	-	-	-	-	-	-	-	-	57,019
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 5,091	\$ 158,419	\$ 46,456	\$ 1,272,312	\$ -	\$ -	\$ 139,915	\$ 144,694	\$ 18,129	\$ 2,737	\$ 4,243,450
LIABILITIES AND FUND EQUITY											
Liabilities:											
Vouchers payable	\$ 302	\$ -	\$ -	\$ 998	\$ -	\$ -	\$ -	\$ 5,660	\$ -	\$ -	\$ 171,179
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	6,187
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	52,793
Total liabilities	302	-	-	998	-	-	-	5,660	-	-	230,159
Fund Balance:											
Reserved	-	-	46,456	-	-	-	-	-	-	-	46,461
Unreserved	4,789	158,419	-	1,271,314	-	-	139,915	139,034	18,129	2,737	3,966,830
Total fund balances	4,789	158,419	46,456	1,271,314	-	-	139,915	139,034	18,129	2,737	4,013,291
Total liab. and fund bal.	\$ 5,091	\$ 158,419	\$ 46,456	\$ 1,272,312	\$ -	\$ -	\$ 139,915	\$ 144,694	\$ 18,129	\$ 2,737	\$ 4,243,450

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Nonmajor Governmental Funds
 Year Ended September 30, 2011

	Indigent	District Court	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	911 Commun.
Revenues:										
Taxes - property	\$ 418,684	\$ 10	\$ 39,563	\$ 154,823	\$ 105,676	\$ 100,293	\$ 8,347	\$ 211,606	\$ 145,347	\$ -
Taxes - sales and other	70,506	-	8,553	23,678	21,797	15,660	1,635	33,592	23,752	-
Fees and fines	-	209,710	-	-	-	-	-	-	-	273,836
Intergovernmental	-	-	174,386	-	-	-	-	81,684	-	-
Interest	-	-	-	-	-	-	-	-	-	1,864
Grants and miscellaneous	246,999	5	24,581	113,651	-	-	-	-	998	-
Total revenues	736,189	209,725	247,083	292,152	127,473	115,953	9,982	326,882	170,097	275,700
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	-
Indigent Assistance	682,963	-	-	-	-	-	-	-	-	-
Highways and roads	-	-	335,760	-	-	-	-	-	-	-
Public safety	-	-	-	-	108,171	-	-	-	-	200,585
Other public service	-	250,234	-	234,780	-	-	-	327,900	214,357	-
Culture and recreation	-	-	-	-	-	49,628	12,500	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Total expenditures	682,963	250,234	335,760	234,780	108,171	49,628	12,500	327,900	214,357	200,585
Excess of revenues over (under) expenditures	53,226	(40,509)	(88,677)	57,372	19,302	66,325	(2,518)	(1,018)	(44,260)	75,115
Other financing sources (uses)										
Transfers in	70,000	-	90,000	60,000	-	27,000	-	28,000	65,000	-
Transfers out	-	-	-	-	-	(88,055)	-	-	-	(83,810)
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	70,000	-	90,000	60,000	-	(61,055)	-	28,000	65,000	(83,810)
Net change in fund balances	123,226	(40,509)	1,323	117,372	19,302	5,270	(2,518)	26,982	20,740	(8,695)
Fund balance - beginning	272,244	346,679	53,175	190,448	39,106	27,977	4,001	45,790	126,363	596,875
Fund balance - ending	\$ 395,470	\$ 306,170	\$ 54,498	\$ 307,820	\$ 58,408	\$ 33,247	\$ 1,483	\$ 72,772	\$ 147,103	\$ 588,180

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Nonmajor Governmental Funds (continued, page 2 of 3)
 Year Ended September 30, 2011

	County Elections	Boat License	Snow Mobile License	Drivers License	Police Reserve	Juvenile Justice	Court Interlock	EMS Fees	Narc. Seized Assets	Bond Int & Redempt.	Drug Task Force
Revenues:											
Taxes - property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	23	\$ -
Taxes - sales and other	-	-	-	-	-	-	-	-	-	-	-
Fees and fines	-	46,651	26,578	212,061	-	-	2,503	6,953	383	-	8,824
Intergovernmental	76,670	-	-	-	-	-	-	-	-	-	116
Interest	-	-	-	-	-	-	-	-	-	-	-
Grants and miscellaneous	-	30,626	-	-	-	-	-	-	-	-	6,282
Total revenues	76,670	77,277	26,578	212,061	-	-	2,503	6,953	383	23	15,222
Expenditures:											
General government	82,384	-	-	211,761	-	-	-	-	-	-	-
Indigent Assistance	-	-	-	-	-	-	-	-	-	-	-
Highways and roads	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	6,500	545	-	-	7,658
Other public service	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	39,728	22,777	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	82,384	39,728	22,777	211,761	-	-	6,500	545	-	-	7,658
Excess of revenues over (under) expenditures	(5,714)	37,549	3,801	300	-	-	2,503	453	(162)	23	7,564
Other financing sources (uses)											
Transfers in	30,000	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(37,549)	-	-	-	-	-	-	-	(23)	-
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	30,000	(37,549)	-	-	-	-	-	-	-	(23)	-
Net change in fund balances	24,286	-	3,801	300	-	-	2,503	453	(162)	-	7,564
Fund balance - beginning	(3,403)	-	59,371	3,731	-	-	662	20,764	57,100	5	90,372
Fund balance - ending	\$ 20,883	\$ -	\$ 63,172	\$ 4,031	\$ -	\$ -	\$ 3,165	\$ 21,217	\$ 56,938	\$ 5	\$ 97,936

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Nonmajor Governmental Funds (continued, page 3 of 3)
 Year Ended September 30, 2011

	DARE Trust	Court Facilities	Auction Excess	Physical Facilities	Jail Commissary	Law Enforcement	Cassia County Benefits	Adult Misdemeanor Probation	Widow's Benefit	Warrant Redemption	Total Nonmajor Governmental Funds
Revenues:											
Taxes - property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,184,372
Taxes - sales and other	-	-	-	-	-	-	-	-	-	-	199,173
Fees and fines	-	11,820	-	-	-	-	-	439,480	-	-	1,238,799
Intergovernmental	-	-	-	11,698	-	-	1,772,408	-	-	-	2,116,962
Interest	-	-	-	-	-	-	-	-	2,041	-	3,905
Grants and miscellaneous	2,939	-	46,456	44,488	46,759	-	-	21,108	53	-	584,945
Total revenues	2,939	11,820	46,456	56,186	46,759	-	1,772,408	460,588	2,094	-	5,328,156
Expenditures:											
General government	-	-	-	651,581	-	-	1,768,963	-	-	-	2,714,689
Indigent Assistance	-	-	-	-	-	-	-	-	-	-	682,963
Highways and roads	-	-	-	-	-	-	-	-	-	-	335,760
Public safety	3,592	-	-	-	-	-	-	479,614	-	-	806,665
Other public service	-	-	-	-	-	-	-	-	543	-	1,027,814
Culture and recreation	-	-	-	-	-	-	-	-	-	-	124,633
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	3,592	-	-	651,581	-	-	1,768,963	479,614	543	-	5,692,524
Excess of revenues over (under) expenditures	(653)	11,820	46,456	(595,395)	46,759	-	3,445	(19,026)	1,551	-	(364,368)
Other financing sources (uses)											
Transfers in	-	-	-	145,000	-	-	-	-	-	-	515,000
Transfers out	-	-	-	-	(46,759)	-	-	-	-	-	(256,196)
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	-	-	-	145,000	(46,759)	-	-	-	-	-	258,804
Net change in fund balances	(653)	11,820	46,456	(450,395)	-	-	3,445	(19,026)	1,551	-	(105,564)
Fund balance - beginning	5,442	146,599	-	1,721,709	-	-	136,470	158,060	16,578	2,737	4,118,855
Fund balance - ending	\$ 4,789	\$ 158,419	\$ 46,456	\$ 1,271,314	\$ -	\$ -	\$ 139,915	\$ 139,034	\$ 18,129	\$ 2,737	\$ 4,013,291

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Fiduciary Net Assets
 Agency Funds
 September 30, 2011

	Range Improv Fund	Assessor Trust Fund	State Fund	Water Districts Fund	Court Trust	Taxing Districts Fund	Court Bonds
ASSETS							
Cash and Investments	\$ -	\$ 189,952	\$ 35		\$ -	\$ -	\$ 22,732
Other Assets	-	-	-	-	-	-	-
Total assets	-	189,952	35	-	-	-	22,732
LIABILITIES							
Vouchers Payable	-	177,592	35	208	14	17,352	-
Accrued liabilities	-	11,969	-	-	557	-	9,962
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	-	189,561	35	208	571	17,352	9,962
NET ASSETS							
Held in Trust	-	391	-	(208)	(571)	(17,352)	12,770
Total Net Assets	\$ -	\$ 391	\$ -	\$ (208)	\$ (571)	\$ (17,352)	\$ 12,770

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Fiduciary Net Assets
 Agency Funds (continued, page 2 of 2)
 September 30, 2011

	Court Restitution	Judgments Trust	Box Elder Bookmobile	Sheriffs Account	Tax Collector Account	Total Agency Funds
ASSETS						
Cash and Investments	\$ 1,974	\$ -	\$ 14,875	\$ 5,414	\$ 48,719	\$ 283,701
Other Assets	-	-	-	-	-	-
Total assets	1,974	-	14,875	5,414	48,719	283,701
LIABILITIES						
Vouchers Payable	3,047	-	10,387	5,414	48,719	262,768
Accrued liabilities	-	-	-	-	-	22,488
Deferred Revenue	-	-	-	-	-	-
Total liabilities	3,047	-	10,387	5,414	48,719	285,256
NET ASSETS						
Held in Trust	(1,073)	-	4,488	-	-	(1,555)
Total Net Assets	\$ (1,073)	\$ -	\$ 4,488	\$ -	\$ -	\$ (1,555)

See accompanying notes to the financial statements.

Evans & Poulsen P.A.

Certified Public Accountants

Members of the American Institute of CPA's
and the Idaho Society of CPA's
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Cassia County, ID

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the discretely presented component unit of Cassia County (the "County"), as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Evans & Poulsen
EVANS & POULSEN, PA

February 21, 2012

Evans & Poulsen P.A.

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Edward G. Evans, CPA
Jeffrey D. Poulsen, CPA*

February 21, 2012

Board of Commissioners
Cassia County, Idaho

Dear Commissioners:

In planning and performing our audit of the financial statements of Cassia County, for the year ended September 30, 2011, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control of the county.

The following items of internal control were noted during our audit, and we have made the following recommendations to improve County controls with regards to these items:

Finding – Several in-kind grants had not been recorded in the County's financial records prior to the audit. This is a repeat finding.

Recommendation – We recommend that the County monitor throughout the year federal grants issued through the State using the State's website, and properly record and account for all such grants.

Finding – Some departments appear to consistently budget higher expenditures than necessary. This can result in higher than necessary tax assessments by the County. This is a repeat finding.

Recommendation – We recommend the County monitor proposed budgets and encourage those departments with excess budgeted expenditures to adjust the budget to amounts closer to actual expenditures.

Finding – During our audit we noted that adequate documentation related to the use of some grant funds received by the Jail was not maintained by the department head.

Recommendation – We recommend that the County maintain complete documentation of the use of all grant funds received.

Finding – Certain functions were identified in Adult Misdemeanor Probation and the Jail that can be handled more efficiently through minor modifications to the County software, training of employees on the functionality of the software, and minor changes to current procedures. This included scheduling and tracking probation appointments, tracking and billing inmate housing, and monitoring of outstanding receivables.

Recommendation – While the functions noted above are currently being addressed, the County should continue to evaluate how employees are handling functions throughout the various departments of the County to ensure unnecessary steps are eliminated and allow for the most efficient use of employee

time. Specifically, the process of billing and collection of inmate housing should be carefully evaluated to determine if it would be more efficient for the Clerk's office to handle the billing and collection once the inmate housing reports are generated by the jail.

Finding – It was noted during our audit that unauthorized medical services were provided to an inmate in at least one instance, and the expense had been erroneously approved for payment.

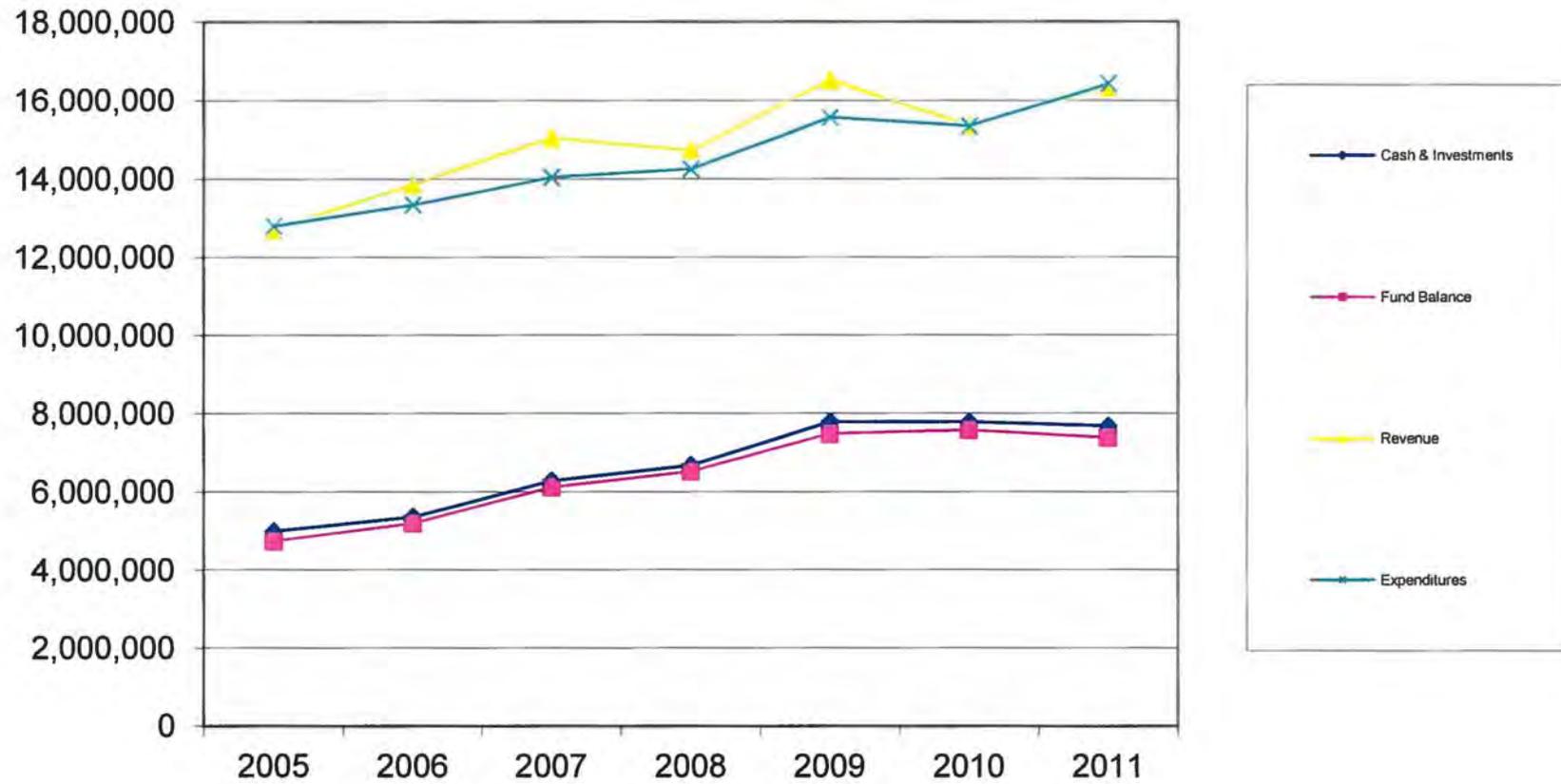
Recommendation – Controls over authorization and approval of inmate medical services, and payment of such services, should be carefully evaluated to ensure only properly authorized services are provided and paid for. This should include clearly communicating to medical service providers that authorization must be obtained, following County procedures, prior to providing any inmate medical services.

Finding – During our audit we noted that a commissioner had authorized his own expense reimbursement request.

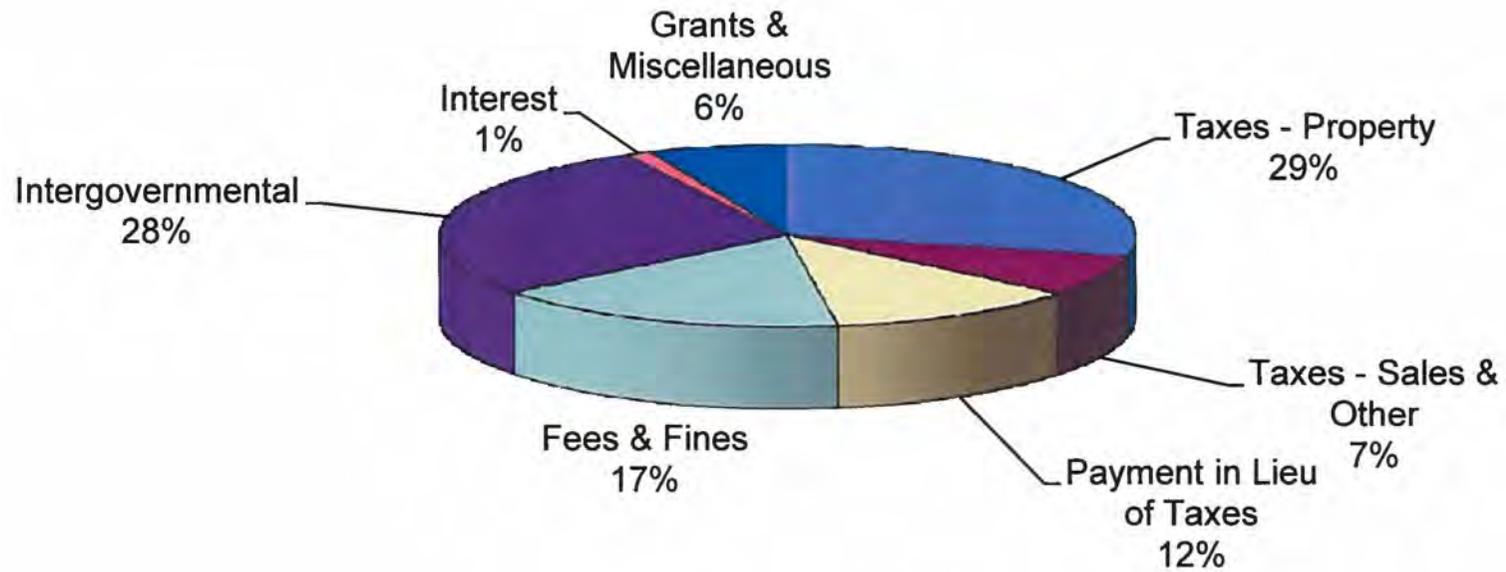
Recommendation – Commissioners should avoid authorizing their own reimbursement requests whenever possible.

Evans & Poulsen
Evans & Poulsen CPA's

CASSIA COUNTY GOVERNMENTAL FUNDS



**CASSIA COUNTY REVENUES FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 2011**



**CASSIA COUNTY EXPENDITURES FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 2011**

