

CASSIA COUNTY

**BASIC FINANCIAL STATEMENTS
With Supplemental Information**

September 30, 2003

**EVANS & POULSEN, PA
Certified Public Accountants
Burley, Idaho 83318**

CASSIA COUNTY
BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2003
TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Title Page	2
Table of Contents	3 - 4
Clerk-Auditor-Recorder Letter of Transmittal	
FINANCIAL SECTION	
Independent Auditor's Report	6 - 7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet - Governmental Funds	10
Reconciliation of Total Governmental Fund Balances to the	
Statement of Net Assets	11
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Budget and Actual:	
General Fund	14
District Court Fund	15
Solid Waste Fund	16
Justice Fund	17
PILT	18
Statement of Fiduciary Net Assets - Agency Funds	19
Statement of Changes in Fiduciary Net Assets - Agency Funds	20
Notes to the Financial Statements	21 - 30
Combining Financial Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	31 - 33
Combining Statement of Revenues, Expenditures and Changes in Fund	
Balances - Nonmajor Governmental Funds	34 - 36
Combining Statement of Fiduciary Net Assets - Agency Funds	37 - 38
Combining Statement of Changes in Fiduciary Net Assets - Agency Funds	39 - 40
Independent Auditor's Report on Compliance and Internal Control	41
STATISTICAL SECTION	
Statement of 2002 Tax Rolls (Full Market Value)	43
Statement of 2002 Tax Rolls for County	44
Statement of 2002 Tax Rolls for Municipalities and Districts	45 - 46

COUNTY OF CASSIA
LARRY A. MICKELSEN
CLERK OF THE DISTRICT COURT
1459 OVERLAND
BURLEY, ID 83318

January 2, 2004

Honorable Members
Board of Cassia County 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, 2003.

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 or 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, Auditor, Recorder

1 incl. as

FINANCIAL SECTION

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, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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, 2003, and the respective changes in financial position 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 2, 2004, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

As described in Note 12, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as of September 30, 2003.

The County has elected to include the required information in a budgetary comparison statement as part of the basic financial statements. This 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 supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented the management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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, combining and individual nonmajor fund financial statements, and statistical information 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 and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


EVANS & POULSEN, PA

January 2, 2004

CASSIA COUNTY

Statement of Net Assets September 30, 2003

	Primary <u>Government</u> Governmental Activities	<u>Component Unit</u> Fair Board
ASSETS		
Cash and Investments	\$ 5,257,104	\$ 64,657
Receivables:		
Taxes	372,615	-
Prepaid Expenses	-	-
Due From Other Governments	-	-
Inventory - Note 1	-	-
Restricted Assets - Note 11:		
Cash	155,137	-
Taxes Receivable	1,655	-
Capital Assets - Note 3:		
Land	1,042,572	-
Other Capital Assets, Net of Depreciation	3,820,535	24,260
Other Assets	-	-
Total assets	10,649,618	88,917
LIABILITIES		
Vouchers Payable and Accrued Liabilities	333,289	-
Deferred Revenue	-	-
Interest Payable	-	-
Long-Term Liabilities - Note 4:		
Due Within One Year	294,850	-
Due in More Than One Year	582,145	-
Total liabilities	1,210,284	-
NET ASSETS		
Invested in Capital Assets, net of related debt	4,780,883	24,260
Restricted for:		
Debt Service - Note 11	156,792	-
Unrestricted	4,501,659	64,657
Total Net Assets	\$ 9,439,334	\$ 88,917

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Activities
For the Year Ended September 30, 2003

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	Component Unit Fair Board
Governmental Activities:						
General Government	\$ 1,660,666	\$ 305,439	\$ -	\$ -	\$ (1,355,227)	
Indigent Assistance	421,540	-	-	-	(421,540)	
Highways and Roads	731,820	-	-	54,609	(677,211)	
Public Safety	5,982,821	2,575,263	39,933	-	(3,367,625)	
Public Works	131,230	134,000	-	-	2,770	
Other Public Service	1,660,072	490,994	178,427	-	(990,651)	
Culture and Recreation	82,756	45,010	-	3,000	(34,746)	
Interest	37,607	-	-	-	(37,607)	
Total Governmental Activities	10,708,512	3,550,706	218,360	57,609	(6,881,837)	
Component Unit:						
Cassia County Fair & Rodeo	\$ 195,559.00	\$ 149,020.00	\$ -	\$ -		\$ (46,539.00)
General Revenues						
Property Taxes Levied for:						
General Purposes					977,006	-
Indigent Assistance					196,117	-
Public Safety					1,477,905	-
Solid Waste					614,258	-
Bond Interest & Redemption					262,577	-
In Lieu of Taxes					1,076,809	-
Sales & Other Taxes					1,369,716	-
Grants not Restricted to Specific Programs					-	-
Investment Earnings					175,838	664
Miscellaneous					392,826	4,276
Transfers					892,249	67,000
Total General Revenues and Transfers					7,435,301	71,940
Change in Net Assets					553,464	25,401
Net Assets Beginning of Year					8,885,870	63,516
Net Assets End of Year					\$ 9,439,334	\$ 88,917

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet
Governmental Funds
September 30, 2003

	General Fund	District Court	Solid Waste	Justice	PILT	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 509,393	\$ 215,642	\$ 620,205	\$ 1,043,831	\$ 1,249,087	\$ 1,618,946	\$ 5,257,104
Receivables:							
Taxes	53,561	2,148	66,085	162,973	-	87,848	372,615
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	156,792	156,792
Total assets	\$ 562,954	\$ 217,790	\$ 686,290	\$ 1,206,804	\$ 1,249,087	\$ 1,863,586	\$ 5,786,511
LIABILITIES AND FUND EQUITY							
Liabilities:							
Vouchers payable	\$ 86,482	\$ 12,989	\$ -	\$ 135,588	\$ -	\$ 98,230	\$ 333,289
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	50,317	2,123	59,456	153,330	-	83,877	349,103
Total liabilities	136,799	15,112	59,456	288,918	-	182,107	682,392
Fund Balance:							
Reserved	-	-	-	-	-	156,792	156,792
Unreserved	426,155	202,678	626,834	917,886	1,249,087	1,524,687	4,947,327
Total fund balances	426,155	202,678	626,834	917,886	1,249,087	1,681,479	5,104,119
Total liabilities and fund balances	\$ 562,954	\$ 217,790	\$ 686,290	\$ 1,206,804	\$ 1,249,087	\$ 1,863,586	\$ 5,786,511

See accompanying notes to the financial statements.

CASSIA COUNTY

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities September 30, 2003

Total Governmental Fund Balances	\$ 5,104,119
----------------------------------	--------------

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.	4,863,107
--	-----------

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	349,103

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

General Obligation Bonds Payable	(545,000)
Note Payable to Southern Idaho Regional Solid Waste District	(247,614)
Note Payable to Wells Fargo Bank	(82,224)
Accrued Interest Payable	(2,157)

Net Assets of Governmental Activities	<u>\$ 9,439,334</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, 2003

	General Fund	District Court	Solid Waste	Justice	PILT	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes - property	\$ 534,573	\$ 551	\$ 614,925	\$ 1,461,291	\$ -	\$ 887,600	\$ 3,498,940
Taxes - sales and other	335,744	-	-	622,034	-	411,938	1,369,716
Payment in lieu of taxes	-	-	-	-	1,076,809	-	1,076,809
Fees and fines	305,439	177,716	35,080	305,211	-	464,973	1,288,419
Intergovernmental	-	-	-	2,229,012	-	936,733	3,165,745
Interest	165,838	-	-	-	-	10,000	175,838
Miscellaneous	34,764	68,186	-	22,854	-	576,266	702,070
Total revenues	1,376,358	246,453	650,005	4,640,402	1,076,809	3,287,510	11,277,537
Expenditures:							
General government	1,721,766	-	-	-	-	956,423	2,678,189
Indigent Assistance	-	-	-	-	-	421,540	421,540
Highways and roads	-	-	-	-	-	322,345	322,345
Public safety	-	-	-	5,717,520	-	280,120	5,997,640
Public works	-	-	-	-	-	131,230	131,230
Other public service	-	145,502	517,846	-	-	1,014,356	1,677,704
Culture and recreation	-	-	-	-	-	68,761	68,761
Debt Service	-	-	-	-	-	293,617	293,617
Total expenditures	1,721,766	145,502	517,846	5,717,520	-	3,488,392	11,591,026
Excess of revenues over (under) expenditures	(345,408)	100,951	132,159	(1,077,118)	1,076,809	(200,882)	(313,489)
Other financing sources (uses)							
Transfers in	200,000	3,692	-	2,452,731	-	530,125	3,186,548
Transfers out	-	(108,203)	-	(260,092)	(1,618,500)	(307,504)	(2,294,299)
Proceeds from the sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	200,000	(104,511)	-	2,192,639	(1,618,500)	222,621	892,249
Net change in fund balances	(145,408)	(3,560)	132,159	1,115,521	(541,691)	21,739	578,760
Fund balance - beginning	571,563	206,238	494,675	(197,635)	1,790,778	1,659,740	4,525,359
Fund balance - ending	\$ 426,155	\$ 202,678	\$ 626,834	\$ 917,886	\$ 1,249,087	\$ 1,681,479	\$ 5,104,119

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, 2003

Net Change in Fund Balances - Total Governmental Funds \$ 578,760

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 by which depreciation exceeded capital outlay in the current period:

Fixed asset additions	\$ 592,901	
Depreciation expense	<u>(949,174)</u>	
Excess of depreciation over capital outlay		(356,273)

Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds.

28,923

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 281,354

Internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net (revenue)/expense is eliminated in the statement of activities.

19,690

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

1,010

Change in Net Assets of Governmental Activities \$ 553,464

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, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes - property	\$ 614,580	\$ 614,580	\$ 534,573	\$ (80,007)
Taxes - sales and other	522,566	522,566	335,744	(186,822)
Fees and fines	283,013	283,013	305,439	22,426
Intergovernmental	-	-	-	-
Interest	172,274	172,274	165,838	(6,436)
Miscellaneous	53,683	53,683	34,764	(18,919)
Total revenues	1,646,116	1,646,116	1,376,358	(269,758)
Expenditures:				
General government:				
Commissioners	111,058	111,058	99,677	11,381
Auditor	163,084	163,084	162,110	974
Treasurer	148,837	148,837	143,430	5,407
Assessor	279,040	279,040	260,690	18,350
Ag. extension	143,749	143,749	143,240	509
Buildings	161,363	161,363	146,708	14,655
Board of health	100,853	100,853	100,853	-
Planning and zoning	158,814	158,814	132,252	26,562
General	449,974	449,974	335,829	114,145
Civil defense	14,093	49,970	30,929	19,041
Elections	28,617	28,617	20,648	7,969
Data processing	154,318	154,318	140,147	14,171
Veterans officer	5,853	5,853	5,253	600
Total expenditures	1,919,653	1,955,530	1,721,766	233,764
Excess of revenues over (under) expenditures	(273,537)	(309,414)	(345,408)	(35,994)
Other financing sources (uses):				
Transfers in	300,000	300,000	200,000	(100,000)
Transfers out	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	300,000	300,000	200,000	(100,000)
Net change in fund balances	26,463	(9,414)	(145,408)	(135,994)
Fund balance - beginning	302,760	302,760	571,563	268,803
Fund balance - ending	\$ 329,223	\$ 293,346	\$ 426,155	\$ 132,809

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual District Court - Special Revenue Fund Year Ended September 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes - property	\$ -	\$ -	\$ 551	\$ 551
Taxes - sales and other	-	-	-	-
Fees and fines	148,625	148,625	177,716	29,091
Intergovernmental	55,929	55,929	67,427	11,498
Miscellaneous	40,629	40,629	759	(39,870)
Total revenues	245,183	245,183	246,453	1,270
Expenditures:				
Other public service:				
Clerk of the District Court	22,000	22,000	17,693	4,307
District Court	230,395	230,395	114,132	116,263
Magistrate Court	32,850	32,850	13,677	19,173
Probation	-	-	-	-
Total expenditures	285,245	285,245	145,502	139,743
Excess of revenues over (under) expenditures	(40,062)	(40,062)	100,951	141,013
Other financing sources (uses):				
Transfers in	-	-	3,692	3,692
Transfers out	-	-	(108,203)	(108,203)
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	(104,511)	(104,511)
Net change in fund balances	(40,062)	(40,062)	(3,560)	36,502
Fund balance - beginning	52,220	52,220	206,238	154,018
Fund balance - ending	\$ 12,158	\$ 12,158	\$ 202,678	\$ 190,520

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, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes - property	\$ 735,803	\$ 735,803	\$ 614,925	\$ (120,878)
Use fees	27,009	27,009	35,080	8,071
Miscellaneous	-	-	-	-
Total revenues	762,812	762,812	650,005	(112,807)
Expenditures:				
Other public service	555,000	555,000	517,846	37,154
Total expenditures	555,000	555,000	517,846	37,154
Excess of revenues over (under) expenditures	207,812	207,812	132,159	(75,653)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	207,812	207,812	132,159	(75,653)
Fund balance - beginning	460,635	460,635	494,675	34,040
Fund balance - ending	\$ 668,447	\$ 668,447	\$ 626,834	\$ (41,613)

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, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes - property	\$ 1,407,350	\$ 1,407,350	\$ 1,461,291	\$ 53,941
Taxes - sales and other	719,973	719,973	622,034	(97,939)
Fees and fines	292,070	292,070	305,211	13,141
Intergovernmental	2,447,082	2,447,082	2,232,012	(215,070)
Miscellaneous	39,661	39,661	19,854	(19,807)
Total revenues	4,906,136	4,906,136	4,640,402	(265,734)
Expenditures:				
Public safety:				
District Court	435,862	435,862	427,101	8,761
Juvenile justice	199,000	199,000	195,490	3,510
Prosecuting attorney	321,988	321,988	291,076	30,912
Public defender	203,850	214,569	213,158	1,411
Coroner	29,665	29,665	19,452	10,213
Law buildings	33,428	33,428	33,365	63
Sheriff patrol	1,389,303	1,391,613	1,368,858	22,755
Investigations	283,399	283,399	265,003	18,396
Dispatch	319,926	319,926	269,628	50,298
Administration	550,655	550,655	520,981	29,674
Detention center	2,057,726	2,057,726	1,948,155	109,571
Juvenile center	165,255	165,255	165,253	2
Total expenditures	5,990,057	6,003,086	5,717,520	285,566
Excess of revenues over (under) expenditures	(1,083,921)	(1,096,950)	(1,077,118)	19,832
Other financing sources (uses):				
Transfers in	1,595,760	1,595,760	2,452,731	856,971
Transfers out	-	-	(260,092)	(260,092)
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,595,760	1,595,760	2,192,639	596,879
Net change in fund balances	511,839	498,810	1,115,521	616,711
Fund balance - beginning	55,441	55,441	(197,635)	(253,076)
Fund balance - ending	\$ 567,280	\$ 554,251	\$ 917,886	\$ 363,635

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, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Payment in lieu of taxes	\$ 865,892	\$ 865,892	\$ 1,076,809	\$ 210,917
Miscellaneous	-	-	-	-
Total revenues	865,892	865,892	1,076,809	210,917
Expenditures:				
Other public service	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	865,892	865,892	1,076,809	210,917
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(914,000)	(914,000)	(1,618,500)	(704,500)
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	(914,000)	(914,000)	(1,618,500)	(704,500)
Net change in fund balances	(48,108)	(48,108)	(541,691)	(493,583)
Fund balance - beginning	1,796,778	1,796,778	1,790,778	(6,000)
Fund balance - ending	\$ 1,748,670	\$ 1,748,670	\$ 1,249,087	\$ (499,583)

See accompanying notes to the financial statements.

CASSIA COUNTY

**Statement of Fiduciary Net Assets
Agency Funds
September 30, 2003**

	Total Agency Funds
ASSETS	
Cash and Investments	\$ 458,449
Other Assets	-
Total assets	<u>458,449</u>
LIABILITIES	
Vouchers Payable and Accrued Liabilities	192,128
Deferred Revenue	-
Total liabilities	<u>192,128</u>
NET ASSETS	
Held in Trust	<u>266,321</u>
Total Net Assets	<u>\$ 266,321</u>

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Changes in Fiduciary Net Assets Agency Funds Year Ended September 30, 2003

	<u>Total Agency Funds</u>
Additions:	
Donations	\$ 1,030
Grants	-
Investment earnings	-
Other additions	15,162,246
Total additions	<u>15,163,276</u>
Deductions:	
Distributed assets	15,779,909
Other deductions	-
Total deductions	<u>15,779,909</u>
Change in Net Assets	(616,633)
Net Assets Beginning of Year	<u>882,954</u>
Net Assets End of Year	<u>\$ 266,321</u>

See accompanying notes to the financial statements.

CASSIA COUNTY

Notes to Financial Statements
September 30, 2003

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, 2003

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.

District Court Fund

The District Court Fund accounts for the judicial activities of the County.

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 State.

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, 2003

E. Deposits and Investments

The County maintains cash and investments as a pool that is available for use by all funds except the Fair Board, the Sheriff and the Tax Collector, for which separate bank accounts are maintained.

The following schedule summarizes carrying amounts and actual bank balances as of September 30, 2003:

Description	Carrying Amount	Bank Balance
Cash on Hand	\$ 500	\$ 500
Bank Checking or Savings	1,671,079	1,744,048
State Treasurer's Pool	4,163,768	4,170,368
Other Investment Accounts	100,000	100,000
Totals	\$ 5,935,347	\$ 6,014,916

Deposits (cash and certificates of deposit) are carried at cost which approximates market value except for outstanding checks which had not cleared the accounts by the end of the year. The County's deposits are categorized to give an indication of the level of risk assumed by the County at year end. The categories are described as follows:

Category 1- Insured (FDIC) or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2- Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3- Uncollateralized.

On September 30, 2003 the County had deposits as follows:

	Carrying Amount	Bank Balance
Category 1	\$ 356,681	\$ 363,076
Category 2	-	-
Category 3	1,314,898	1,381,472
Total deposits	\$ 1,671,579	\$ 1,744,548

Investments held by the County are also carried at cost which approximates market value. At year end, the County held the following, which fit level of risk Category 1 - Insured or registered, or securities held by the entity or its agent in the entity's name:

	Carrying Amount	Bank Balance
State Treasurer's Pool	\$ 4,163,768	\$ 4,170,368
Other Investment Accounts	100,000	100,000
	\$ 4,263,768	\$ 4,270,368

CASSIA COUNTY

Notes to Financial Statements September 30, 2003

State statutes 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 any 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.

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.

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.

CASSIA COUNTY

Notes to Financial Statements September 30, 2003

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 financial statements.

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 City's policy is to first apply unrestricted 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.

CASSIA COUNTY

Notes to Financial Statements
September 30, 2003

NOTE 3: CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance 9/30/02	Additions	Deletions	Balance 9/30/03
Governmental Activities				
Cost / Historical Value:				
Land (non-depreciable)	\$ 1,042,572	\$ -	\$ -	\$ 1,042,572
Buildings	3,067,534	108,448	-	3,175,982
Improvements other than buildings	371,544	18,009	(19,670)	369,883
Construction in Process	-	78,541	-	78,541
Infrastructure assets	9,251,240	240,739	-	9,491,979
Equipment/Vehicles	1,465,298	147,164	(94,224)	1,518,238
Total	15,198,188	592,901	(113,894)	15,677,195
Accumulated Depreciation:				
Buildings	814,386	80,017	-	894,403
Improvements other than buildings	239,282	57,927	(18,230)	278,979
Infrastructure assets	7,916,068	632,797	-	8,548,865
Equipment/Vehicles	981,454	178,433	(68,046)	1,091,841
Total	9,951,190	949,174	(86,276)	10,814,088
Net Book Value:				
Land (non-depreciable)	1,042,572	-	-	1,042,572
Buildings	2,253,148	28,431	-	2,281,579
Improvements other than buildings	132,262	(39,918)	(1,440)	90,904
Construction in Process	-	78,541	-	78,541
Infrastructure assets	1,335,172	(392,058)	-	943,114
Equipment/Vehicles	483,844	(31,269)	(26,178)	426,397
Total	\$ 5,246,998	\$ (356,273)	\$ (27,618)	\$ 4,863,107
Component Unit				
Cost / Historical Value:				
Land (non-depreciable)	\$ -	\$ -	\$ -	\$ -
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Equipment/Vehicles	17,500	11,400	-	28,900
Total	17,500	11,400	-	28,900

CASSIA COUNTY

Notes to Financial Statements September 30, 2003

Accumulated Depreciation:

Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Equipment/Vehicles	1,750	2,890	-	4,640
Total	1,750	2,890	-	4,640

Net Book Value:

Land (non-depreciable)	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Equipment/Vehicles	15,750	8,510	-	24,260
Total	\$ 15,750	\$ 8,510	\$ -	\$ 24,260

All assets are being depreciated using the straight line method over the respective estimated lives described in Note 1.

Infrastructure assets being reported consist mainly of roads and bridges.

NOTE 4: LONG-TERM DEBT

The bonds outstanding on September 30, 2003 were for the construction of a joint jail facility for Cassia and Minidoka Counties. The bond issue of September 1, 1990, is designated "Cassia County, Idaho, General Obligation Jail Bonds, Series 1990". The County entered into a bond refunding arrangement with US Bank of Boise, Idaho. The portions of the 1990 bonds that were callable were refunded by issuance of 1995 bonds.

The annual requirements to amortize the above bond issue are as follows:

FYE Sept. 30:	Principal	Interest	Total
2004	\$ 265,000	\$ 25,888	\$ 290,888
2005	280,000	13,300	293,300
Total	\$ 545,000	\$ 39,188	\$ 584,188

There are a number of requirements and restrictions contained in the bond resolution. The County is in compliance with all significant provisions.

In 1995 the County agreed to pay the Southern Idaho Regional Solid Waste District for costs the District paid 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.

CASSIA COUNTY

Notes to Financial Statements September 30, 2003

In 2001 the County entered into a lease purchase agreement with Wells Fargo Bank for a Cat Wheel Loader. The cost was \$118,375 which was financed at 4.75%. The note calls for five annual payments of \$15,157 and a balloon payment in 2006 of \$62,000. The County has a guarantee for purchase of the Loader when the balloon payment is due, which guarantees the County can sell the Loader for an amount equal to the balloon payment, if desired.

The annual requirements to amortize these notes are as follows:

FYE Sept. 30:	Principal	Interest	Total
2004	\$ 27,693	\$ 17,054	\$ 44,747
2005	29,100	15,647	44,747
2006	77,422	14,168	91,590
2007	19,203	10,387	29,590
2008	20,222	9,368	29,590
Thereafter	156,198	32,092	188,290
Total	\$ 329,838	\$ 98,716	\$ 428,554

As of September 30, 2003, the general obligation bond and the notes described above are the only long-term debt obligations of the County. The following is a summary of changes in long-term debt:

	Balance at 9/30/2002	Additions	Reductions	Balance at 9/30/2003
General Obligation Bond	\$ 800,000	\$ -	\$ (255,000)	\$ 545,000
Landfill Closure Note	263,227	-	(15,613)	247,614
Wells Fargo Bank Note	92,965	-	(10,741)	82,224
	<u>\$ 1,156,192</u>	<u>\$ -</u>	<u>\$ (281,354)</u>	<u>\$ 874,838</u>

NOTE 5: PENSION PLAN

Public Employee Retirement System of Idaho - The Public Employee Retirement System of Idaho (PERSI), 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 members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request.

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. Effective June 30, 2000, the annual service retirement allowance for each month of credited service is 2% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

CASSIA COUNTY

Notes to Financial Statements September 30, 2003

For the year ended June 30, 2002, the required contribution rates, as determined by PERSI, are as follows:

Employee Group	Contribution	
	Employer	Employee
General Member	9.77%	5.86%
Police/Firefighter	10.01%	7.21%

The Cassia County contributions required and paid were \$389,418, \$380,519, and \$373,568 for the three years ended September 30, 2003, 2002, and 2001, 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, with the exception of one case, which the County believes has virtually no chance of resulting in any liability to the County.

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, 2003, no governmental funds had a deficit fund balance.

NOTE 9: EXPENDITURES IN EXCESS OF BUDGET

During the year ended September 30, 2003, no funds overspent their operating 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 \$63,000 per year, its share of the costs as stated in the current agreement.

CASSIA COUNTY

Notes to Financial Statements September 30, 2003

Lease Commitments

The County has an annual renewable lease for a 140H Motor Grader leased October 8, 2002. The lease calls for 5 annual payments of \$20,572 with a 6th year purchase option of \$103,000. The lease is financed with Wells Fargo Bank.

The minimum annual requirement to fund the above lease is as follows:

<u>Year</u>	<u>Amount</u>
2004	\$ 20,572
2005	20,572
2006	20,572
Total	<u>\$ 61,716</u>

NOTE 11: RESTRICTED NET ASSETS

Restricted net assets consist of cash and taxes receivable in the Bond Interest & Redemption Fund restricted for servicing the bonds payable.

NOTE 12: CHANGE IN METHOD OF ACCOUNTING AND REPORTING

The County, as of and for the year ended September 30, 2003, implemented GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transaction" and GASB Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". Statement No. 34 established new financial reporting requirements for all state and local governments and consists of the following:

- Management's discussion and analysis;
- Basic financial statements;
- Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting;
- Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds and enterprise funds;
- Notes to the financial statements;
- Required supplementary information, which requires budgetary comparison schedules to be presented.

Capital assets and long-term debt are no longer reported in account groups, but are reflected within the government-wide financial statements. Additionally, depreciation expense is now recognized for all capital assets.

These changes have resulted in a dual presentation in financial reporting, i.e. - both government-wide financial statements and fund financial statements, the differences of which are explained in Note 1.

CASSIA COUNTY

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2003

	Indigent	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	Warrant Redemption	Bond Int & Redempt.
ASSETS										
Cash and investments	\$ 186,091	\$ 101,569	\$ 78,488	\$ 31,781	\$ 6,288	\$ 7,452	\$ 34,406	\$ 38,452	\$ 2,737	\$ -
Receivables:										
Taxes	21,072	-	8,543	6,132	6,131	1,113	13,484	7,217	-	24,156
Due from other funds	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	-	156,792
Total assets	\$ 207,163	\$ 101,569	\$ 87,031	\$ 37,913	\$ 12,419	\$ 8,565	\$ 47,890	\$ 45,669	\$ 2,737	\$ 180,948
LIABILITIES AND FUND EQUITY										
Liabilities:										
Vouchers payable	\$ 61,334	\$ 1,342	\$ 16,320	\$ -	\$ -	\$ -	\$ 2,450	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Deferred revenue	19,804	-	7,988	5,741	5,746	1,043	12,630	6,769	-	24,156
Total liabilities	81,138	1,342	24,308	5,741	5,746	1,043	15,080	6,769	-	24,156
Fund Balance:										
Reserved	-	-	-	-	-	-	-	-	-	156,792
Unreserved	126,025	100,227	62,723	32,172	6,673	7,522	32,810	38,900	2,737	-
Total fund balances	126,025	100,227	62,723	32,172	6,673	7,522	32,810	38,900	2,737	156,792
Total liab. and fund bal.	\$ 207,163	\$ 101,569	\$ 87,031	\$ 37,913	\$ 12,419	\$ 8,565	\$ 47,890	\$ 45,669	\$ 2,737	\$ 180,948

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet
Nonmajor Governmental Funds (continued)
September 30, 2003

	911 Commun.	Boat License	Snow Mobile License	Drivers License	Police Reserve	Juvenile Justice	Court Interlock	EMS Fees	Narc. Seized Assets	Drug Task Force	DARE Trust
ASSETS											
Cash and investments	\$ 52,630	\$ 1,092	\$ 95,147	\$ 13,826	\$ 278	\$ 26,113	\$ 26,764	\$ 12,366	\$ 76,891	\$ 4,498	\$ 29,874
Receivables:											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 52,630	\$ 1,092	\$ 95,147	\$ 13,826	\$ 278	\$ 26,113	\$ 26,764	\$ 12,366	\$ 76,891	\$ 4,498	\$ 29,874
LIABILITIES AND FUND EQUITY											
Liabilities:											
Vouchers payable	\$ 8,219	\$ 1,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,987	\$ 185	\$ -	\$ 1,891
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	8,219	1,092	-	-	-	-	-	1,987	185	-	1,891
Fund Balance:											
Reserved	-	-	-	-	-	-	-	-	-	-	-
Unreserved	44,411	-	95,147	13,826	278	26,113	26,764	10,379	76,706	4,498	27,983
Total fund balances	44,411	-	95,147	13,826	278	26,113	26,764	10,379	76,706	4,498	27,983
Total liab. and fund bal.	\$ 52,630	\$ 1,092	\$ 95,147	\$ 13,826	\$ 278	\$ 26,113	\$ 26,764	\$ 12,366	\$ 76,891	\$ 4,498	\$ 29,874

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet
Nonmajor Governmental Funds (continued)
September 30, 2003

	Court Facilities	Physical Facilities	Jail Commissary	Law Enforcement	Adult Misdemeanor Probation	Cassia County Benefits	DETOUR Trust	Widow's Benefit	Total Nonmajor Governmental Funds
ASSETS									
Cash and investments	\$ 74,455	\$ 527,960	\$ 61,130	\$ 15,577	\$ 19,651	\$ 74,527	\$ -	\$ 18,903	\$ 1,618,946
Receivables:									
Taxes	-	-	-	-	-	-	-	-	87,848
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	156,792
Total assets	\$ 74,455	\$ 527,960	\$ 61,130	\$ 15,577	\$ 19,651	\$ 74,527	\$ -	\$ 18,903	\$ 1,863,586
LIABILITIES AND FUND EQUITY									
Liabilities:									
Vouchers payable	\$ -	\$ 1,107	\$ -	\$ -	\$ 2,303	\$ -	\$ -	\$ -	\$ 98,230
Accrued liabilities	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	83,877
Total liabilities	-	1,107	-	-	2,303	-	-	-	182,107
Fund Balance:									
Reserved	-	-	-	-	-	-	-	-	156,792
Unreserved	74,455	526,853	61,130	15,577	17,348	74,527	-	18,903	1,524,687
Total fund balances	74,455	526,853	61,130	15,577	17,348	74,527	-	18,903	1,681,479
Total liab. and fund bal.	\$ 74,455	\$ 527,960	\$ 61,130	\$ 15,577	\$ 19,651	\$ 74,527	\$ -	\$ 18,903	\$ 1,863,586

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, 2003

	Indigent	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	Warrant Redemption	Bond Int & Redempt.
Revenues:										
Taxes - property	\$ 193,739	\$ 17,618	\$ 85,030	\$ 60,144	\$ 59,129	\$ 10,796	\$ 134,037	\$ 68,698	\$ -	\$ 258,409
Taxes - sales and other	43,334	159,586	19,026	13,458	13,225	2,413	87,517	15,372	-	58,007
Fees and fines	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Miscellaneous	159,956	98,298	42,602	676	670	104	1,482	772	-	2,672
Total revenues	397,029	275,502	146,658	74,278	73,024	13,313	223,036	84,842	-	319,088
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	-
Indigent Assistance	421,540	-	-	-	-	-	-	-	-	-
Highways and roads	-	322,345	-	-	-	-	-	-	-	-
Public safety	-	-	176,120	104,000	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Other public service	-	-	-	-	-	-	392,700	128,180	-	-
Culture and recreation	-	-	-	-	32,548	10,000	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	293,617
Total expenditures	421,540	322,345	176,120	104,000	32,548	10,000	392,700	128,180	-	293,617
Excess of revenues over (under) expenditures	(24,511)	(46,843)	(29,462)	(29,722)	40,476	3,313	(169,664)	(43,338)	-	25,471
Other financing sources (uses)										
Transfers in	115,000	80,000	60,000	56,500	30,000	-	127,000	36,000	-	-
Transfers out	-	-	-	-	(67,000)	-	-	-	-	-
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	115,000	80,000	60,000	56,500	(37,000)	-	127,000	36,000	-	-
Net change in fund balances	90,489	33,157	30,538	26,778	3,476	3,313	(42,664)	(7,338)	-	25,471
Fund balance - beginning	35,536	67,070	32,185	5,394	3,197	4,209	75,474	46,238	2,737	131,321
Fund balance - ending	\$ 126,025	\$ 100,227	\$ 62,723	\$ 32,172	\$ 6,673	\$ 7,522	\$ 32,810	\$ 38,900	\$ 2,737	\$ 156,792

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Governmental Funds (continued)
Year Ended September 30, 2003

	911 Commun.	Boat License	Snow Mobile License	Drivers License	Police Reserve	Juvenile Justice	Court Interlock	EMS Fees	Narc. Seized Assets	Drug Task Force	DARE Trust
Revenues:											
Taxes - property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - sales and other	-	-	-	-	-	-	-	-	-	-	-
Fees and fines	121,420	27,821	17,189	131,605	50	41,040	2,345	5,875	21,370	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	910	3,000	-	-	-	36,933	-	-	-	125,347	422
Total revenues	122,330	30,821	17,189	131,605	50	77,973	2,345	5,875	21,370	125,347	422
Expenditures:											
General government	-	-	-	-	-	-	-	-	-	-	-
Indigent Assistance	-	-	-	-	-	-	-	-	-	-	-
Highways and roads	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	130,340	90	-	800	-	-	-	-
Other public service	106,073	-	-	-	-	-	-	6,000	6,208	120,730	9,482
Culture and recreation	-	23,563	2,650	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	106,073	23,563	2,650	130,340	90	-	800	6,000	6,208	120,730	9,482
Excess of revenues over (under) expenditures	16,257	7,258	14,539	1,265	(40)	77,973	1,545	(125)	15,162	4,617	(9,060)
Other financing sources (uses)											
Transfers in	-	-	1,258	-	-	-	-	-	-	-	-
Transfers out	-	(7,258)	-	-	-	(131,857)	-	-	(250)	(119)	-
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	-	(7,258)	1,258	-	-	(131,857)	-	-	(250)	(119)	-
Net change in fund balances	16,257	-	15,797	1,265	(40)	(53,884)	1,545	(125)	14,912	4,498	(9,060)
Fund balance - beginning	28,154	-	79,350	12,561	318	79,997	25,219	10,504	61,794	-	37,043
Fund balance - ending	\$ 44,411	\$ -	\$ 95,147	\$ 13,826	\$ 278	\$ 26,113	\$ 26,764	\$ 10,379	\$ 76,706	\$ 4,498	\$ 27,983

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Governmental Funds (continued)
Year Ended September 30, 2003

	Court Facilities	Physical Facilities	Jail Commissary	Law Enforcement	Adult Misdemeanor Probation	Cassia County Benefits	DETOUR Trust	Widow's Benefit	Total Nonmajor Governmental Funds
Revenues:									
Taxes - property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	887,600
Taxes - sales and other	-	-	-	-	-	-	-	-	411,938
Fees and fines	17,448	-	-	-	78,810	-	-	-	464,973
Intergovernmental	-	-	-	-	-	936,733	-	-	936,733
Interest	-	-	10,000	-	-	-	-	-	10,000
Miscellaneous	-	33,275	47,553	15,573	-	-	6,021	-	576,266
Total revenues	17,448	33,275	57,553	15,573	78,810	936,733	6,021	-	3,287,510
Expenditures:									
General government	-	-	-	-	-	956,423	-	-	956,423
Indigent Assistance	-	-	-	-	-	-	-	-	421,540
Highways and roads	-	-	-	-	-	-	-	-	322,345
Public safety	-	-	-	-	-	-	-	-	280,120
Public works	-	-	-	-	-	-	-	-	131,230
Other public service	-	152,213	-	-	85,690	-	7,080	-	1,014,356
Culture and recreation	-	-	-	-	-	-	-	-	68,761
Debt Service	-	-	-	-	-	-	-	-	293,617
Total expenditures	-	152,213	-	-	85,690	956,423	7,080	-	3,488,392
Excess of revenues over (under) expenditures	17,448	(118,938)	57,553	15,573	(6,880)	(19,690)	(1,059)	-	(200,882)
Other financing sources (uses)									
Transfers in	-	-	-	-	24,228	-	139	-	530,125
Transfers out	-	-	(80,000)	(21,020)	-	-	-	-	(307,504)
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	-	-	(80,000)	(21,020)	24,228	-	139	-	222,621
Net change in fund balances	17,448	(118,938)	(22,447)	(5,447)	17,348	(19,690)	(920)	-	21,739
Fund balance - beginning	57,007	645,791	83,577	21,024	-	94,217	920	18,903	1,659,740
Fund balance - ending	\$ 74,455	\$ 526,853	\$ 61,130	\$ 15,577	\$ 17,348	\$ 74,527	\$ -	\$ 18,903	\$ 1,681,479

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Fiduciary Net Assets

Agency Funds

September 30, 2003

	Assessor Trust Fund	State Fund	Water Districts Fund	Taxing Districts Fund	Court Bonds	Court Restitution	Court Trust
ASSETS							
Cash and Investments	\$ 122,494	\$ -	\$ -	\$ -	\$ 36,226	\$ 332	\$ -
Other Assets	-	-	-	-	-	-	-
Total assets	122,494	-	-	-	36,226	332	-
LIABILITIES							
Vouchers Payable and Accrued Liab.	117,471	-	-	-	6,642	-	-
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	117,471	-	-	-	6,642	-	-
NET ASSETS							
Held in Trust	5,023	-	-	-	29,584	332	-
Total Net Assets	\$ 5,023	\$ -	\$ -	\$ -	\$ 29,584	\$ 332	\$ -

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Fiduciary Net Assets

Agency Funds (continued)

September 30, 2003

	Jail Trust	Judgments Trust	Box Elder Bookmobile	Sheriffs Account	Tax Collector Account	Total Agency Funds
ASSETS						
Cash and Investments	\$ 229,572	\$ -	\$ 1,810	\$ 13,827	\$ 54,188	\$ 458,449
Other Assets	-	-	-	-	-	-
Total assets	229,572	-	1,810	13,827	54,188	458,449
LIABILITIES						
Vouchers Payable and Accrued Liab.	-	-	-	13,827	54,188	192,128
Deferred Revenue	-	-	-	-	-	-
Total liabilities	-	-	-	13,827	54,188	192,128
NET ASSETS						
Held in Trust	229,572	-	1,810	-	-	266,321
Total Net Assets	\$ 229,572	\$ -	\$ 1,810	\$ -	\$ -	\$ 266,321

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Changes in Fiduciary Net Assets
 Agency Funds
 Year Ended September 30, 2003

	Assessor Trust Fund	State Fund	Water Districts Fund	Taxing Districts Fund	Court Bonds	Court Restitution	Court Trust
Additions:							
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Other additions	1,399,479	2,220	42,435	-	120,006	36,236	838,755
Total additions	1,399,479	2,220	42,435	-	120,006	36,236	838,755
Deductions:							
Distributed assets	1,403,594	1,608	42,435	-	82,153	40,971	870,279
Other deductions	-	-	-	-	-	-	-
Total deductions	1,403,594	1,608	42,435	-	82,153	40,971	870,279
Change in Net Assets	(4,115)	612	-	-	37,853	(4,735)	(31,524)
Net Assets Beginning of Year	9,138	(612)	-	-	(8,269)	5,067	31,524
Net Assets End of Year	\$ 5,023	\$ -	\$ -	\$ -	\$ 29,584	\$ 332	\$ -

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Changes in Fiduciary Net Assets
 Agency Funds (continued)
 Year Ended September 30, 2003

	Jail Trust	Judgments Trust	Box Elder Bookmobile	Sheriffs Account	Tax Collector Account	Total Agency Funds
Additions:						
Donations	\$ -	\$ -	\$ 1,030	\$ -	\$ -	\$ 1,030
Grants	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
Other additions	600,772	-	3,234	341,964	11,777,145	15,162,246
Total additions	600,772	-	4,264	341,964	11,777,145	15,163,276
Deductions:						
Distributed assets	1,215,760	-	4,000	341,964	11,777,145	15,779,909
Other deductions	-	-	-	-	-	-
Total deductions	1,215,760	-	4,000	341,964	11,777,145	15,779,909
Change in Net Assets	(614,988)	-	264	-	-	(616,633)
Net Assets Beginning of Year	844,560	-	1,546	-	-	882,954
Net Assets End of Year	\$ 229,572	\$ -	\$ 1,810	\$ -	\$ -	\$ 266,321

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 COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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 Cassia County as of and for the year ended September 30, 2003, and have issued our report thereon dated January 2, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether Cassia County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cassia County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, others within the organization, Board of Commissioners, 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 2, 2004

STATISTICAL SECTION

CASSIA COUNTY

STATEMENT OF 2002 TAX ROLLS (FULL MARKET VALUE)

Real Property Rolls		\$1,134,881,215	
Personal Property Rolls		\$135,745,042	
ASSESSED MARKET VALUE AFTER EQUALIZATION			<u>\$1,270,626,257</u>
	<u>Acres</u>		
1 Irrigated agriculture land	265,284.656	\$409,102,718	
2 Irrigated pasture land	16,074.110	\$16,668,850	
3 Non-irrigated agricultural land	100,148.410	\$46,428,815	
5 Dry grazing land	291,839.750	\$28,483,544	
8 Speculative Homestite	22.740	\$50,315	
9 Mineral land		\$35,353	
10 Homesite value/rural invest. land	1,226.270	\$7,432,502	
11 Recreational land	7.000	\$42,000	
12 Rural residential tracts	2,999.815	\$19,459,682	
13 Rural commercial tracts	1,040.000	\$3,001,140	
14 Rural industrial tracts	630.190	\$1,986,791	
15 Rural subdivision residential lots/acreages	617.951	\$8,071,805	
16 Rural subdivision - commercial lots/acreages	3.950	\$76,740	
17 Rural subdivision - industrial lots/acreages	5.150	\$26,400	
18 Other land	686.739	\$1,040,911	
19 Waste	6,545.740		
20 Residential lots/acreages (inside city)	1,476.024	\$22,625,721	
21 Commercial lots/acreages (inside city)	516.523	\$19,737,410	
22 Industrial lots/acreages (inside city)	56.030	\$590,054	
25 Common areas	2.322	\$110,003	
26 Condominiums/townhouses		\$1,239,499	
30 Improvements - non-residential on Category 20		\$758,955	
31 Improvements - residential on Category 10		\$63,343,112	
32 Improvements - non residential on Category 1-10, 12, 15, 18		\$35,748,512	
33 Improvements - recreation sites (11)		\$177,650	
34 Improvements - rural residential tracts (12)		\$95,079,584	
35 Improvements - rural commercial tracts (13)		\$26,781,086	
36 Improvements - rural industrial tracts (14)		\$37,766,906	
37 Improvements - rural subdivision residential (15)		\$41,166,290	
38 Improvements - rural subdivision commercial (16)		\$460,480	
39 Improvements - rural subdivision industrial (17)		\$100,370	
40 Improvements - other rural land (18)		\$95,962	
41 Improvements - residential lots/acres (20)		\$149,592,236	
42 Improvements - commercial lots/acres (21)		\$54,888,397	
43 Improvements - industrial lots/acres (22)		\$9,793,028	
46 Manufactured housing		\$16,496,421	
47 Improvements - manufactured housing		\$1,335,951	
48 Manufactured Housing with SID		\$15,086,022	
TOTAL			<u>\$1,134,881,215</u>
56 Const. machinery, tools and equipment		\$5,268,507	
59 Furniture & fixtures		\$11,077,697	
60 Improvements - railroad right of way		\$593,326	
61 Improvements - by lessee other Category 62		\$19,467,535	
62 Improvements - leasehold exempt lands		\$2,320,169	
65 Manufactured housing		\$5,000	
68 Other misc. machinery, tools and equipment		\$95,071,992	
69 Recreational vehicles		\$154	
71 Signs and signboards		\$369,595	
72 Tanks, cylinders and vessels		\$1,571,067	
81 Exempt	34,968.676		
TOTAL			<u>\$135,745,042</u>
TOTAL ASSESSED MARKET VALUE			<u>\$1,270,626,257</u>

Cassia County

Statement of 2002 Tax Rolls

County Taxes

<u>County Funds</u>	<u>Amount</u>
Current Expense	410,304
Indigent	187,769
District Court	
Weed & Pest	82,441
Ambulance Service	58,309
Fair Exhibits	57,321
Historical Society	10,464
Jr. College Tuition	130,262
ReEvaluation	66,611
Justice	1,414,988
Jail Bond	<u>251,366</u>
Total	2,669,834

2002

Assessed Net Market Value

775,398,776

Cassia County
Statement of 2002 Tax Rolls
Valuation, Levy and Tax of Municipalities and Districts

September 30, 2002

Cities

Name of District	Valuation	Levy on \$100	Taxes	Name of Clerk
City of Albion	\$5,315,322	0.002433715	\$12,935.98	Mary Yeaman
City of Burley	\$210,322,447	0.004618496	\$971,373.38	Mark Mitton
City of Declo	\$4,714,202	0.002947502	\$13,895.12	Nelda Matthews
City of Malta	\$3,071,411	0.001127254	\$3,462.26	Marilyn Lightfoot
City of Oakley	\$11,918,833	0.001882983	\$22,442.96	Becky Clark
			\$1,024,109.70	

HIGHWAY DISTRICTS

Name of District	Valuation	Levy on \$100	Taxes	Name of Clerk
Albion Highway District	\$0	0.000205734	\$3,445.28	O.K. Redman
Burley Highway District	\$663,239,589	0.001587010	\$1,052,567.86	Julie Fairchild
Oakley Highway District	\$80,249,744	0.001716154	\$137,720.92	Willard Cranney
Murtaugh Highway District	\$7,921,099	0.001239121	\$9,815.20	LaVere Bennett
Raft River Highway District	\$66,054,913	0.001936629	\$127,923.86	Olene Warr
Elba-Almo Highway District	\$12,738,085	0.001283240	\$16,346.02	Dennis Crane
			\$1,347,819.14	

INDEPENDENT SCHOOL DISTRICTS

Name of District	Valuation	Levy on \$100	Taxes	Name of Clerk
Jt. School District #381 Amer Falls	\$5,959,445	0.007322111	\$43,635.72	Kathy Lilya
Jt. School District #151 Cassia	\$813,417,324	0.006444440	\$5,242,019.14	Pam Wade
Jt. School District #331 Minidoka	\$18,104,029	0.004704767	\$85,175.24	Pam Wade
Jt. School District #418 Murtaugh	\$9,517,208	0.005547482	\$52,796.54	Dennis Osman
			\$5,423,626.64	

Flood Districts

Name of District	Valuation	Levy on \$100	Taxes	Name of Clerk
Goose Creek Flood District #15	\$0	0.000000000	\$39,322.78	Savid Shirley
Raft River Flood District #16	\$0	0.000432766	\$0.00	Jack Erickson
			\$39,322.78	

Cassia County
Statement of 2002 Tax Rolls
Valuation, Levy and Tax of Municipalities and Districts

September 30, 2002

CEMETERY DISTRICTS

Name of District	Valuation	Levy on \$100	Taxes	Name of Clerk
Albion Cemetery District	\$16,677,350	0.000167246	\$2,789.22	Berry Perry
Declo Cemetery District	\$32,272,533	0.000191434	\$6,178.06	Jay Darrington
Oakley Cemetery District	\$77,419,916	0.000133360	\$10,324.72	Carol Wells
Valley Vu Cemetery District	\$33,730,354	0.000072406	\$2,442.28	William A. Parsons
View Cemetery District	\$31,167,913	0.000149994	\$4,675.00	Don Wrigley
Pella Cemetery District	\$0	0.000000000	\$0.00	Bruce Bowen
Sublett Cemetery District	\$0	0.000000000	\$0.00	Tom Rigby
			\$26,409.28	

FIRE PROTECTION DISTRICTS

Name of District	Valuation	Levy on \$100	Taxes	Name of Clerk
Albion Fire District	\$15,346,506	0.000647767	\$9,940.96	William A. Parsons
Minidoka Fire	\$17,413,001	0.000817743	\$14,239.36	Tom Dailey
North Cassia Fire District	\$400,973,898	0.000465449	\$186,632.90	Steve Carson
Oakley Fire District	\$46,483,936	0.000575857	\$26,768.10	Harlo Clark
Raft River Fire District	\$59,916,808	0.000139677	\$8,369.00	William A. Parsons
			\$245,950.32	

LIBRARY DISTRICTS

Name of District	Valuation	Levy on \$100	Taxes	Name of Clerk
Oakley Free Library	\$87,770,449	0.000116889	\$10,259.40	Wayne Mullen
			\$10,259.40	

RECREATION DISTRICTS

Name of District	Valuation	Levy on \$100	Taxes	Name of Clerk
Almo Recreation	\$6,685,077	0.000179971	\$1,203.12	Larry Edwards
Oakley Recreation	\$80,206,215	0.000200955	\$16,117.84	Sid Nelson
			\$17,320.96	

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*

January 2, 2004

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, 2003, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

The following items of internal control could cause distortions in the interim financial records and reports of the County and could impact future decisions made by County personnel.

Finding-The Treasurer's Office currently controls all bank accounts and reconciles all bank statements. This could result in a lack of segregation of duties and a weakness in control over cash.

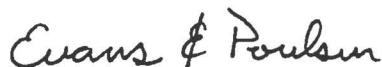
Recommendation-We recommend that the Auditor's Office either reconcile or review the bank reconciliations monthly.

Finding-The response to internal audits appears to have improved, but some departments are failing to provide a written response to the internal audit findings.

Recommendation-We recommend that every internal audit report receive a timely written response from the department head. The response should include what action the department will take to improve and/or change any areas needing improvement as indicated by the internal audit. Also, the internal auditors should follow-up on action items prior to the next internal audit of that department.

Finding-The criminal justice facility receives large checks for inmate housing that are sometimes held for several days before being turned over to the Clerk's office.

Recommendation-We recommend that money be turned over from the criminal justice facility to the Clerk's office immediately after receipt to reduce the risk of any funds being lost or stolen. We also recommend that the Clerk's office receive a copy of the criminal justice facility's report of inmate housing moneys received, and reconcile this with the turnover received from the criminal justice facility.



Evans & Poulsen CPA's

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Sample City's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2002. Please read it in conjunction with the transmittal letter on page ____* and the City's financial statements, which begin on page 201.

FINANCIAL HIGHLIGHTS

- The City's net assets remained virtually unchanged as a result of this year's operations. While net assets of our business-type activities increased by \$3.2 million, or nearly 4 percent, net assets of our governmental activities *decreased* by \$3.1 million, or nearly 2.5 percent.
- During the year, the City had expenses that were \$6.3 million more than the \$99.5 million generated in tax and other revenues for governmental programs (before special items). This compares to last year, however, when expenses exceeded revenues by \$8.9 million.
- In the City's business-type activities, revenues increased to \$15 million (or 5.6 percent) while expenses decreased by 1.7 percent.
- Total cost of all of the City's programs was virtually unchanged (increasing by \$800,000, or less than 1 percent) with no new programs added this year.
- The General Fund reported a deficit this year of \$1.3 million despite the one-time proceeds of \$3.5 million from the sale of some of our park land.
- The resources available for appropriation were \$1.1 million less than budgeted for the General Fund. However, we kept expenditures within spending limits primarily through a mid-year hiring and overtime freeze and our continuing staff restructuring efforts.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 201 and 208–209) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 220. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more

*[Note: The preparer would cite the page numbers of the transmittal letter if one is provided.]

detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the City as a whole begins on page 186. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into three kinds of activities:

- **Governmental activities**—Most of the City's basic services are reported here, including the police, fire, public works, and parks departments, and general administration. Property taxes, franchise fees, and state and federal grants finance most of these activities.
- **Business-type activities**—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system and parking facilities are reported here.
- **Component units**—The City includes two separate legal entities in its report—the City School District and the City Landfill Authority. Although legally separate, these "component units" are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 191. The fund financial statements begin on page 220 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes (like the Route 7 reconstruction project) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Housing and Urban Development). The City's two kinds of funds—*governmental* and *proprietary*—use different accounting approaches.

- **Governmental funds**—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.
- **Proprietary funds**—When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities—such as the City's Telecommunications Fund.