

**CASSIA COUNTY**

**BASIC FINANCIAL STATEMENTS**  
With Supplemental Information

September 30, 2008



**CASSIA COUNTY**  
**BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2008  
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## **COUNTY OF CASSIA**

### **COURTHOUSE**

**1459 Overland Avenue  
BURLEY, IDAHO**

**LARRY A MICKELSEN  
CLERK OF THE DISTRICT COURT  
Ex-Officio Auditor and Recorder**

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February 6, 2009

Honorable Members  
Cassia County Board of Commissioners  
Dennis Crane, Chairman  
Paul Christensen, Commissioner  
Clay Handy, Commissioner

Submitted herewith, are the basic financial statements of the County for the fiscal year ended September 30, 2008.

The report was prepared by the County Auditor's Office with the assistance of Evans and Poulsen CPA's. The organization, form and contents were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants, and is presented according to generally accepted accounting principles. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of the operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to get the maximum understanding of the County's financial activity is contained in the Notes to Financial Statements section of this report.

The funds included in this report are for those funds and entities that are controlled by or are dependent on the County. Determination of "controlled by or dependant on" is based on criteria developed by the Governmental Accounting Standards Board and spelled out in their statements numbered 3 and 7. The criteria deals with financial interdependence, selection of governing authority, designation of management, ability of the County Commissioners to significantly influence operations and accountability for fiscal matters. We have determined that the school districts, highway districts, cities, fire districts and water districts which lie within the County's boundaries, should not be included in our report.

Internal controls are an integral part of any accounting operation and should be designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use of disposition, and the reliability of financial records for preparing financial statements and maintaining accountability of assets. We feel that the County's system of internal control is adequate to provide such assurances and is functioning properly at the present time.

Idaho law requires an annual audit of the book of accounts, and financial records of the County by an independent public auditor. The County has selected the certified public accounting firm of Evans and Poulsen CPA's to meet this requirement. We very much appreciate the assistance they have given the County in improving our accounting procedures and include a copy of their audit report with this report.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Larry A. Mickelsen", with a long horizontal flourish extending to the right.

Larry A. Mickelsen  
Clerk of the District Court  
Ex-Officio Auditor & Recorder

1 incl. as

## 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, 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 (the County), as of and for the fiscal year ended September 30, 2008, 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 2007 financial statements and, in our report dated January 23, 2008, 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, 2008, and the respective changes in financial position and the respective budgetary comparison for each major fund thereof 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 January 29, 2008, 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 important for 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

January 29, 2009

**Management Discussion and Analysis  
Cassia County  
For Year Ended September 30, 2008**

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, 2007 through September 30, 2008. 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 2008 County Tax Levy Per \$1.00 of Assessed Market Value.

**Taxing Funds**  
Current Expense: .155138  
Fair: .022568  
Justice: .615955  
District Court: .000000  
Ambulance: .029017  
Indigent: .082213  
Community College: .032240  
Revaluation: .038689  
Weed & Pest: .020956  
Historical Society: .003224  
Tort: No Limit  
**Total: 1.000000**

2008 Levy Rate = .003146171

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 9-30-07	\$1 141 251	\$529,324
FY Ending 9-30-07	<u>\$944,902</u>	<u>\$970,396</u>
Change in Funds:	<\$196,349>	\$441,072

The cash balance in Current Expense show a decrease of 17%

The cash balance in Justice shows an increase of 83%.

This gives an indication that the measures imposed in Fiscal Year 2007-2008 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. However, this past year, the Justice Fund made a huge recovery, due in part to the unanticipated revenues and a higher number of "paying" customers from other jurisdictions such as the Idaho Department Of Corrections, US Marshal Service, and the Border Patrol. 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. The County is considering contracting with Advanced Collection Technology of Twin Falls, ID to assist in collecting the monies owed the County in fines and fees assessed by the Courts. This will help to alleviate the decrease in the Justice Fund, and remove the burden of collections from the County Treasurer's Office. 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 FY2009.

The expenditures for Indigent Medical costs are continuing to increase at an unacceptable rate. At this time, the Budgeted amount should be sufficient for FY2009. 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 over \$670,000 of additional PILT monies 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 approved a \$1,350 salary increase to each County Employee; the Elected Officials and the Department Heads also received a \$1,350 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, 2008, 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 2009/2010, 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 2008 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 2009 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 2009 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 5 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 2009 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, Larry Mickelsen, at the Cassia County Courthouse Auditor's Office, 1459 Overland Avenue, Burley, Idaho, 83318, by phone at 208 878-5231 or by email at [lmickelsen@cassiacounty.org](mailto:lmickelsen@cassiacounty.org).

# CASSIA COUNTY

## Statement of Net Assets For the Year Ended September 30, 2008

	<u>Primary Government</u> <u>Government Activities</u>	
	2007	2008
<hr/>		
<b>ASSETS</b>		
Cash and Investments	\$ 6,284,737	\$ 6,678,904
Receivables:		
Taxes	175,374	156,150
Other	20,000	2,000
Restricted Assets:		
Cash		
Taxes Receivable		
Capital Assets:		
Land	1,027,612	1,066,801
Other Capital Assets, Net of Depreciation	<u>3,525,406</u>	<u>3,471,701</u>
Total Assets	<u>11,033,129</u>	<u>11,447,810</u>
<b>LIABILITIES</b>		
Vouchers Payable and Accrued Liabilities	191,279	246,849
Interest Payable	4,753	2,772
Long-Term Liabilities:		
Due Within One Year	20,222	21,296
Due in More Than One Year	<u>156,198</u>	<u>134,902</u>
Total Liabilities	<u>372,452</u>	<u>405,819</u>
<b>NET ASSETS</b>		
Invested in Capital Assets, net of related debt	4,376,598	4,382,304
Restricted for Debt Service		
Unrestricted	<u>6,284,079</u>	<u>6,659,687</u>
Total Net Assets	\$ 10,660,677	\$11,041,991

# CASSIA COUNTY

## Statement of Activities For the Year Ended September 30, 2008

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
General Government	\$ 2,349,752	\$ 413,966	\$ 34,576	\$ 82,973
Indigent Assistance	727,253	248,146		
Highways and Roads	420,820	14,334	35,300	
Public Safety	7,826,758	3,328,294	245,978	45,091
Other Public Service	1,425,666	770,816		
Culture and Recreation	140,524	59,266		17,363
Interest	7,387			
Total Governmental Activities	<u>12,898,160</u>	<u>4,834,8222</u>	<u>315,854</u>	<u>145,427</u>
<b>Component Unit:</b>				
Cassia County Fair & Rodeo	<u>267,779</u>	<u>191,702</u>		

### General Revenues

Property Taxes Levied for:	
General Purposes	
Indigent Assistance	
Highways and Roads	
Public Safety	
Bond Interest and Redemption	
In Lieu of Taxes	
Sales and Other Taxes	
Investment Earnings	
Miscellaneous	
Gain/(Loss) on Sale of Capital Assets	
Transfers	

### Primary Government Governmental Activities 2007      2008

Property Taxes Levied for:		
General Purposes	1,444,513	1,088,777
Indigent Assistance	67,856	264,918
Highways and Roads	30,162	33,906
Public Safety	1,709,067	2,085,655
Bond Interest and Redemption	1,634	433
In Lieu of Taxes	1,108,335	1,093,372
Sales and Other Taxes	1,744,306	1,653,231
Investment Earnings	298,754	227,950
Miscellaneous	1,510,591	1,613,860
Gain/(Loss) on Sale of Capital Assets	11,218	1,269
Transfers	<u>(77,662)</u>	<u>(80,000)</u>
Total General Revenues and Transfers	7,848,774	7,983,371
Change in Net Assets	947,750	381,314
Net Assets Beginning of Year	<u>9,712,927</u>	<u>10,660,677</u>
Net Assets End of Year	<u>10,660,677</u>	<u>11,041,991</u>



# CASSIA COUNTY

## Statement of Net Assets September 30, 2008

	<u>Primary Government</u>		<u>Component Unit</u>	
	<u>Governmental Activities</u>		<u>Fair Board</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>				
Cash and Investments	\$ 6,678,904	\$ 6,284,737	\$ 125,271	\$ 138,366
Receivables:				
Taxes	156,150	175,374	-	-
Other	2,000	20,000	-	-
Prepaid Expenses	72,254	-	-	-
Due From Other Governments	-	-	-	-
Inventory - Note 1	-	-	-	-
Restricted Assets:				
Cash	-	-	-	-
Taxes Receivable	-	-	-	-
Capital Assets - Note 3:				
Land	1,066,801	1,027,612	-	-
Other Capital Assets, Net of Depreciation	3,471,701	3,525,406	57,668	44,937
Other Assets	-	-	-	-
Total assets	<u>11,447,810</u>	<u>11,033,129</u>	<u>182,939</u>	<u>183,303</u>
<b>LIABILITIES</b>				
Vouchers Payable and Accrued Liabilities	246,849	191,279	-	-
Deferred Revenue	-	-	-	-
Interest Payable	2,772	4,753	-	-
Long-Term Liabilities - Note 4:				
Due Within One Year	21,296	20,222	-	-
Due in More Than One Year	134,902	156,198	-	-
Total liabilities	<u>405,819</u>	<u>372,452</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, net of related debt	4,382,304	4,376,598	57,668	44,937
Restricted for:				
Debt Service	-	-	-	-
Unrestricted	6,659,687	6,284,079	125,271	138,366
Total Net Assets	<u>\$ 11,041,991</u>	<u>\$ 10,660,677</u>	<u>\$ 182,939</u>	<u>\$ 183,303</u>

See accompanying notes to the financial statements.

# CASSIA COUNTY

Statement of Activities  
For the Year Ended September 30, 2008

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities 2008	Component Unit Fair Board 2007
<b>Governmental Activities:</b>						
General Government	\$ 2,349,752	\$ 413,966	\$ 34,576	\$ 82,973	\$ (1,818,237)	\$ (1,540,421)
Indigent Assistance	727,253	248,146	-	-	(479,107)	(433,175)
Highways and Roads	420,820	14,334	35,300	-	(371,186)	(255,013)
Public Safety	7,826,758	3,328,294	245,978	45,091	(4,207,395)	(3,889,064)
Other Public Service	1,425,666	770,816	-	-	(654,850)	(707,778)
Culture and Recreation	140,524	59,266	-	17,363	(63,895)	(63,478)
Interest	7,387	-	-	-	(7,387)	(12,095)
Total Governmental Activities	\$ 12,898,160	\$ 4,834,822	\$ 315,854	\$ 145,427	(7,602,057)	(6,901,024)
<b>Component Unit:</b>						
Cassia County Fair & Rodeo	\$ 267,779	\$ 191,702	\$ -	\$ -	\$ (76,077)	\$ (53,702)
<b>General Revenues</b>						
Property Taxes Levied for:						
General Purposes					1,088,777	1,444,513
Indigent Assistance					264,918	67,856
Highways and Roads					33,906	30,162
Public Safety					2,085,655	1,709,067
Bond Interest & Redemption					433	1,634
In Lieu of Taxes					1,093,372	1,108,335
Sales & Other Taxes					1,653,231	1,744,306
Investment Earnings					227,950	298,754
Miscellaneous					1,613,860	1,510,591
Gain/(Loss) on Sale of Capital Assets					1,269	11,218
Transfers					(80,000)	(77,662)
Total General Revenues and Transfers					7,983,371	7,848,774
Change in Net Assets					381,314	947,750
Net Assets Beginning of Year					10,660,677	9,712,927
Net Assets End of Year					\$ 11,041,991	\$ 10,660,677
					\$ 182,939	\$ 183,303

See accompanying notes to the financial statements.

# CASSIA COUNTY

Combining Balance Sheet  
Governmental Funds  
September 30, 2008

ASSETS	General Fund	Jail Trust	Solid Waste	Justice	PILT	Nonmajor Governmental Funds	Total Govt Funds 2008	Total Govt Funds 2007
Cash and investments	\$ 944,902	\$ 226,059	\$ 442,773	\$ 970,397	\$ 742,625	\$ 3,352,148	\$ 6,678,904	\$ 6,284,737
Receivables:								
Taxes	23,810	-	32,673	72,552	-	27,115	156,150	175,374
Other	74,254	-	-	-	-	103,000	177,254	20,000
Due from other governments	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ 1,042,966	\$ 226,059	\$ 475,446	\$ 1,042,949	\$ 742,625	\$ 3,482,263	\$ 7,012,308	\$ 6,480,111

## LIABILITIES AND FUND EQUITY

Liabilities:								
Vouchers payable	\$ 94,417	\$ 40	\$ -	\$ 96,059	\$ -	\$ 45,278	\$ 235,794	\$ 191,279
Accrued liabilities	10,345	-	-	-	-	710	11,055	-
Due to other funds	-	-	-	-	-	103,000	103,000	-
Deferred revenue	21,407	-	29,093	65,050	-	24,289	139,839	160,890
Total liabilities	126,169	40	29,093	161,109	-	173,277	489,688	352,169
Fund Balance:								
Reserved - Debt service	-	-	-	-	-	156	156	35,671
Unreserved								
General	916,797	-	-	-	-	-	916,797	1,121,606
Special revenue	-	226,019	446,353	881,840	742,625	3,308,830	5,605,667	4,970,665
Total fund balances	916,797	226,019	446,353	881,840	742,625	3,308,986	6,522,620	6,127,942
Total liabilities and fund balances	\$ 1,042,966	\$ 226,059	\$ 475,446	\$ 1,042,949	\$ 742,625	\$ 3,482,263	\$ 7,012,308	\$ 6,480,111

See accompanying notes to the financial statements.

## CASSIA COUNTY

### Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities September 30, 2008

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Total Governmental Fund Balances	\$ 6,522,620
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.	4,538,502
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	139,839
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	(156,198)
Accrued Interest Payable	<u>(2,772)</u>
Net Assets of Governmental Activities	<u>\$ 11,041,991</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, 2008

	General Fund	Jail Trust	Solid Waste	Justice	PILT	Other Governmental Funds	Total Govt Funds 2008	Total Govt Funds 2007
<b>Revenues:</b>								
Taxes - property	\$ 721,459	\$ -	\$ -	\$ 1,997,163	\$ -	\$ 776,117	\$ 3,494,739	\$ 3,296,433
Taxes - sales and other	379,442	-	-	776,836	-	194,253	1,350,531	1,388,737
Payment in lieu of taxes	-	-	-	-	1,093,372	-	1,093,372	1,108,335
Fees and fines	413,966	1,202,230	554,400	199,156	-	993,422	3,363,174	3,103,394
Intergovernmental	8,000	469,909	-	1,769,642	-	1,595,971	3,843,522	4,954,114
Interest	178,823	-	-	-	-	49,127	227,950	298,754
Grants and miscellaneous	162,417	51,865	28,343	163,149	-	953,959	1,359,733	904,924
<b>Total revenues</b>	<b>1,864,107</b>	<b>1,724,004</b>	<b>582,743</b>	<b>4,905,946</b>	<b>1,093,372</b>	<b>4,562,849</b>	<b>14,733,021</b>	<b>15,054,691</b>
<b>Expenditures:</b>								
General government	2,068,916	-	-	-	-	1,680,151	3,749,067	3,700,493
Indigent Assistance	-	-	-	-	-	727,253	727,253	662,339
Highways and roads	-	-	-	-	-	358,882	358,882	591,528
Public safety	-	-	-	7,113,218	-	677,014	7,790,232	7,596,460
Other public service	-	-	628,548	-	-	848,589	1,477,137	1,409,783
Culture and recreation	-	-	-	-	-	155,772	155,772	91,414
Debt Service	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,068,916</b>	<b>-</b>	<b>628,548</b>	<b>7,113,218</b>	<b>-</b>	<b>4,447,661</b>	<b>14,258,343</b>	<b>14,052,017</b>
<b>Excess of rev over(under) expend</b>	<b>(204,809)</b>	<b>1,724,004</b>	<b>(45,805)</b>	<b>(2,207,272)</b>	<b>1,093,372</b>	<b>115,188</b>	<b>474,678</b>	<b>1,002,674</b>
<b>Other financing sources (uses)</b>								
Transfers in	-	1,517,236	-	4,024,456	-	350,140	5,891,832	4,271,914
Transfers out	-	(3,424,456)	-	(1,379,777)	(805,000)	(362,599)	(5,971,832)	(4,349,576)
<b>Sale of capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other fin sources(uses)</b>	<b>-</b>	<b>(1,907,220)</b>	<b>-</b>	<b>2,644,679</b>	<b>(805,000)</b>	<b>(12,459)</b>	<b>(80,000)</b>	<b>(77,662)</b>
<b>Net change in fund balances</b>	<b>(204,809)</b>	<b>(183,216)</b>	<b>(45,805)</b>	<b>437,407</b>	<b>288,372</b>	<b>102,729</b>	<b>394,678</b>	<b>925,012</b>
<b>Fund balance - beginning</b>	<b>1,121,606</b>	<b>409,235</b>	<b>492,158</b>	<b>444,433</b>	<b>454,253</b>	<b>3,206,257</b>	<b>6,127,942</b>	<b>5,202,930</b>
<b>Fund balance - ending</b>	<b>\$ 916,797</b>	<b>\$ 226,019</b>	<b>\$ 446,353</b>	<b>\$ 881,840</b>	<b>\$ 742,625</b>	<b>\$ 3,308,986</b>	<b>\$ 6,522,620</b>	<b>\$ 6,127,942</b>

See accompanying notes to the financial statements.

## CASSIA COUNTY

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended September 30, 2008

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Net Change in Fund Balances - Total Governmental Funds \$ 394,678

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	\$ 429,527	
Depreciation expense	<u>(438,913)</u>	
		(9,386)

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	(5,131)
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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.

(21,050)

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	20,222
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In the statement of activities, interest is accrued on outstanding debt, whereas in government funds, interest is expensed when due.

1,981

Change in Net Assets of Governmental Activities

\$ 381,314

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, 2008

	Original Budget	Final Budget	2008 Actual	Variance with Final Budget: Favorable (Unfavorable)	2007 Actual
Revenues:					
Taxes - property	\$ 488,000	\$ 488,000	\$ 721,459	\$ 233,459	\$ 1,008,746
Taxes - sales and other	350,244	350,244	379,442	29,198	431,967
Fees and fines	377,692	377,692	413,966	36,274	414,788
Intergovernmental	17,550	17,550	8,000	(9,550)	8,000
Interest	394,073	394,073	178,823	(215,250)	298,754
Grants and miscellaneous	131,129	131,129	162,417	31,288	79,650
Total revenues	1,758,688	1,758,688	1,864,107	105,419	2,241,905
Expenditures:					
General government:					
Commissioners	112,010	112,010	97,395	14,615	97,727
Auditor	194,930	194,930	159,638	35,292	179,296
Treasurer	177,200	177,200	159,569	17,631	161,012
Assessor	348,310	348,310	319,080	29,230	322,578
Ag. extension	168,140	168,140	156,628	11,512	154,103
Buildings	245,300	245,300	201,254	44,046	183,777
County Annex	14,570	14,570	6,854	7,716	7,331
Board of health	99,122	99,122	99,122	-	98,741
Planning and zoning	281,420	281,420	196,246	85,174	224,093
General	523,500	523,500	346,344	177,156	300,319
Civil defense	20,350	71,823	42,593	29,230	48,564
Elections	139,390	139,390	116,513	22,877	31,875
County Administration	212,730	212,730	161,369	51,361	182,553
Veterans officer	6,675	6,675	6,311	364	6,123
Total expenditures	2,543,647	2,595,120	2,068,916	526,204	1,998,092
Excess of rev over(under) expend	(784,959)	(836,432)	(204,809)	631,623	243,813
Other financing sources (uses):					
Transfers in	80,000	80,000	-	(80,000)	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	80,000	80,000	-	(80,000)	-
Net change in fund balances	(704,959)	(756,432)	(204,809)	551,623	243,813
Fund balance - beginning	1,121,606	1,121,606	1,121,606	-	877,793
Fund balance - ending	\$ 416,647	\$ 365,174	\$ 916,797	\$ 551,623	\$ 1,121,606

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, 2008

	Original Budget	Final Budget	2008 Actual	Variance with Final Budget: Favorable (Unfavorable)	2007 Actual
Revenues:					
Taxes - property	-	-	\$ -	\$ -	\$ -
Taxes - sales and other	-	-	-	-	-
Fees and fines	1,187,893	1,187,893	1,202,230	14,337	1,124,629
Intergovernmental	469,909	469,909	469,909	-	442,813
Miscellaneous	-	-	51,865	51,865	-
Total revenues	1,657,802	1,657,802	1,724,004	66,202	1,567,442
Expenditures:					
Public safety:					
Miscellaneous	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of rev over(under) expend	1,657,802	1,657,802	1,724,004	66,202	1,567,442
Other financing sources (uses):					
Transfers in	863,976	863,976	1,517,236	653,260	583,753
Transfers out	(2,599,193)	(2,599,193)	(3,424,456)	(825,263)	(2,322,180)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	(1,735,217)	(1,735,217)	(1,907,220)	(172,003)	(1,738,427)
Net change in fund balances	(77,415)	(77,415)	(183,216)	(105,801)	(170,985)
Fund balance - beginning	409,235	409,235	409,235	-	580,220
Fund balance - ending	\$ 331,820	\$ 331,820	\$ 226,019	\$ (105,801)	\$ 409,235

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, 2008

	Original Budget	Final Budget	2008 Actual	Variance with Final Budget: Favorable (Unfavorable)	2007 Actual
Revenues:					
Taxes/use fees	\$ 517,646	\$ 517,646	\$ 554,400	\$ 36,754	\$ 518,767
Miscellaneous	28,170	28,170	28,343	173	29,305
Total revenues	545,816	545,816	582,743	36,927	548,072
Expenditures:					
Landfill costs	638,548	638,548	628,548	10,000	610,052
Total expenditures	638,548	638,548	628,548	10,000	610,052
Excess of rev over(under) expend	(92,732)	(92,732)	(45,805)	46,927	(61,980)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	-	-	-	-	-
Net change in fund balances	(92,732)	(92,732)	(45,805)	46,927	(61,980)
Fund balance - beginning	492,158	492,458	492,158	(300)	554,138
Fund balance - ending	\$ 399,426	\$ 399,726	\$ 446,353	\$ 46,627	\$ 492,158

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, 2008

	Original Budget	Final Budget	2008 Actual	Variance with Final Budget: Favorable (Unfavorable)	2007 Actual
Revenues:					
Taxes - property	\$ 1,928,243	\$ 1,928,243	\$ 1,997,163	\$ 68,920	\$ 1,647,158
Taxes - sales and other	655,755	655,755	776,836	121,081	662,805
Fees and fines	179,773	179,773	199,156	19,383	197,588
Intergovernmental	1,802,495	1,802,495	1,769,642	(32,853)	1,750,537
Grants and miscellaneous	81,182	81,182	163,149	81,967	158,296
Total revenues	4,647,448	4,647,448	4,905,946	258,498	4,416,384
Expenditures:					
Public safety:					
District Court	511,530	511,530	433,915	77,615	454,818
Juvenile justice	227,000	227,000	210,751	16,249	197,705
Prosecuting attorney	406,540	406,540	371,411	35,129	365,273
Public defender	506,450	548,450	441,293	107,157	491,987
Coroner	32,510	32,510	23,047	9,463	24,092
Law buildings	31,200	31,200	28,429	2,771	42,213
Sheriff patrol	1,621,245	1,621,245	1,577,524	43,721	1,534,605
Investigations	377,890	378,450	337,367	41,083	309,078
Dispatch	348,480	348,480	316,878	31,602	322,670
Administration	591,240	591,910	567,703	24,207	629,797
Detention center	2,599,193	2,614,693	2,514,376	100,317	2,416,212
Juvenile center	290,524	290,524	290,524	-	287,823
Total expenditures	7,543,802	7,602,532	7,113,218	489,314	7,076,273
Excess of rev over(under) expend	(2,896,354)	(2,955,084)	(2,207,272)	747,812	(2,659,889)
Other financing sources (uses):					
Transfers in	3,349,193	3,390,482	4,024,456	633,974	3,078,921
Transfers out	(629,276)	(498,753)	(1,379,777)	(881,024)	(498,753)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	2,719,917	2,891,729	2,644,679	(247,050)	2,580,168
Net change in fund balances	(176,437)	(63,355)	437,407	500,762	(79,721)
Fund balance - beginning	444,433	444,433	444,433	-	524,154
Fund balance - ending	\$ 267,996	\$ 381,078	\$ 881,840	\$ 500,762	\$ 444,433

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, 2008

	Original Budget	Final Budget	2008 Actual	Variance with Final Budget: Favorable (Unfavorable)	2007 Actual
Revenues:					
Payment in lieu of taxes	\$ 1,207,200	\$ 1,207,200	\$ 1,093,372	\$ (113,828)	\$ 1,108,335
Miscellaneous	-	-	-	-	-
Total revenues	1,207,200	1,207,200	1,093,372	(113,828)	1,108,335
Expenditures:					
Other public service	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of rev over(under) expend	1,207,200	1,207,200	1,093,372	(113,828)	1,108,335
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(1,295,000)	(1,295,000)	(805,000)	490,000	(1,353,000)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	(1,295,000)	(1,295,000)	(805,000)	490,000	(1,353,000)
Net change in fund balances	(87,800)	(87,800)	288,372	376,172	(244,665)
Fund balance - beginning	454,253	454,253	454,253	-	698,918
Fund balance - ending	\$ 366,453	\$ 366,453	\$ 742,625	\$ 376,172	\$ 454,253

See accompanying notes to the financial statements.

**CASSIA COUNTY**

Statement of Fiduciary Net Assets  
Agency Funds  
September 30, 2008

	<b>Total Agency Funds</b>
<b>ASSETS</b>	
Cash and Investments	\$ 418,685
Other Assets	-
Total assets	418,685
<b>LIABILITIES</b>	
Vouchers Payable and Accrued Liabilities	344,896
Deferred Revenue	-
Total liabilities	344,896
<b>NET ASSETS</b>	
Held in Trust	73,789
Total Net Assets	\$ 73,789

See accompanying notes to the financial statements.

# CASSIA COUNTY

Notes to Financial Statements  
September 30, 2008

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## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### A. Reporting Entity

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, 2008

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

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

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

The County reports the following major governmental funds:

#### General Fund (Current Expense Fund)

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

#### Jail Trust

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

#### Solid Waste Fund

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

#### Justice Fund

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

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

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

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

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

## CASSIA COUNTY

Notes to Financial Statements  
September 30, 2008

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### E. Deposits and Investments

*Deposits*: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County has no deposit policy for custodial credit risk. At year end, \$2,496,134 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	\$ 55,140	0.15
Federal Government Agency Bonds	3,457,114	10.2
Total Fair Value	\$ 3,512,254	

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, 2008

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

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

#### H. Long-Term Liabilities

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

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

#### I. Budgets and Budgetary Accounting

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

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

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

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

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



# CASSIA COUNTY

Notes to Financial Statements  
September 30, 2008

## 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 9/30/07	Additions	Deletions	Balance 9/30/08
<b>Governmental Activities</b>				
<b>Cost / Historical Value:</b>				
Land (non-depreciable)	\$ 1,027,612	\$ 39,189	\$ -	\$ 1,066,801
Buildings	3,522,219	87,713	-	3,609,932
Improvements other than buildings	451,964	59,603	(23,207)	488,360
Construction in Process	-	-	-	-
Infrastructure assets	9,491,979	-	-	9,491,979
Equipment/Vehicles	2,384,260	243,022	(52,800)	2,574,482
Total	16,878,034	429,527	(76,007)	17,231,554
<b>Accumulated Depreciation:</b>				
Buildings	1,209,452	91,058	-	1,300,510
Improvements other than buildings	341,738	35,849	(23,207)	354,380
Infrastructure assets	9,255,230	24,522	-	9,279,752
Equipment/Vehicles	1,518,596	287,484	(47,670)	1,758,410
Total	12,325,016	438,913	(70,877)	12,693,052

# CASSIA COUNTY

## Notes to Financial Statements September 30, 2008

	Balance 9/30/07	Additions	Deletions	Balance 9/30/08
<b>Net Book Value:</b>				
Land (non-depreciable)	1,027,612	39,189	-	1,066,801
Buildings	2,312,767	(3,345)	-	2,309,422
Improvements other than buildings	110,226	23,754	-	133,980
Construction in Process	-	-	-	-
Infrastructure assets	236,749	(24,522)	-	212,227
Equipment/Vehicles	865,664	(44,462)	(5,130)	816,072
<b>Total</b>	<b>\$ 4,553,018</b>	<b>\$ (9,386)</b>	<b>\$ (5,130)</b>	<b>\$ 4,538,502</b>

### Component Unit

#### Cost / Historical Value:

Land (non-depreciable)	\$ -	\$ -	\$ -	\$ -
Equipment/Vehicles	69,544	37,900	(18,200)	89,244
<b>Total</b>	<b>69,544</b>	<b>37,900</b>	<b>(18,200)</b>	<b>89,244</b>

#### Accumulated Depreciation:

Equipment/Vehicles	24,607	10,609	(3,640)	31,576
<b>Total</b>	<b>24,607</b>	<b>10,609</b>	<b>(3,640)</b>	<b>31,576</b>

#### Net Book Value:

Land (non-depreciable)	-	-	-	-
Equipment/Vehicles	44,937	27,291	(14,560)	57,668
<b>Total</b>	<b>\$ 44,937</b>	<b>\$ 27,291</b>	<b>\$ (14,560)</b>	<b>\$ 57,668</b>

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	\$ 50,384
Highways and Roads	97,880
Public Safety	249,075
Other Public Service	26,253
Culture & Recreation	15,321
<b>Total Governmental Activities Depreciation</b>	<b>\$ 438,913</b>

### 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, 2008

FYE Sept. 30:	Principal	Interest	Total
2009	\$ 21,296	\$ 8,294	\$ 29,590
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
Thereafter	37,792	2,548	40,340
Total	\$ 156,198	\$ 32,092	\$ 188,290

As of September 30, 2008, 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 9/30/2007	Additions	Reductions	Balance at 9/30/2008
Landfill Closure Note	\$ 176,420	\$ -	\$ (20,222)	\$ 156,198
	\$ 176,420	\$ -	\$ (20,222)	\$ 156,198

#### NOTE 5: PENSION PLAN

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

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

The actuarially determined contribution requirements of the County and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended September 30, 2008, 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 \$493,144, \$481,165, and \$452,321 for the three years ended September 30, 2008, 2007, and 2006 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, 2008

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

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

### **NOTE 8: FUND DEFICITS**

As of September 30, 2008, the County Roads fund had a deficit fund balance of \$(12,953).

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

During the year ended September 30, 2007, 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 has entered into an agreement with a local psychiatrist for psychiatric services to be provided to mental health patients in the County's care. Under the terms of the agreement, the County is contingently liable for payments of \$4,150 per month. The contract is renewable annually.

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: DUE TO/DUE FROM**

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. The loan, plus interest at 5.25%, is to be paid back in 5 annual installments of \$23,466.72.

# CASSIA COUNTY

Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2008

ASSETS										
Indigent	District Court	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	911 Commun.	
\$ 35,039	\$ 363,417	\$ 93,155	\$ 55,873	\$ 14,998	\$ 27,778	\$ 7,917	\$ 32,555	\$ 79,789	\$ 677,608	
7,307	391	-	2,481	3,481	2,778	376	4,700	4,814	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
\$ 42,346	\$ 363,808	\$ 93,155	\$ 58,354	\$ 18,479	\$ 30,556	\$ 8,293	\$ 37,255	\$ 84,603	\$ 677,608	
Total assets										
LIABILITIES AND FUND EQUITY										
Liabilities:										
\$ 576	\$ 9,071	\$ 3,108	\$ 2,549	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,934	
-	198	-	512	-	-	-	-	-	-	
-	-	103,000	-	-	-	-	-	-	-	
6,559	376	-	2,224	3,123	2,490	337	4,227	4,322	-	
7,135	9,645	106,108	5,285	3,123	2,490	337	4,227	4,322	19,934	
Fund Balance:										
35,211	354,163	(12,953)	53,069	15,356	28,066	7,956	33,028	80,281	657,674	
35,211	354,163	(12,953)	53,069	15,356	28,066	7,956	33,028	80,281	657,674	
\$ 42,346	\$ 363,808	\$ 93,155	\$ 58,354	\$ 18,479	\$ 30,556	\$ 8,293	\$ 37,255	\$ 84,603	\$ 677,608	
Total liab. and fund bal.										

See accompanying notes to the financial statements.

# CASSIA COUNTY

Combining Balance Sheet  
Nonmajor Governmental Funds (continued, page 2 of 3)  
September 30, 2008

ASSETS	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
Cash and investments	\$ -	\$ 50,574	\$ 16,097	\$ -	\$ -	\$ 11,910	\$ 18,528	\$ 64,615	\$ -	\$ 49,220	\$ 9,820
Receivables:											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	787	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 50,574	\$ 16,097	\$ -	\$ -	\$ 11,910	\$ 18,528	\$ 64,615	\$ 787	\$ 49,220	\$ 9,820

## LIABILITIES AND FUND EQUITY

Liabilities:											
Vouchers payable	\$ -	\$ 85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 652	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	85	-	-	-	-	-	-	631	-	-
Fund Balance:											
Reserved	-	-	-	-	-	-	-	-	-	652	-
Unreserved	-	50,489	16,097	-	-	11,910	18,528	64,615	-	48,568	9,820
Total fund balances	-	50,489	16,097	-	-	11,910	18,528	64,615	156	48,568	9,820
Total liab. and fund bal.	\$ -	\$ 50,574	\$ 16,097	\$ -	\$ -	\$ 11,910	\$ 18,528	\$ 64,615	\$ 787	\$ 49,220	\$ 9,820

See accompanying notes to the financial statements.

# CASSIA COUNTY

Combining Balance Sheet  
Nonmajor Governmental Funds (continued, page 3 of 3)  
September 30, 2008

ASSETS	Court Facilities	Physical Facilities	Jail Commissary	Law Enforcement	Cassia County Benefits	Adult Misdemeanor Probation	Widow's Benefit	Warrant Redemption	Total Nonmajor Governmental Funds
Cash and investments	\$ 135,525	\$ 1,242,666	\$ 3,566	\$ -	\$ 248,617	\$ 93,114	\$ 17,030	\$ 2,737	\$ 3,352,148
Receivables:									
Taxes	-	-	-	-	-	-	-	-	27,115
Due from other funds	-	103,000	-	-	-	-	-	-	103,000
Due from other governments	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	-
Total assets	\$ 135,525	\$ 1,345,666	\$ 3,566	\$ -	\$ 248,617	\$ 93,114	\$ 17,030	\$ 2,737	\$ 3,482,263

## LIABILITIES AND FUND EQUITY

Liabilities:									
Vouchers payable	\$ -	\$ 9,149	\$ -	\$ -	\$ -	\$ 154	\$ -	\$ -	\$ 45,278
Accrued liabilities	-	-	-	-	-	-	-	-	710
Due to other funds	-	-	-	-	-	-	-	-	103,000
Deferred revenue	-	-	-	-	-	-	-	-	24,289
Total liabilities	-	9,149	-	-	-	154	-	-	173,277
Fund Balance:									
Reserved	-	-	-	-	-	-	-	-	156
Unreserved	135,525	1,336,517	3,566	-	248,617	92,960	17,030	2,737	3,308,830
Total fund balances	135,525	1,336,517	3,566	-	248,617	92,960	17,030	2,737	3,308,986
Total liab. and fund bal.	\$ 135,525	\$ 1,345,666	\$ 3,566	\$ -	\$ 248,617	\$ 93,114	\$ 17,030	\$ 2,737	\$ 3,482,263

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, 2008

	Indigent	District Court	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	911 Commun.
Revenues:										
Taxes - property	\$ 261,573	\$ 730	\$ 33,906	\$ 67,683	\$ 94,123	\$ 73,466	\$ 10,409	\$ 106,589	\$ 125,790	\$ -
Taxes - sales and other	75,304	2,603	8,553	14,581	20,441	16,078	2,213	26,361	28,119	-
Fees and fines	-	188,073	-	-	-	-	-	-	-	-
Intergovernmental	-	-	167,062	-	-	-	-	-	-	264,214
Interest	-	-	-	-	-	-	-	69,845	-	-
Grants and miscellaneous	248,146	397	114,081	56,717	-	-	-	-	-	49,127
Total revenues	585,023	191,803	323,602	138,981	114,564	89,544	12,622	202,795	153,909	313,341
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	-
Indigent Assistance	727,253	-	-	-	-	-	-	-	-	-
Highways and roads	-	-	358,882	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Other public service	-	166,741	-	224,203	171,160	-	-	297,600	160,045	102,323
Culture and recreation	-	-	-	-	-	43,361	15,000	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Total expenditures	727,253	166,741	358,882	224,203	171,160	43,361	15,000	297,600	160,045	102,323
Excess of revenues over (under) expenditures	(142,230)	25,062	(35,280)	(85,222)	(56,596)	46,183	(2,378)	(94,805)	(6,136)	211,018
Other financing sources (uses)										
Transfers in	175,710	4,430	-	45,000	50,000	50,000	25,000	-	-	-
Transfers out	-	-	-	-	-	(80,000)	(25,000)	-	-	-
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	175,710	4,430	-	45,000	50,000	(30,000)	-	-	-	-
Net change in fund balances	33,480	29,492	(35,280)	(40,222)	(6,596)	16,183	(2,378)	(94,805)	(6,136)	211,018
Fund balance - beginning	1,731	324,671	22,327	93,291	21,952	11,883	10,334	127,833	86,417	446,656
Fund balance - ending	\$ 35,211	\$ 354,163	\$ (12,953)	\$ 53,069	\$ 15,356	\$ 28,066	\$ 7,956	\$ 33,028	\$ 80,281	\$ 657,674

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, 2008

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,848	\$ -	\$ -
Taxes - sales and other	-	-	-	-	-	-	-	-	-	-	-
Fees and fines	37,480	21,786	176,064	-	-	2,947	6,849	-	-	19,504	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Grants and miscellaneous	-	17,363	-	-	-	-	-	-	-	-	-
Total revenues	37,480	39,149	176,064	-	-	2,947	6,849	-	1,848	149,067	1,150
Expenditures:											
General government	-	-	172,371	-	-	-	-	-	-	-	-
Indigent Assistance	-	-	-	-	-	-	-	-	-	-	-
Highways and roads	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Other public service	-	-	-	-	37,479	-	6,000	2,010	-	122,868	2,875
Culture and recreation	37,480	59,931	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	37,480	59,931	172,371	-	37,479	-	6,000	2,010	-	122,868	2,875
Excess of revenues over (under) expenditures	-	(20,782)	3,693	-	(37,479)	2,947	849	(2,010)	1,848	26,199	(1,725)
Other financing sources (uses)											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(4,427)	-	-	-	(37,363)	-	-
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	-	-	-	-	(4,427)	-	-	-	-	-	-
Net change in fund balances	-	(20,782)	3,693	-	(41,906)	2,947	849	(2,010)	(35,515)	26,199	(1,725)
Fund balance - beginning	-	71,271	12,404	-	41,906	8,963	17,679	66,625	35,671	22,369	11,545
Fund balance - ending	\$ -	\$ 50,489	\$ 16,097	\$ -	\$ -	\$ 11,910	\$ 18,528	\$ 64,615	\$ 156	\$ 48,568	\$ 9,820

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, 2008

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	776,117
Taxes - sales and other	-	-	-	-	-	-	-	-	194,253
Fees and fines	11,340	-	-	-	-	265,165	-	-	993,422
Intergovernmental	-	11,698	-	-	1,347,366	-	-	-	1,595,971
Interest	-	-	-	-	-	-	-	-	49,127
Grants and miscellaneous	-	293,594	92,948	-	-	-	-	-	953,959
Total revenues	11,340	305,292	92,948	-	1,347,366	265,165	-	-	4,562,849
Expenditures:									
General government	-	53,257	-	-	1,454,523	-	-	-	1,680,151
Indigent Assistance	-	-	-	-	-	-	-	-	727,253
Highways and roads	-	-	-	-	-	-	-	-	358,882
Public safety	-	-	-	-	-	232,299	-	-	677,014
Other public service	-	-	-	-	-	-	-	-	848,589
Culture and recreation	-	-	-	-	-	-	-	-	155,772
Debt Service	-	-	-	-	-	-	-	-	-
Total expenditures	-	53,257	-	-	1,454,523	232,299	-	-	4,447,661
Excess of revenues over (under) expenditures	11,340	252,035	92,948	-	(107,157)	32,866	-	-	115,188
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	350,140
Transfers out	-	(115,809)	(100,000)	-	-	-	-	-	(362,599)
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	-	(115,809)	(100,000)	-	-	-	-	-	(12,459)
Net change in fund balances	11,340	136,226	(7,052)	-	(107,157)	32,866	-	-	102,729
Fund balance - beginning	124,185	1,200,291	10,618	-	355,774	60,094	17,030	2,737	3,206,257
Fund balance - ending	\$ 135,525	\$ 1,336,517	\$ 3,566	\$ -	\$ 248,617	\$ 92,960	\$ 17,030	\$ 2,737	\$ 3,308,986

See accompanying notes to the financial statements.

# CASSIA COUNTY

Combining Statement of Fiduciary Net Assets  
Agency Funds  
September 30, 2008

	Range		Assessor		Water		Court Trust		Taxing		Court	
	Improv Fund	State Fund	Trust Fund	Districts Fund	Districts Fund	Districts Fund	Districts Fund	Districts Fund	Districts Fund	Districts Fund	Bonds	Bonds
ASSETS												
Cash and Investments	\$ -	\$ -	161,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	72,323
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	-	-	161,983	-	-	-	-	-	-	-	-	72,323
LIABILITIES												
Vouchers Payable	-	-	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	161,983	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-	7,507
Total liabilities	-	-	161,983	-	-	-	-	-	-	-	-	7,507
NET ASSETS												
Held in Trust	-	-	-	-	-	-	-	-	-	-	-	64,816
Total Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	64,816

See accompanying notes to the financial statements.

# CASSIA COUNTY

Combining Statement of Fiduciary Net Assets  
Agency Funds (continued, page 2 of 2)  
September 30, 2008

	Court Restitution	Judgments Trust	Box Elder Bookmobile	Sheriffs Account	Tax Collector Account	Total Agency Funds
ASSETS						
Cash and Investments	\$ 3,523	\$ 103,187	\$ 10,816	\$ 4,802	\$ 62,051	\$ 418,685
Other Assets	-	-	-	-	-	-
Total assets	3,523	103,187	10,816	4,802	62,051	418,685
LIABILITIES						
Vouchers Payable	725	-	4,641	4,802	62,051	72,219
Accrued liabilities	-	103,187	-	-	-	272,677
Deferred Revenue	-	-	-	-	-	-
Total liabilities	725	103,187	4,641	4,802	62,051	344,896
NET ASSETS						
Held in Trust	2,798	-	6,175	-	-	73,789
Total Net Assets	\$ 2,798	\$ -	\$ 6,175	\$ -	\$ -	\$ 73,789

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 accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cassia County as of and for the year ended September 30, 2008, which collectively comprise Cassia County's basic financial statements and have issued our report thereon dated January 29, 2009. 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 significant deficiencies.

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 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.

A material weakness is a significant deficiency, or 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 the 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 item 2008-1 described in the accompanying schedule to be a material weakness.

### Compliance

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 management of Cassia County in a separate letter dated February 4, 2009.

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

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*

EVANS & POULSEN, PA

January 29, 2009

## CASSIA COUNTY

### Schedule of Findings and Responses For the Year Ended September 30, 2008

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**Finding 2008-1: 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.