

CASSIA COUNTY

BASIC FINANCIAL STATEMENTS
With Supplemental Information

September 30, 2009



CASSIA COUNTY
BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2009
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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

April 27, 2010

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, 2009, 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.

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 statements prior to the audit.

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 are necessary. This can result in higher than necessary tax assessments by the County. This is a repeat finding.

Recommendation - We recommend that the County monitor proposed budgets and encourage those departments with excess budgeted expenditures to adjust the budget to amounts more in line with actual expenditures.

Finding - The internal audits require a written response from the department heads regarding findings and recommendations. Although more departments responded to the most recent audits, some departments are not complying with this requirement. This is a repeat finding.

Recommendation - We recommend that the County remind all department heads of this requirement and ensure all internal audits receive a written response. We also recommend that the Commissioners review all responses and approve the resolution of all internal audit findings and recommendations.

Finding - During our audit we noted that the bank deposit and investment accounts were not always reconciled in a timely manner. This is a repeat finding.

Recommendation - We recommend that all bank deposit and investment accounts be reconciled on a monthly basis to ensure timely recording of all cash transactions.



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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Cassia County, Idaho

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cassia County, Idaho (the "County"), as of and for the fiscal year ended September 30, 2009, 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 2008 financial statements and, in our report dated January 29, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information. 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 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cassia County as of September 30, 2009, and the respective changes in financial position 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 April 27, 2010, 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 the 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.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, and combining and individual nonmajor fund financial statements 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 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

April 27, 2010

Management Discussion and Analysis
Cassia County
For Year Ended September 30, 2009

The discussion and analysis of the Cassia County Government Services financial performance provides an overview of the County's financial activities for the fiscal year, October 1, 2008 through September 30, 2009. 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: Cassia County is a political subdivision of the State of Idaho, though it is not a part of State Government. The Board of County Commissioners, consisting of three elected commissioners, serves as the governing body for Cassia County, carrying out local legislative duties and fulfilling other obligations as the chief executives of the County. The Board is responsible for setting general policy for Cassia County, and has primary authority to establish terms and conditions of employment with Cassia County. The Board also appoints personnel to help carry out its administrative responsibilities.

Six other Cassia County officials are elected by the County's voters to carry out specific public responsibilities. These elected officials include: Clerk/Auditor (maintains fiscal accounts, Budget Officer, Recorder, Clerk of the District Court, Elections Officer, and Clerk of the Board of Commissioners); Assessor (determines property values, administers property taxation system and issues vehicle registrations); Treasurer (tax collector, ex-officio public administrator); Prosecuting Attorney (prosecutes crimes and provides legal counsel to the county government); Sheriff (law enforcement); Coroner (determines causes of death).

Goal: It is by using the combined best efforts of each elected official, each department head and every employee to provide the best possible service to every member of the public, in a courteous, equitable, efficient, effective way. 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, fines, to be used in the most effective way to help pay for the cost of all services. The County is accountable to the tax payers 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 challenged by an economy that is experiencing a national recession, national interest rate declines, increased credit card interest rates, slowdown in employment levels, State and Federal funding hold backs, legislative exemptions, federal funded hold backs to local programs, increased medical premium costs, increased property insurance rates, increased indigent medical costs and unfunded mandates.

Economic Conditions and Outlook: Cassia County, primarily an agricultural, livestock and residential area, is located in South Central Idaho. The agricultural and livestock industries comprise the main industrial base in the County, which is the largest in the State of Idaho, with retail and service industries as important secondary sources of employment and tax revenue.

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 are Federal payments made to Cassia County for loss in property tax revenues, caused by legislative actions which reduces or exempts Bureau of Land Management property from taxation.

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

Fund Financial statements: Funds are accounting devices that 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 focused on its most significant or "major" funds and not on the County as a whole.

County Funds:

The Taxing Funds listed here have their own levy limits within the overall County budget, which are set by the State Legislature. Although they are all contained in the County Budget, they cannot be intermingled. The levy funds come from property tax revenues. The Major Funds listed show the 2009 County Tax Levy Per \$1.00 of Assessed Market Value.

Taxing Funds
Current Expense: .125888
Fair: .022216
Justice: .587975
District Court: .000000
Ambulance: .044431
Indigent: .099230
Community College: .044431
Revaluation: .035841
Weed & Pest: .038507
Historical Society: .001481
Tort: No Limit
Total: 1.000000

2009 Levy Rate = .003213722

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

These are all revenue funds
 or they collect fees for their
 funding. They do not affect the
 property taxes.

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 effected by the County's governing board, elected officials, department heads, and staff, designed to provide reasonable assurance, not absolute, regarding the achievements of objectives in the following categories: 1) the effectiveness and efficiency of operations, 2) reliability of financial reporting; and 3) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that; (1) - the cost of control should not exceed the benefit likely to be derived; and (2) - the evaluation of costs and benefits requires 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. 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 and with generally accepted accounting principles 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 Fund and Justice Fund.

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

Remaining Cash Balance:

	<u>Current Expense</u>	<u>Justice</u>
FY Ending 9-30-08	\$916,797	\$881,840
FY Ending 9-30-09	<u>\$566,260</u>	<u>\$595,219</u>
Change in Funds:	<\$350,537>	\$<286,621>

The cash balance in Current Expense show a decrease of 38%

The cash balance in Justice shows a decrease of 33%.

This gives an indication that the measures imposed in Fiscal Year 2008-2009 by management had a positive impact on the Current Expense Fund. However, it should be noted that the actual dollar amount decrease in the Current Expense Fund was the result of proper management of department budgets despite the receipt of unanticipated revenues and unspent budgeted amounts. During the years, the Justice Fund has steadily decreased, largely due to Court costs, an increase in the numbers of felonies committed and an increase in the Detention Center population. The Detention Center population expansion will continue to place a burden on the Justice Fund until such time as the "drug epidemic" can be brought under control by the Law Enforcement Department, or unless the "paying" customer numbers continue to increase. It is important to note that the Jail Bond payments were completed in 2006, but maintenance costs for the Detention Center continue to increase.

The analysis is that the expenditures in the Current Expense Fund and the Justice Fund have increased dramatically. This is reflective on the increase in costs to provide normal, basic services to the citizens of Cassia County. This also shows the increase in costs to the County due to an increase in felonies, which results in increased Court costs and the costs to the Detention Center attributed to a higher prison population. It is the feeling of the Budget Officer that by observing and continuing the existing purchasing protocols, the County can reduce expenditures to more closely remain within projected revenue balances. The fund Balances for the Current Expense Fund and the Justice Fund are projected to remain about the same at the end of FY2010.

The expenditures for Indigent Medical costs are continuing to increase at a unacceptable rate. At this time, the Budgeted amount should be sufficient for FY2010. Collection efforts through Advanced Collections Technologies in Twin Falls have increased, but at this time are having minimal positive effects. A collection letter signed by the County Attorney and the efforts of the County Welfare Director have been very effective in increasing the repayment of monies owed the County for indigent assistance.

My observation is that the County Commissioners are taking some necessary steps to improve the fund balances of the county, however, this should be viewed as a starting point and that these measures should be continued and even expanded, to insure deliverance of county required services.

Having a healthy fund balance gives the Commissioners the opportunity to address projects that occur during the year that were not anticipated at the time the budget was set. The receipt of fully funded PILT was a tremendous boost to the fund balances and will allow response to emergencies that may occur. Not having a healthy fund balance puts the county at risk in making budget adjustments during the year. However, with the current fund balance concerns, the Commissioners will need to make a concentrated effort to set the budget and hold to that 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. The employee increases are based on equality and Department Head evaluation. For fiscal year 2009, the Commissioners did not approve a salary increase for each County Employee; the Elected Officials and the Department Heads also did not receive a salary increase. The County has an excellent medical and other benefits plan to assist with the compensation for the employees. In fiscal year ending September 30, 2009, the major medical premiums had a very minimal increase because of employee awareness of medical expenditures. In future budget years the county will need to analyze the projected increase in expenditures to projected revenues, increases or decreases. Personnel costs continue to challenge management to remain competitive in salaries, and at the same time, be good stewards of county tax dollars. It is the opinion of the Budget Officer that salaries will need to continue to be increased during Fiscal Years 2010/2011, to successfully retain the current County employees, as they are well-trained, contributing members of the County Departments. With the new businesses moving into the area, that are offering higher pay with benefits than the County can offer, Cassia County could possibly lose some extremely valuable employees.

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 years non-exempt tax levy; plus value of property newly annexed in the previous year times the previous years 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.

The County functioned very much in 2009 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 dramatically improved the overall financial status of Cassia County. A focus for FY 2010 will be to improve our inventory procedures and reporting in a timely manner, especially with receiving the

written response regarding the internal audit, from the Department Heads. Cassia County has purchasing procedures which work very well; however, it will be a goal to put inventory procedures in a more inflexible reporting mode so that we can show a more accurate record of our inventory for each department. We currently have an inventory listing which is updated throughout the year. Each Department Head conducts an annual inventory of the department property and returns the completed inventory listing, including any changes to the listing, to the Auditor's Office. We also have an inventory update sheet which is used for additions, deletions, retired and moved inventory items. These inventory lists and update sheets are kept on as a permanent record of County property and expenditures for County property. It is in the best interest of the County to continue to supplement this record annually. This is adequate to meet the requirements of GASB-34 and procedures are, and will continue to be implemented, to make this a better process.

The Commissioners, related to financial issues for the future, will be looking at providing superior service to the public, providing employee retention incentives, continuing to evaluate and act upon courthouse security measures for both employees and patrons. Other major issues are the further development of our GIS system and the County E-911 telephone system. A major concern still facing the Commissioners in Year 2010 is the expense of the Indigent Medical Assistance and the Non-Medical Assistance programs, and the manner in which they will be funded. The Indigent Programs will definitely have a negative impact on existing County department budgets. Through changes in the State Statutes, 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 for undocumented aliens, the County does not have to pay for any medical bills, except those that were incurred because of emergent issues. Agreements between the hospital and the county, which could be negotiated, can help to alleviate the expenses suffered by the hospital.

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. There were about ? appeals heard by the Board of Commissioners 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 potential legislation during the 2010 State legislative session.

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 County Clerk, Dee Yeaman, at the Cassia County Courthouse Auditor's Office, 1459 Overland Avenue, Burley, Idaho, 83318, by phone at 208 878-5231 or by email at yeaman@cassiacounty.org

BASIC FINANCIAL STATEMENTS

CASSIA COUNTY

Statement of Net Assets September 30, 2009

	<u>Primary Government</u>		<u>Component Unit</u>	
	<u>Governmental Activities</u>		<u>Fair Board</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
ASSETS				
Cash and Investments	\$ 7,795,614	\$ 6,678,904	\$ 111,772	\$ 125,271
Receivables:				
Taxes	207,243	156,150	-	-
Other	2,000	2,000	-	-
Prepaid Expenses	63,756	72,254	-	-
Due From Other Governments	-	-	-	-
Inventory - Note 1	-	-	-	-
Restricted Assets:				
Cash	-	-	-	-
Taxes Receivable	-	-	-	-
Capital Assets - Note 3:				
Land	1,066,801	1,066,801	-	-
Other Capital Assets, Net of Depreciation	3,562,610	3,471,701	51,579	57,668
Other Assets	-	-	-	-
Total assets	<u>12,698,024</u>	<u>11,447,810</u>	<u>163,351</u>	<u>182,939</u>
LIABILITIES				
Vouchers Payable and Accrued Liabilities	391,453	246,849	-	-
Deferred Revenue	-	-	-	-
Interest Payable	2,398	2,772	-	-
Long-Term Liabilities - Note 4:				
Due Within One Year	22,427	21,296	-	-
Due in More Than One Year	112,475	134,902	-	-
Total liabilities	<u>528,753</u>	<u>405,819</u>	<u>-</u>	<u>-</u>
NET ASSETS				
Invested in Capital Assets, net of related debt	4,494,509	4,382,304	51,579	57,668
Restricted for:				
Debt Service	-	-	-	-
Unrestricted	<u>7,674,762</u>	<u>6,659,687</u>	<u>111,772</u>	<u>125,271</u>
Total Net Assets	<u>\$ 12,169,271</u>	<u>\$ 11,041,991</u>	<u>\$ 163,351</u>	<u>\$ 182,939</u>

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Activities For the Year Ended September 30, 2009

Functions / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Charges for		Operating	Capital	Primary Government		Component Unit	
	Expenses	Services	Grants and Contributions	Grants and Contributions	2009	2008	2009	2008
Governmental Activities:								
General Government	\$ 4,147,303	\$ 361,366	\$ -	\$ 43,166	\$ (3,742,771)	\$ (1,818,237)		
Indigent Assistance	621,045	250,306	-	-	(370,739)	(479,107)		
Highways and Roads	423,554	83,176	-	-	(340,378)	(371,186)		
Public Safety	8,577,907	4,146,869	152,330	106,641	(4,172,067)	(4,207,395)		
Other Public Service	1,447,102	596,323	-	-	(850,779)	(654,850)		
Culture and Recreation	135,281	66,001	13,967	-	(55,313)	(63,895)		
Interest	378	-	-	-	(378)	(7,387)		
Total Governmental Activities	\$ 15,352,570	\$ 5,504,041	\$ 166,297	\$ 149,807	(9,532,425)	(7,602,057)		
Component Unit:								
Cassia County Fair & Rodeo	\$ 302,909	\$ 198,782	\$ -	\$ -			\$ (104,127)	\$ (76,077)
General Revenues								
Property Taxes Levied for:								
General Purposes					1,177,441	1,088,777	-	-
Indigent Assistance					349,993	264,918	-	-
Highways and Roads					36,043	33,906	-	-
Public Safety					2,277,687	2,085,655	-	-
Bond Interest & Redemption					348	433	-	-
In Lieu of Taxes					2,464,043	1,093,372	-	-
Sales & Other Taxes					1,543,535	1,653,231	-	-
Investment Earnings					322,786	227,950	1,539	2,373
Miscellaneous					2,588,236	1,613,860	-	-
Gain/(Loss) on Sale of Capital Assets					(17,407)	1,269	-	(6,660)
Transfers					(83,000)	(80,000)	83,000	80,000
Total General Revenues and Transfers					10,659,705	7,983,371	84,539	75,713
Change in Net Assets					1,127,280	381,314	(19,588)	(364)
Net Assets Beginning of Year					11,041,991	10,660,677	182,939	183,303
Net Assets End of Year					\$ 12,169,271	\$ 11,041,991	\$ 163,351	\$ 182,939

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet
Governmental Funds
September 30, 2009

	General Fund	Jail Trust	Solid Waste	Justice	PILT	Nonmajor Governmental Funds	Total Govt Funds 2009	Total Govt Funds 2008
ASSETS								
Cash and investments	\$ 538,276	\$ 208,468	\$ 369,762	\$ 780,461	\$ 2,023,668	\$ 3,874,979	\$ 7,795,614	\$ 6,678,904
Receivables:								
Taxes	24,616	-	39,623	98,699	-	44,305	207,243	156,150
Other	65,756	-	-	-	-	-	65,756	177,254
Due from other governments	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ 628,648	\$ 208,468	\$ 409,385	\$ 879,160	\$ 2,023,668	\$ 3,919,284	\$ 8,068,613	\$ 7,012,308

LIABILITIES AND FUND EQUITY

Liabilities:								
Vouchers payable	\$ 30,215	\$ 10	\$ -	\$ 195,578	\$ -	\$ 128,869	\$ 354,672	\$ 235,794
Accrued liabilities	10,367	-	-	-	-	26,414	36,781	11,055
Due to other funds	-	-	-	-	-	-	-	103,000
Deferred revenue	21,806	-	35,269	88,363	-	39,683	185,121	139,839
Total liabilities	62,388	10	35,269	283,941	-	194,966	576,574	489,688
Fund Balance:								
Reserved - Debt service	-	-	-	-	-	7	7	156
Unreserved								
General	566,260	-	-	-	-	-	566,260	916,797
Special revenue	-	208,458	374,116	595,219	2,023,668	3,724,311	6,925,772	5,605,667
Total fund balances	566,260	208,458	374,116	595,219	2,023,668	3,724,318	7,492,039	6,522,620
Total liabilities and fund balances	\$ 628,648	\$ 208,468	\$ 409,385	\$ 879,160	\$ 2,023,668	\$ 3,919,284	\$ 8,068,613	\$ 7,012,308

See accompanying notes to the financial statements.

CASSIA COUNTY

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities September 30, 2009

Total Governmental Fund Balances	\$ 7,492,039
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.	4,629,411
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	185,121
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	(134,902)
Accrued Interest Payable	<u>(2,398)</u>
Net Assets of Governmental Activities	<u>\$ 12,169,271</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, 2009

	General Fund	Jail Trust	Solid Waste	Justice	PILT	Other Governmental Funds	Total Govt Funds 2009	Total Govt Funds 2008
Revenues:								
Taxes - property	\$ 653,898	\$ -	\$ -	\$ 2,058,057	\$ -	\$ 1,031,650	\$ 3,743,605	\$ 3,494,739
Taxes - sales and other	336,366	-	-	707,339	-	190,887	1,234,592	1,350,531
Payment in lieu of taxes	-	-	-	-	2,464,043	-	2,464,043	1,093,372
Fees and fines	354,200	1,064,451	551,028	210,626	-	1,210,047	3,390,352	3,363,174
Intergovernmental	4,000	603,727	-	1,761,932	-	1,939,891	4,309,550	3,843,522
Interest	302,543	-	-	-	-	20,243	322,786	227,950
Grants and miscellaneous	89,516	9,654	45,293	200,169	-	724,663	1,069,295	1,359,733
Total revenues	1,740,523	1,677,832	596,321	4,938,123	2,464,043	5,117,381	16,534,223	14,733,021
Expenditures:								
General government	2,254,870	-	-	-	-	1,859,602	4,114,472	3,749,067
Indigent Assistance	-	-	-	-	-	621,045	621,045	727,253
Highways and roads	-	-	-	-	-	383,430	383,430	358,882
Public safety	-	-	-	7,687,337	-	1,057,554	8,744,891	7,790,232
Other public service	-	-	668,558	-	-	827,687	1,496,245	1,477,137
Culture and recreation	-	-	-	-	-	204,721	204,721	155,772
Debt Service	-	-	-	-	-	-	-	-
Total expenditures	2,254,870	-	668,558	7,687,337	-	4,954,039	15,564,804	14,258,343
Excess of rev over(under) expend	(514,347)	1,677,832	(72,237)	(2,749,214)	2,464,043	163,342	969,419	474,678
Other financing sources (uses)								
Transfers in	163,810	800,553	-	3,176,897	-	443,000	4,584,260	5,891,832
Transfers out	-	(2,495,946)	-	(714,304)	(1,183,000)	(191,010)	(4,584,260)	(5,971,832)
Sale of capital assets	-	-	-	-	-	-	-	-
Total other fin sources(uses)	163,810	(1,695,393)	-	2,462,593	(1,183,000)	251,990	(0)	(80,000)
Net change in fund balances	(350,537)	(17,561)	(72,237)	(286,621)	1,281,043	415,332	969,419	394,678
Fund balance - beginning	916,797	226,019	446,353	881,840	742,625	3,308,986	6,522,620	6,127,942
Fund balance - ending	\$ 566,260	\$ 208,458	\$ 374,116	\$ 595,219	\$ 2,023,668	\$ 3,724,318	\$ 7,492,039	\$ 6,522,620

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, 2009

Net Change in Fund Balances - Total Governmental Funds \$ 969,419

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	\$ 569,850	
Depreciation expense	<u>(461,534)</u>	
		108,316

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 (17,407)

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.

45,279

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 21,296

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

378

Change in Net Assets of Governmental Activities

\$ 1,127,280

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, 2009

	Original Budget	Final Budget	2009 Actual	Variance with Final Budget: Favorable (Unfavorable)	2008 Actual
Revenues:					
Taxes - property	\$ 631,477	\$ 631,477	\$ 653,898	\$ 22,421	\$ 721,459
Taxes - sales and other	358,000	358,000	336,366	(21,634)	379,442
Fees and fines	386,360	386,360	354,200	(32,160)	413,966
Intergovernmental	15,000	15,000	4,000	(11,000)	8,000
Interest	350,000	350,000	302,543	(47,457)	178,823
Grants and miscellaneous	131,129	131,129	89,516	(41,613)	162,417
Total revenues	1,871,966	1,871,966	1,740,523	(131,443)	1,864,107
Expenditures:					
General government:					
Commissioners	113,470	113,470	107,691	5,779	97,395
Auditor	201,930	201,930	177,108	24,822	159,638
Treasurer	172,870	172,870	160,278	12,592	159,569
Assessor	360,350	360,350	340,792	19,558	319,080
Ag. extension	175,750	193,750	189,497	4,253	156,628
Buildings	272,730	272,730	188,445	84,285	201,254
County Annex	-	-	-	-	6,854
Board of health	100,100	100,100	100,089	11	99,122
Planning and zoning	314,320	314,320	242,890	71,430	196,246
General	546,000	546,000	365,703	180,297	346,344
Civil defense	20,410	20,410	63,065	(42,655)	42,593
Elections	74,310	74,310	60,267	14,043	116,513
County Administration	218,220	302,030	252,292	49,738	161,369
Veterans officer	6,950	6,950	6,753	197	6,311
Total expenditures	2,577,410	2,679,220	2,254,870	424,350	2,068,916
Excess of rev over(under) expend	(705,444)	(807,254)	(514,347)	292,907	(204,809)
Other financing sources (uses):					
Transfers in	80,000	80,000	163,810	83,810	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	80,000	80,000	163,810	83,810	-
Net change in fund balances	(625,444)	(727,254)	(350,537)	376,717	(204,809)
Fund balance - beginning	916,797	916,797	916,797	-	1,121,606
Fund balance - ending	\$ 291,353	\$ 189,543	\$ 566,260	\$ 376,717	\$ 916,797

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, 2009

	Original Budget	Final Budget	2009 Actual	Variance with Final Budget: Favorable (Unfavorable)	2008 Actual
Revenues:					
Taxes - property	-	-	\$ -	\$ -	\$ -
Taxes - sales and other	-	-	-	-	-
Fees and fines	1,250,000	1,250,000	1,064,451	(185,549)	1,202,230
Intergovernmental	603,727	603,727	603,727	-	469,909
Miscellaneous	-	-	9,654	9,654	51,865
Total revenues	1,853,727	1,853,727	1,677,832	(175,895)	1,724,004
Expenditures:					
Public safety:					
Miscellaneous	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of rev over(under) expend	1,853,727	1,853,727	1,677,832	(175,895)	1,724,004
Other financing sources (uses):					
Transfers in	794,304	794,304	800,553	6,249	1,517,236
Transfers out	(2,788,031)	(2,788,031)	(2,495,946)	292,085	(3,424,456)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	(1,993,727)	(1,993,727)	(1,695,393)	298,334	(1,907,220)
Net change in fund balances	(140,000)	(140,000)	(17,561)	122,439	(183,216)
Fund balance - beginning	226,019	226,019	226,019	-	409,235
Fund balance - ending	\$ 86,019	\$ 86,019	\$ 208,458	\$ 122,439	\$ 226,019

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, 2009

	Original Budget	Final Budget	2009 Actual	Variance with Final Budget: Favorable (Unfavorable)	2008 Actual
Revenues:					
Taxes/use fees	\$ 550,000	\$ 550,000	\$ 551,028	\$ 1,028	\$ 554,400
Miscellaneous	34,600	34,600	45,293	10,693	28,343
Total revenues	584,600	584,600	596,321	11,721	582,743
Expenditures:					
Landfill costs	668,558	668,558	668,558	-	628,548
Risk Management & Insurance	5,000	5,000	-	5,000	-
Remote Site Collection	5,000	5,000	-	5,000	-
Total expenditures	678,558	678,558	668,558	10,000	628,548
Excess of rev over(under) expend	(93,958)	(93,958)	(72,237)	21,721	(45,805)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	-	-	-	-	-
Net change in fund balances	(93,958)	(93,958)	(72,237)	21,721	(45,805)
Fund balance - beginning	446,353	446,353	446,353	-	492,158
Fund balance - ending	\$ 352,395	\$ 352,395	\$ 374,116	\$ 21,721	\$ 446,353

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, 2009

	Original Budget	Final Budget	2009 Actual	Variance with Final Budget: Favorable (Unfavorable)	2008 Actual
Revenues:					
Taxes - property	\$ 2,002,009	\$ 2,002,009	\$ 2,058,057	\$ 56,048	\$ 1,997,163
Taxes - sales and other	700,000	700,000	707,339	7,339	776,836
Fees and fines	160,400	160,400	210,626	50,226	199,156
Intergovernmental	1,806,861	1,806,861	1,761,932	(44,929)	1,769,642
Grants and miscellaneous	68,957	68,957	200,169	131,212	163,149
Total revenues	4,738,227	4,738,227	4,938,123	199,896	4,905,946
Expenditures:					
Public safety:					
District Court	528,480	528,480	491,177	37,303	433,915
Juvenile justice	319,451	319,451	164,308	155,143	210,751
Prosecuting attorney	422,210	422,210	386,658	35,552	371,411
Public defender	513,110	558,110	538,131	19,979	441,293
Coroner	33,380	33,380	27,928	5,452	23,047
Law buildings	33,400	33,400	30,370	3,030	28,429
Sheriff patrol	1,726,215	1,726,215	1,724,381	1,834	1,577,524
Investigations	396,120	396,120	374,345	21,775	337,367
Dispatch	358,280	358,280	341,430	16,850	316,878
Administration	612,170	612,170	631,832	(19,662)	567,703
Detention center	2,788,031	2,788,031	2,659,844	128,187	2,514,376
Juvenile center	316,932	316,932	316,933	(1)	290,524
Total expenditures	8,047,779	8,092,779	7,687,337	405,442	7,113,218
Excess of rev over(under) expend	(3,309,552)	(3,354,552)	(2,749,214)	605,338	(2,207,272)
Other financing sources (uses):					
Transfers in	3,448,031	3,448,031	3,176,897	(271,134)	4,024,456
Transfers out	(714,304)	(714,304)	(714,304)	-	(1,379,777)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	2,733,727	2,733,727	2,462,593	(271,134)	2,644,679
Net change in fund balances	(575,825)	(620,825)	(286,621)	334,204	437,407
Fund balance - beginning	881,840	881,840	881,840	-	444,433
Fund balance - ending	\$ 306,015	\$ 261,015	\$ 595,219	\$ 334,204	\$ 881,840

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, 2009

	Original Budget	Final Budget	2009 Actual	Variance with Final Budget: Favorable (Unfavorable)	2008 Actual
Revenues:					
Payment in lieu of taxes	\$ 1,091,117	\$ 1,091,117	\$ 2,464,043	\$ 1,372,926	\$ 1,093,372
Miscellaneous	-	-	-	-	-
Total revenues	1,091,117	1,091,117	2,464,043	1,372,926	1,093,372
Expenditures:					
Other public service	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of rev over(under) expend	1,091,117	1,091,117	2,464,043	1,372,926	1,093,372
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(1,080,000)	(1,080,000)	(1,183,000)	(103,000)	(805,000)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	(1,080,000)	(1,080,000)	(1,183,000)	(103,000)	(805,000)
Net change in fund balances	11,117	11,117	1,281,043	1,269,926	288,372
Fund balance - beginning	742,625	742,625	742,625	-	454,253
Fund balance - ending	\$ 753,742	\$ 753,742	\$ 2,023,668	\$ 1,269,926	\$ 742,625

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Fiduciary Net Assets Agency Funds September 30, 2009

	Total Agency Funds
ASSETS	
Cash and Investments	\$ 247,470
Other Assets	-
Total assets	247,470
LIABILITIES	
Vouchers Payable and Accrued Liabilities	242,224
Deferred Revenue	-
Total liabilities	242,224
NET ASSETS	
Held in Trust	5,246
Total Net Assets	\$ 5,246

See accompanying notes to the financial statements.

CASSIA COUNTY

Notes to Financial Statements
September 30, 2009

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

As required by generally accepted accounting principles, 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, 2009

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, 2009

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, \$3,100,209 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	\$ 55,861	0.14
Federal Government Agency Bonds	3,153,938	8.6
Total Fair Value	\$ 3,209,799	

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, 2009

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, 2009

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 9/30/08	Additions	Deletions	Balance 9/30/09
Governmental Activities				
Cost / Historical Value:				
Land (non-depreciable)	\$ 1,066,801	\$ -	\$ -	\$ 1,066,801
Buildings	3,609,932	65,294	-	3,675,226
Improvements other than buildings	488,360	54,528	(20,512)	522,376
Construction in Process	-	-	-	-
Infrastructure assets	9,491,979	53,498	-	9,545,477
Equipment/Vehicles	2,574,482	396,530	(94,885)	2,876,127
Total	17,231,554	569,850	(115,397)	17,686,007
Accumulated Depreciation:				
Buildings	1,300,510	85,341	-	1,385,851
Improvements other than buildings	354,380	49,822	(14,585)	389,617
Infrastructure assets	9,279,752	28,089	-	9,307,841
Equipment/Vehicles	1,758,410	298,282	(83,405)	1,973,287
Total	12,693,052	461,534	(97,990)	13,056,596

CASSIA COUNTY

Notes to Financial Statements September 30, 2009

	Balance 9/30/08	Additions	Deletions	Balance 9/30/09
Net Book Value:				
Land (non-depreciable)	1,066,801	-	-	1,066,801
Buildings	2,309,422	(20,047)	-	2,289,375
Improvements other than buildings	133,980	4,706	(5,927)	132,759
Construction in Process	-	-	-	-
Infrastructure assets	212,227	25,409	-	237,636
Equipment/Vehicles	816,072	98,248	(11,480)	902,840
Total	\$ 4,538,502	\$ 108,316	\$ (17,407)	\$ 4,629,411

Component Unit

Cost / Historical Value:

Land (non-depreciable)	\$ -	\$ -	\$ -	\$ -
Equipment/Vehicles	89,244	3,000	-	92,244
Total	89,244	3,000	-	92,244

Accumulated Depreciation:

Equipment/Vehicles	31,576	9,089	-	40,665
Total	31,576	9,089	-	40,665

Net Book Value:

Land (non-depreciable)	-	-	-	-
Equipment/Vehicles	57,668	(6,089)	-	51,579
Total	\$ 57,668	\$ (6,089)	\$ -	\$ 51,579

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	\$ 54,127
Highways and Roads	98,321
Public Safety	284,940
Other Public Service	10,586
Culture & Recreation	13,560
Total Governmental Activities Depreciation	\$ 461,534

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, 2009

FYE Sept. 30:	Principal	Interest	Total
2010	\$ 22,427	\$ 7,163	\$ 29,590
2011	23,618	5,972	29,590
2012	24,872	4,718	29,590
2013	26,193	3,397	29,590
2014	27,584	2,006	29,590
Thereafter	10,208	542	10,750
Total	<u>\$ 134,902</u>	<u>\$ 23,798</u>	<u>\$ 158,700</u>

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 9/30/2008	Additions	Reductions	Balance at 9/30/2009
Landfill Closure Note	\$ 156,198	\$ -	\$ (21,296)	\$ 134,902
	<u>\$ 156,198</u>	<u>\$ -</u>	<u>\$ (21,296)</u>	<u>\$ 134,902</u>

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, 2009, 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 \$539,352, \$493,144, and \$481,165 for the three years ended September 30, 2009, 2008, and 2007 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, 2009

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, 2009, the County had no funds with a deficit balance.

NOTE 9: EXPENDITURES IN EXCESS OF BUDGET

During the year ended September 30, 2009, 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 \$63,000 per year, its share of the costs as stated in the current agreement.

The County has entered into an agreement with a local dentist to provide dental services to inmates at the Mini-Cassia Criminal Justice Center. Under the terms of the agreement, the County is contingently liable for payments of \$3,800 per month. The contract is renewable annually but can be cancelled by either party with 30 days written notice.

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.

NOTE 11: UNCOLLECTED RECEIVABLES

The financial statements do not include an accrual for billed but uncollected amounts relating to inmate housing and indigent assistance. 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: INTERFUND LOAN

By resolution dated October 22, 2007, the Physical Facilities Fund loaned \$103,000 to the County Roads Fund to finance the purchase of a motor grader. During the fiscal year ended September 30, 2009, a transfer was made from the PILT Fund to the County Roads Fund of \$103,000 which was then used to pay back the money loaned from the Physical Facilities Fund.

CASSIA COUNTY

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2009

	Indigent	District Court	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	911 Commun.
ASSETS										
Cash and investments	\$ 49,815	\$ 417,332	\$ 129,687	\$ 114,892	\$ 102,343	\$ 27,214	\$ 4,551	\$ 19,875	\$ 99,000	\$ 705,134
Receivables:										
Taxes	14,640	230	-	5,464	6,580	3,736	333	7,089	6,196	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 64,455	\$ 417,562	\$ 129,687	\$ 120,356	\$ 108,923	\$ 30,950	\$ 4,884	\$ 26,964	\$ 105,196	\$ 705,134

LIABILITIES AND FUND EQUITY

Liabilities:	\$ 13,432	\$ 3,349	\$ 22,490	\$ 18,096	\$ 54,033	\$ -	\$ -	\$ -	\$ 1,508	\$ 9,489
Vouchers payable	-	285	-	512	-	-	-	-	-	18,325
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Deferred revenue	13,191	185	-	4,894	5,890	3,342	300	6,313	5,538	-
Total liabilities	26,623	3,819	22,490	23,502	59,923	3,342	300	6,313	7,046	27,814
Fund Balance:										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	37,832	413,743	107,197	96,854	49,000	27,608	4,584	20,651	98,150	677,320
Total fund balances	37,832	413,743	107,197	96,854	49,000	27,608	4,584	20,651	98,150	677,320
Total liab. and fund bal.	\$ 64,455	\$ 417,562	\$ 129,687	\$ 120,356	\$ 108,923	\$ 30,950	\$ 4,884	\$ 26,964	\$ 105,196	\$ 705,134

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet
Nonmajor Governmental Funds (continued, page 2 of 3)
September 30, 2009

	Boat License	Snow Mobile License	Drivers License	Police Reserve	Juvenile Justice	Court Interlock	EMS Fees	Narc. Seized Assets	Bond Int & Redempt.	Drug Task Force	DARE Trust
ASSETS											
Cash and investments	\$ -	\$ 55,147	\$ 10,350	\$ -	\$ -	\$ 5,755	\$ 20,334	\$ 57,041	\$ -	\$ 116,879	\$ 6,682
Receivables:											
Taxes	-	-	-	-	-	-	-	-	37	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 55,147	\$ 10,350	\$ -	\$ -	\$ 5,755	\$ 20,334	\$ 57,041	\$ 37	\$ 116,879	\$ 6,682

LIABILITIES AND FUND EQUITY

Liabilities:											
Vouchers payable	\$ -	\$ 84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 3,893	\$ -
Accrued liabilities	-	-	7,292	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	30	-	-
Total liabilities	-	84	7,292	-	-	-	-	-	30	3,893	-
Fund Balance:											
Reserved	-	-	-	-	-	-	-	-	7	-	-
Unreserved	-	55,063	3,058	-	-	5,755	20,334	57,041	-	112,986	6,682
Total fund balances	-	55,063	3,058	-	-	5,755	20,334	57,041	7	112,986	6,682
Total liab. and fund bal.	\$ -	\$ 55,147	\$ 10,350	\$ -	\$ -	\$ 5,755	\$ 20,334	\$ 57,041	\$ 37	\$ 116,879	\$ 6,682

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet
Nonmajor Governmental Funds (continued, page 3 of 3)
September 30, 2009

	Court Facilities	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	\$ 146,905	\$ 1,376,677	\$ -	\$ -	\$ 254,879	\$ 135,172	\$ 16,578	\$ 2,737	\$ 3,874,979
Receivables:									
Taxes	-	-	-	-	-	-	-	-	44,305
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	-
Total assets	\$ 146,905	\$ 1,376,677	\$ -	\$ -	\$ 254,879	\$ 135,172	\$ 16,578	\$ 2,737	\$ 3,919,284

LIABILITIES AND FUND EQUITY

Liabilities:									
Vouchers payable	\$ -	\$ 194	\$ -	\$ -	\$ -	\$ 2,301	\$ -	\$ -	\$ 128,869
Accrued liabilities	-	-	-	-	-	-	-	-	26,414
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	39,683
Total liabilities	-	194	-	-	-	2,301	-	-	194,966
Fund Balance:									
Reserved	-	-	-	-	-	-	-	-	7
Unreserved	146,905	1,376,483	-	-	254,879	132,871	16,578	2,737	3,724,311
Total fund balances	146,905	1,376,483	-	-	254,879	132,871	16,578	2,737	3,724,318
Total liab. and fund bal.	\$ 146,905	\$ 1,376,677	\$ -	\$ -	\$ 254,879	\$ 135,172	\$ 16,578	\$ 2,737	\$ 3,919,284

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, 2009

	Indigent	District Court	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	911 Commun.
Revenues:										
Taxes - property	\$ 343,360	\$ 254	\$ 36,043	\$ 133,355	\$ 153,955	\$ 77,784	\$ 5,310	\$ 154,936	\$ 125,704	\$ -
Taxes - sales and other	63,751	-	8,553	22,730	27,115	15,037	1,318	27,706	24,677	-
Fees and fines	-	194,338	-	-	-	-	-	-	-	328,433
Intergovernmental	-	-	182,500	-	-	-	-	87,881	-	-
Interest	-	-	-	-	-	-	-	-	-	20,243
Grants and miscellaneous	186,555	20	83,484	72,960	-	-	-	-	1,531	-
Total revenues	593,666	194,612	310,580	229,045	181,070	92,821	6,628	270,523	151,912	348,676
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	-
Indigent Assistance	621,045	-	-	-	-	-	-	-	-	-
Highways and roads	-	-	383,430	-	-	-	-	-	-	-
Public safety	-	-	-	-	237,426	-	-	-	-	245,220
Other public service	-	135,032	-	200,260	-	-	-	322,900	169,043	-
Culture and recreation	-	-	-	-	-	133,279	10,000	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Total expenditures	621,045	135,032	383,430	200,260	237,426	133,279	10,000	322,900	169,043	245,220
Excess of revenues over (under) expenditures	(27,379)	59,580	(72,850)	28,785	(56,356)	(40,458)	(3,372)	(52,377)	(17,131)	103,456
Other financing sources (uses)										
Transfers in	30,000	-	193,000	15,000	90,000	40,000	-	40,000	35,000	-
Transfers out	-	-	-	-	-	-	-	-	-	(83,810)
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	30,000	-	193,000	15,000	90,000	40,000	-	40,000	35,000	(83,810)
Net change in fund balances	2,621	59,580	120,150	43,785	33,644	(458)	(3,372)	(12,377)	17,869	19,646
Fund balance - beginning	35,211	354,163	(12,953)	53,069	15,356	28,066	7,956	33,028	80,281	657,674
Fund balance - ending	\$ 37,832	\$ 413,743	\$ 107,197	\$ 96,854	\$ 49,000	\$ 27,608	\$ 4,584	\$ 20,651	\$ 98,150	\$ 677,320

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, 2009

	Boat License	Snow Mobile License	Drivers License	Police Reserve	Juvenile Justice	Court Interlock	EMS Fees	Narc. Seized Assets	Bond Int & Redempt.	Drug Task Force	DARE Trust
Revenues:											
Taxes - property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 949	\$ -	\$ -
Taxes - sales and other	-	-	-	-	-	-	-	-	-	-	-
Fees and fines	40,765	25,236	166,752	-	-	3,105	6,806	-	-	14,196	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Grants and miscellaneous	20,962	4	-	-	-	-	-	-	-	228,676	1,617
Total revenues	61,727	25,240	166,752	-	-	3,105	6,806	-	949	242,872	1,617
Expenditures:											
General government	-	-	179,791	-	-	-	-	-	-	-	-
Indigent Assistance	-	-	-	-	-	-	-	-	-	-	-
Highways and roads	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	5,000	7,574	-	178,454	4,755
Other public service	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	40,776	20,666	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	40,776	20,666	179,791	-	-	-	5,000	7,574	-	178,454	4,755
Excess of revenues over (under) expenditures	20,951	4,574	(13,039)	-	-	3,105	1,806	(7,574)	949	64,418	(3,138)
Other financing sources (uses)											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(20,951)	-	-	-	-	(9,260)	-	-	(1,098)	-	-
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	(20,951)	-	-	-	-	(9,260)	-	-	(1,098)	-	-
Net change in fund balances	-	4,574	(13,039)	-	-	(6,155)	1,806	(7,574)	(149)	64,418	(3,138)
Fund balance - beginning	-	50,489	16,097	-	-	11,910	18,528	64,615	156	48,568	9,820
Fund balance - ending	\$ -	\$ 55,063	\$ 3,058	\$ -	\$ -	\$ 5,755	\$ 20,334	\$ 57,041	\$ 7	\$ 112,986	\$ 6,682

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, 2009

	Court Facilities	Physical Facilities	Jail Commissary	Law Enforcement	Cassia County Benefits	Adult Misdemeanor Probation	Widow's Benefit	Warrant Redemption	Total Nonmajor Governmental Funds
Revenues:									
Taxes - property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,031,650
Taxes - sales and other	-	-	-	-	-	-	-	-	190,887
Fees and fines	11,380	-	-	-	-	419,036	-	-	1,210,047
Intergovernmental	-	11,698	-	-	1,657,812	-	-	-	1,939,891
Interest	-	-	-	-	-	-	-	-	20,243
Grants and miscellaneous	-	56,529	72,325	-	-	-	-	-	724,663
Total revenues	11,380	68,227	72,325	-	1,657,812	419,036	-	-	5,117,381
Expenditures:									
General government	-	28,261	-	-	1,651,550	-	-	-	1,859,602
Indigent Assistance	-	-	-	-	-	-	-	-	621,045
Highways and roads	-	-	-	-	-	-	-	-	383,430
Public safety	-	-	-	-	-	379,125	-	-	1,057,554
Other public service	-	-	-	-	-	-	452	-	827,687
Culture and recreation	-	-	-	-	-	-	-	-	204,721
Debt Service	-	-	-	-	-	-	-	-	-
Total expenditures	-	28,261	-	-	1,651,550	379,125	452	-	4,954,039
Excess of revenues over (under) expenditures	11,380	39,966	72,325	-	6,262	39,911	(452)	-	163,342
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	443,000
Transfers out	-	-	(75,891)	-	-	-	-	-	(191,010)
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	-	-	(75,891)	-	-	-	-	-	251,990
Net change in fund balances	11,380	39,966	(3,566)	-	6,262	39,911	(452)	-	415,332
Fund balance - beginning	135,525	1,336,517	3,566	-	248,617	92,960	17,030	2,737	3,308,986
Fund balance - ending	\$ 146,905	\$ 1,376,483	\$ -	\$ -	\$ 254,879	\$ 132,871	\$ 16,578	\$ 2,737	\$ 3,724,318

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2009

	Range Improv Fund	Assessor Trust Fund	State Fund	Water Districts Fund	Court Trust	Taxing Districts Fund	Court Bonds
ASSETS							
Cash and Investments	\$ -	\$ 178,763	\$ -	\$ -	\$ -	\$ -	\$ 11,958
Other Assets	-	-	-	-	-	-	-
Total assets	-	178,763	-	-	-	-	11,958
LIABILITIES							
Vouchers Payable	-	-	-	-	-	-	-
Accrued liabilities	-	178,763	-	-	-	-	7,507
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	-	178,763	-	-	-	-	7,507
NET ASSETS							
Held in Trust	-	-	-	-	-	-	4,451
Total Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,451

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Fiduciary Net Assets
Agency Funds (continued, page 2 of 2)
September 30, 2009

	Court Restitution	Judgments Trust	Box Elder Bookmobile	Sheriffs Account	Tax Collector Account	Total Agency Funds
ASSETS						
Cash and Investments	\$ 633	\$ -	\$ 5,519	\$ 4,102	\$ 46,495	\$ 247,470
Other Assets	-	-	-	-	-	-
Total assets	633	-	5,519	4,102	46,495	247,470
LIABILITIES						
Vouchers Payable	716	-	4,641	4,102	46,495	55,954
Accrued liabilities	-	-	-	-	-	186,270
Deferred Revenue	-	-	-	-	-	-
Total liabilities	716	-	4,641	4,102	46,495	242,224
NET ASSETS	(83)	-	878	-	-	5,246
Held in Trust	(83)	\$ -	\$ 878	\$ -	\$ -	\$ 5,246
Total Net Assets						

See accompanying notes to the financial statements.

Evans & Poulsen P.A.

Certified Public Accountants

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

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, Idaho

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cassia County, Idaho (the "County") as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 27, 2010. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described in item 2009-1 of the accompanying schedule of findings and responses to be a material weakness.

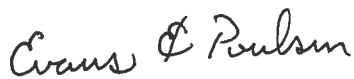
Compliance and Other Matters

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*.

We noted certain matters that we reported to County management in a separate letter dated April 27, 2010.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the organization, 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, PA

April 27, 2010

CASSIA COUNTY
Schedule of Findings and Responses
For the Year Ended September 30, 2009

Finding 2009-1: Lack of ability to independently prepare financial statements and related footnote disclosures - Repeat Finding

Condition: The County does not have the ability to independently prepare financial statements and related footnote disclosures in accordance with generally accepted accounting principles.

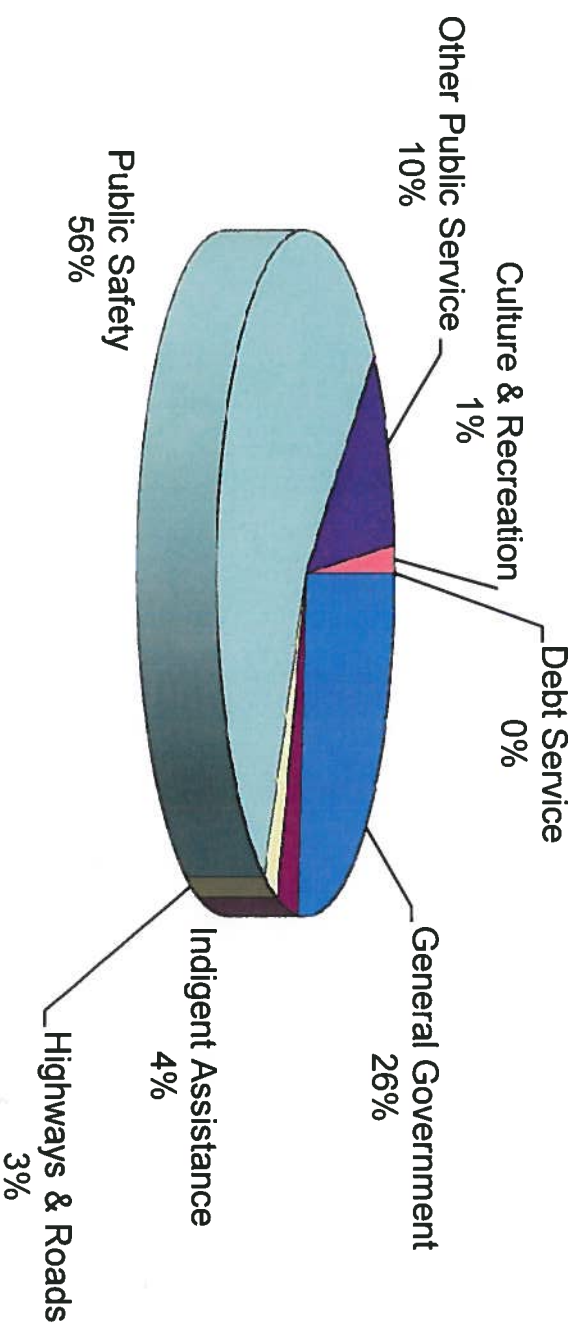
Criteria: Inherent in an adequate internal control structure is the ability to independently prepare financial statements and related footnote disclosures in accordance with generally accepted accounting principles.

Effect: The lack of this ability may result in more than a remote likelihood that a misstatement of the financial statements will not be prevented or detected by the County's internal control.

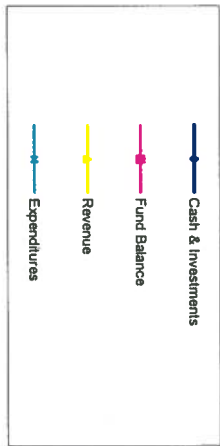
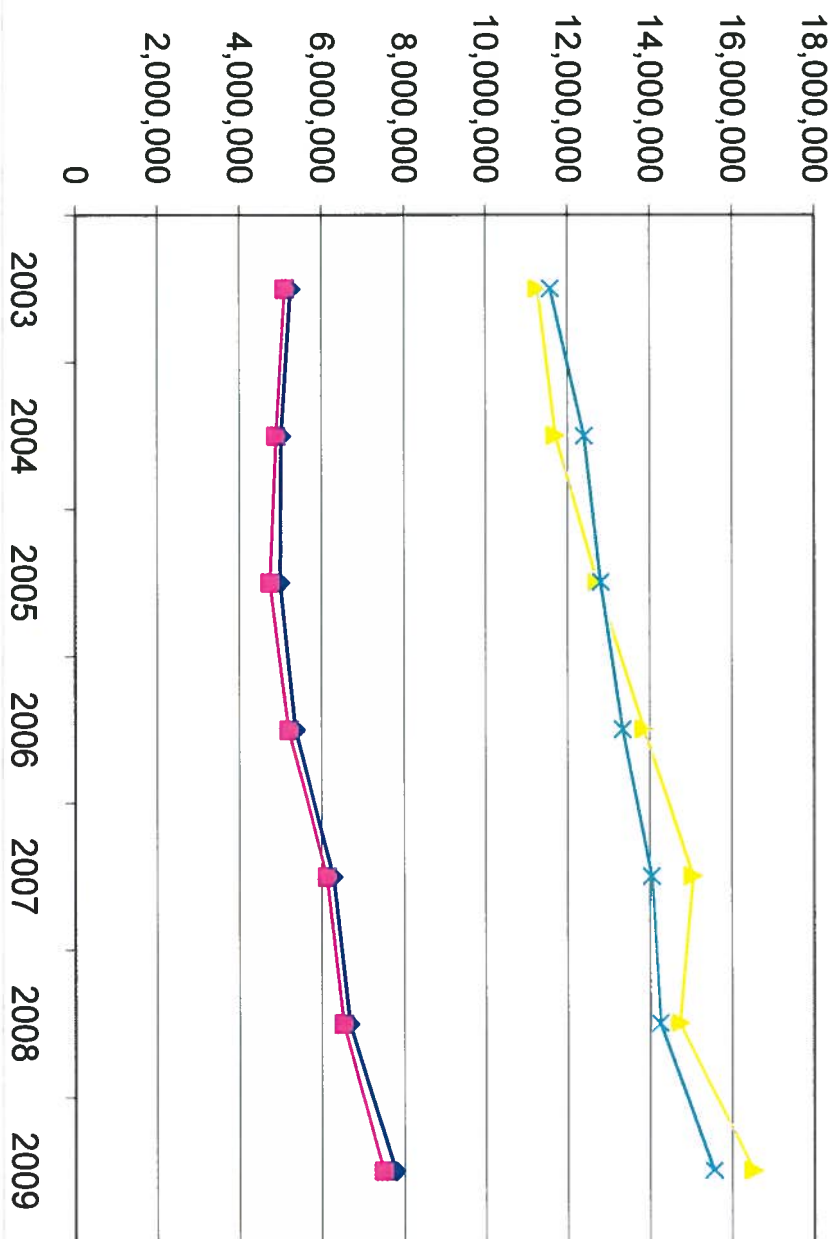
Recommendation: It is suggested the County arrange for sufficient training of accounting personnel in order to provide them with the expertise necessary to prepare financial statements and related footnote disclosures in accordance with generally accepted accounting principles. Alternatively, the County could contract with an individual or firm other than the audit firm to prepare the financial statements and related footnote disclosures.

Response: We, the management of Cassia County, believe the benefit would be outweighed by the cost training our accounting personnel or contracting with another individual or firm to prepare the financial statements and related footnotes in accordance with generally accepted accounting principles. We have requested that the auditors assist in drafting the financial statements and related footnote disclosures during the course of the audit. We have reviewed, approved and accepted responsibility for those financial statements prior to their issuance.

**CASSIA COUNTY EXPENDITURES FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 2009**



CASSIA COUNTY GOVERNMENTAL FUNDS



CASSIA COUNTY REVENUES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009

