

CASSIA COUNTY

**BASIC FINANCIAL STATEMENTS
With Supplemental Information**

September 30, 2005

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

CASSIA COUNTY
BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2005
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COUNTY OF CASSIA

COURTHOUSE
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LARRY A. MICKELSEN
CLERK OF THE DISTRICT COURT
EX-OFFICIO AUDITOR & RECORDER

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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, 2005.

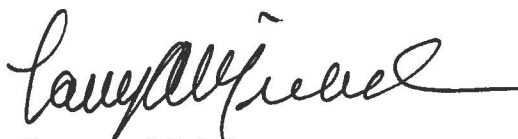
The report was prepared by the County Auditor's Office with the assistance of Evans and Poulsen CPA's. The organization, form and contents were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants, 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, 2005, 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 2004 financial statements and, in our report dated January 5, 2005, 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 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, 2005, 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 17, 2006, 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.

The management 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 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 17, 2006

Management Discussion and Analysis
Cassia County
For the Year Ended September 30, 2005

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, 2004 through September 30, 2005. 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 chief executive 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 information. 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 allowed continues to be challenged by an economy that has experienced a national recession, national interest rate declines, slowdown in employment levels, State funding hold backs, legislative exemptions, federal funded hold backs to local programs, increase to medical premium costs, increased costs to property insurance rates and unfunded mandates.

Economic Conditions and Outlook: Cassia County, primarily, an agricultural and rural residential area, is located in the South Central part of Idaho. The agricultural industry comprises the main industrial base in the County 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 is 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. 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 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. And although they are all contained in the County Budget, they cannot be intermingled. The levy funds come from property tax dollars. The Major Funds listed show the 2004 County Tax Levy Per \$1.00 Assessed Market Value.

Taxing Funds
Current Expense: .229416
Fair: .024832
Justice: .571204
Ambulance: .024090
Indigent: .069306
Community College: .044312
Revaluation: .029650
Weed & Pest: .004447
Historical Society: .002743
Tort: No Limit
Total: 1.000000

2004-2005 Levy Rate = .003153705

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 funds are all revenue
 or collected fees which
 do not affect 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 9-30-03	\$508,907	\$1,043,831
FY Ending 9-30-04	<u>\$313,352</u>	<u>\$ 978,494</u>
	-\$195,555	-\$ 65,337

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

The cash balance in Justice shows a decrease of 6%

This gives concern that the decrease in the remaining cash balance of the Current Expense and Justice Funds will have a negative impact on the next year's budget and financial status.

	<u>Current Expense</u>	<u>Justice</u>
FY Ending 9-30-04	\$313,352	\$978,494
FY Ending 9-30-05	<u>\$441,813</u>	<u>\$939,701</u>
	\$128,461	-\$ 38,793

The cash balance in Current Expense show an increase of 40.9%

The cash balance in Justice shows a decrease of 3.9%.

This gives an indication that the measures imposed in Fiscal Year 2004-2005 by management had a positive impact on the Current Expense Fund. However, it should be noted that the actual dollar amount increase in the Current Expense Fund is very slight given the overall obligation of the services provided by the fund. The Justice Fund has steadily decreased, largely due to Court costs, an increase in the numbers of felonies committed and an increase in the Detention Center population. The Detention Center population expansion will continue to place a burden on the Justice Fund until such time as the "drug epidemic" can be brought under control by the Law Enforcement Department. The Justice Fund cash balance includes a transfer of \$485,457 from the Jail Trust Fund for payment of Detention Center invoices. It is important to note that the Jail Bond payments were completed in FY2005 and the Bond was paid in full.

My observation would be that the County Commissioners are taking 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.

Monthly Expenditures: October, November, December

	<u>Current Expense</u>	<u>Justice</u>
FY Ending 9-30-03	\$483,322	\$1,502,283
FY Ending 9-30-04	<u>\$487,629</u>	<u>\$1,306,167</u>
	+\$ 4,307	-\$ 196,116

The Monthly Expenditures in Current Expense show an increase of .9%

The Monthly Expenditures in Justice shows a decrease of 13%.

The analysis is that the expenditures are increasing for the Current Expense Fund and for the overall county budget and the cash balance is showing a decrease, even though the expenditures for the Justice fund were down. The conclusion would be that this will have a negative impact on next year's budget and financial status.

Monthly Expenditures: October, November, December

	<u>Current Expense</u>	<u>Justice</u>
FY Ending 9-30-04	\$487,629	\$1,306,167
FY Ending 9-30-05	<u>\$523,733</u>	<u>\$1,597,668</u>
	+\$ 36,104	+\$ 291,501

The Monthly Expenditures in Current Expense show an increase of 7%

The Monthly Expenditures in Justice shows a increase of 22%.

The analysis is that for this time period, the expenditures in the Current Expense Fund and the Justice Fund have increased. 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 budget revenues.

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. Not having a healthy fund balance puts the county at risk in making budget adjustments during the year. However, with the current fund balance concern, the Commissioners will need to make a concentrated effort to set the budget and hold to that budget. 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. The year ending September 30, 2005, there was a 3% salary increase to each Department. The County has an excellent medical and other benefits plan. In fiscal year ending September 30, 2005, the major medical premiums were increased by approximately 12%. 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 be increased for Fiscal Year 2006, to successfully retain the current County employees, as they are well-trained, contributing members of the County Departments. 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.

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 have been diligent in requiring justification from any department requesting significant increases in operating or personnel increases.

The County functioned very much in 2005 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; and 2) the grants the county has applied for and received and the impact those have had on our budgets and department functions. A focus for FY 2006 will be to improve our inventory procedures and reporting. 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, as 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 and the further development of our GIS system. Another concern that will be facing the Commissioners in Year 2006 will be the expense of the Indigent program, and how it will be funded. It is possible that this will have a negative impact on existing County department budgets.

The County continues to receive the benefits of our taxpayers paying Property Taxes. The County generally receives better than 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 no 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 our Legislators and may or may not result in changes to our budget and levy procedures. Property Taxes will be a major item of discussion and potential legislation during the next 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.

CASSIA COUNTY

Statement of Net Assets For the Year Ended September 30, 2005

	<u>Primary Government</u> <u>Government Activities</u>	
	2005	2004
<hr/>		
ASSETS		
Cash and Investments	\$ 5,003,482	\$ 5,031,229
Receivables:		
Taxes	275,492	244,368
Other	489,185	9,266
Restricted Assets:		
Cash	447	126,744
Taxes Receivable	433	1,571
Capital Assets:		
Land	997,572	997,572
Other Capital Assets, Net of Depreciation	<u>3,217,293</u>	<u>3,196,304</u>
Total Assets	<u>9,983,904</u>	<u>9,607,054</u>
LIABILITIES		
Vouchers Payable and Accrued Liabilities	756,538	289,952
Interest Payable	2,479	4,395
Long-Term Liabilities:		
Due Within One Year	77,422	309,100
Due in More Than One Year	<u>195,623</u>	<u>273,045</u>
Total Liabilities	<u>1,032,062</u>	<u>876,492</u>
NET ASSETS		
Invested in Capital Assets, net of related debt	3,941,820	3,611,731
Restricted for Debt Service	880	128,315
Unrestricted	<u>5,009,142</u>	<u>4,990,516</u>
Total Net Assets	\$ 8,951,842	\$ 8,730,562

CASSIA COUNTY

Statement of Activities For the Year Ended September 30, 2005

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 2,065,220	\$ 525,692	\$	\$
Indigent Assistance	488,196	235,376		
Highways and Roads	460,060		110,440	
Public Safety	6,864,019	3,483,076	169,965	131,730
Other Public Service	1,327,391	676,936	84,574	
Culture and Recreation	115,119	48,052		
Interest	27,761			
Total Governmental Activities	<u>11,347,766</u>	<u>4,969,132</u>	<u>364,979</u>	<u>131,730</u>
Component Unit:				
Cassia County Fair & Rodeo	<u>248,255</u>	<u>183,053</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 2005 2004

	1,131,532	1,284,638
	190,498	188,349
	18,452	17,999
	1,635,639	1,345,780
	1,868	250,447
	1,127,448	1,070,033
	1,469,863	1,452,429
	155,123	116,158
	422,670	307,598
	13,582	(22,927)
	<u>(63,470)</u>	<u>214,888</u>
Total General Revenues and Transfers	6,103,205	6,225,392
Change in Net Assets	221,280	(1,016,447)
Net Assets Beginning of Year	<u>8,730,562</u>	<u>9,747,039</u>
Net Assets End of Year	<u>8,951,842</u>	<u>8,730,562</u>

CASSIA COUNTY

Statement of Net Assets September 30, 2005

	<u>Primary Government</u>		<u>Component Unit</u>	
	<u>Governmental Activities</u>		<u>Fair Board</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
ASSETS				
Cash and Investments	\$ 5,003,482	\$ 5,031,229	\$ 73,405	\$ 79,332
Receivables:				
Taxes	275,492	244,368	-	-
Other	489,185	9,266	-	4,200
Prepaid Expenses	-	-	-	-
Due From Other Governments	-	-	-	-
Inventory - Note 1	-	-	-	-
Restricted Assets - Note 11:				
Cash	447	126,744	-	-
Taxes Receivable	433	1,571	-	-
Capital Assets - Note 3:				
Land	997,572	997,572	-	-
Other Capital Assets, Net of Depreciation	3,217,293	3,196,304	38,555	23,890
Other Assets	-	-	-	-
Total assets	<u>9,983,904</u>	<u>9,607,054</u>	<u>111,960</u>	<u>107,422</u>
LIABILITIES				
Vouchers Payable and Accrued Liabilities	756,538	289,952	-	-
Deferred Revenue	-	-	-	-
Interest Payable	2,479	4,395	-	-
Long-Term Liabilities - Note 4:				
Due Within One Year	77,422	309,100	-	-
Due in More Than One Year	195,623	273,045	-	-
Total liabilities	<u>1,032,062</u>	<u>876,492</u>	<u>-</u>	<u>-</u>
NET ASSETS				
Invested in Capital Assets, net of related debt	3,941,820	3,611,731	38,555	25,640
Restricted for:				
Debt Service - Note 11	880	128,315	-	-
Unrestricted	5,009,142	4,990,516	73,405	81,782
Total Net Assets	<u>\$ 8,951,842</u>	<u>\$ 8,730,562</u>	<u>\$ 111,960</u>	<u>\$ 107,422</u>

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Activities
For the Year Ended September 30, 2005

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 Government Governmental Activities		Component Unit Fair Board	
					2005	2004	2005	2004
Governmental Activities:								
General Government	\$ 2,065,220	\$ 525,692	\$ -	\$ -	\$ (1,539,528)	\$ (1,680,353)		
Indigent Assistance	488,196	235,376	-	-	(252,820)	(323,163)		
Highways and Roads	460,060	-	110,440	-	(349,620)	(962,182)		
Public Safety	6,864,019	3,483,076	169,965	131,730	(3,079,248)	(3,682,709)		
Other Public Service	1,327,391	676,936	84,574	-	(565,881)	(472,053)		
Culture and Recreation	115,119	48,052	-	-	(67,067)	(75,499)		
Interest	27,761	-	-	-	(27,761)	(45,910)		
Total Governmental Activities	\$ 11,347,766	\$ 4,969,132	\$ 364,979	\$ 131,730	(5,881,925)	(7,241,869)		
Component Unit:								
Cassia County Fair & Rodeo	\$ 248,255	\$ 183,053	\$ -	\$ -			\$ (65,202)	\$ (49,186)
General Revenues								
Property Taxes Levied for:								
General Purposes					1,131,532	1,284,638	-	-
Indigent Assistance					190,498	188,349	-	-
Highways and Roads					18,452	17,999	-	-
Public Safety					1,635,639	1,345,780	-	-
Bond Interest & Redemption					1,868	250,447	-	-
In Lieu of Taxes					1,127,448	1,070,033	-	-
Sales & Other Taxes					1,469,863	1,452,429	-	-
Investment Earnings					155,123	116,158	740	691
Miscellaneous					422,670	307,598	-	-
Gain/(Loss) on Sale of Capital Assets					13,582	(22,927)	-	-
Transfers					(63,470)	214,888	69,000	67,000
Total General Revenues and Transfers					6,103,205	6,225,392	69,740	67,691
Change in Net Assets					221,280	(1,016,477)	4,538	18,505
Net Assets Beginning of Year					8,730,562	9,747,039	107,422	88,917
Net Assets End of Year					\$ 8,951,842	\$ 8,730,562	\$ 111,960	\$ 107,422

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet Governmental Funds September 30, 2005

	General Fund	Jail Trust	Solid Waste	Justice	PILT	Other Governmental Funds	Total Govt Funds 2005	Total Govt Funds 2004
ASSETS								
Cash and investments	\$ 441,813	\$ 885,331	\$ 593,327	\$ 454,244	\$ 807,840	\$ 1,820,927	\$ 5,003,482	\$ 5,031,229
Receivables:								
Taxes	39,901	-	80,897	106,618	-	48,076	275,492	244,368
Other	3,728	-	-	485,457	-	-	489,185	9,266
Due from other governments	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	880	880	128,315
Total assets	\$ 485,442	\$ 885,331	\$ 674,224	\$ 1,046,319	\$ 807,840	\$ 1,869,883	\$ 5,769,039	\$ 5,413,178
LIABILITIES AND FUND EQUITY								
Liabilities:								
Vouchers payable	\$ 79,666	\$ -	\$ -	\$ 74,856	\$ -	\$ 116,559	\$ 271,081	\$ 285,598
Accrued liabilities	-	485,457	-	-	-	-	485,457	4,354
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	37,527	-	78,365	100,260	-	45,706	261,858	224,123
Total liabilities	117,193	485,457	78,365	175,116	-	162,265	1,018,396	514,075
Fund Balance:								
Reserved - Debt service	-	-	-	-	-	880	880	128,315
Unreserved								
General	368,249	-	-	-	-	-	368,249	278,340
Special revenue	-	399,874	595,859	871,203	807,840	1,706,738	4,381,514	4,492,448
Total fund balances	368,249	399,874	595,859	871,203	807,840	1,707,618	4,750,643	4,899,103
Total liabilities and fund balances	\$ 485,442	\$ 885,331	\$ 674,224	\$ 1,046,319	\$ 807,840	\$ 1,869,883	\$ 5,769,039	\$ 5,413,178

See accompanying notes to the financial statements.

CASSIA COUNTY

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities September 30, 2005

Total Governmental Fund Balances	\$ 4,750,643
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.	4,214,865
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	261,858
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	(213,857)
Note Payable to Wells Fargo Bank	(59,188)
Accrued Interest Payable	(2,479)
Net Assets of Governmental Activities	<u>\$ 8,951,842</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, 2005

	General Fund	Jail Trust	Solid Waste	Justice	PILT	Other Governmental Funds	Total Govt Funds 2005	Total Govt Funds 2004
Revenues:								
Taxes - property	\$ 805,727	\$ -	\$ -	\$ 1,559,029	\$ -	\$ 575,498	\$ 2,940,254	\$ 3,212,193
Taxes - sales and other	399,940	-	-	698,188	-	142,017	1,240,145	1,191,756
Payment in lieu of taxes	-	-	-	-	1,127,448	-	1,127,448	1,070,033
Fees and fines	358,693	1,085,014	520,744	183,741	-	719,870	2,868,062	2,580,157
Intergovernmental	13,125	525,837	-	1,490,587	-	1,889,424	3,918,973	3,090,169
Interest	155,123	-	-	-	-	-	155,123	116,158
Miscellaneous	51,563	-	-	1,516	-	424,422	477,501	455,603
Total revenues	1,784,171	1,610,851	520,744	3,933,061	1,127,448	3,751,231	12,727,506	11,716,069
Expenditures:								
General government	1,856,762	-	-	-	-	1,334,226	3,190,988	3,367,180
Indigent Assistance	-	-	-	-	-	488,196	488,196	436,986
Highways and roads	-	-	-	-	-	417,949	417,949	304,292
Public safety	-	-	-	6,435,561	-	500,253	6,935,814	6,397,228
Other public service	-	-	562,597	-	-	822,196	1,384,793	1,504,595
Culture and recreation	-	-	-	-	-	100,726	100,726	104,427
Debt Service	-	-	-	-	-	294,030	294,030	291,618
Total expenditures	1,856,762	-	562,597	6,435,561	-	3,957,576	12,812,496	12,406,326
Excess of rev over(under) expend	(72,591)	1,610,851	(41,853)	(2,502,500)	1,127,448	(206,345)	(84,990)	(690,257)
Other financing sources (uses)								
Transfers in	162,500	676,146	-	3,047,713	-	689,237	4,575,596	1,928,111
Transfers out	-	(2,194,828)	-	(592,546)	(1,465,728)	(385,964)	(4,639,066)	(1,750,575)
Sale of capital assets	-	-	-	-	-	-	-	-
Total other fin sources(uses)	162,500	(1,518,682)	-	2,455,167	(1,465,728)	303,273	(63,470)	177,536
Net change in fund balances	89,909	92,169	(41,853)	(47,333)	(338,280)	96,928	(148,460)	(512,721)
Fund balance - beginning	278,340	307,705	637,712	918,536	1,146,120	1,610,690	4,899,103	5,411,824
Fund balance - ending	\$ 368,249	\$ 399,874	\$ 595,859	\$ 871,203	\$ 807,840	\$ 1,707,618	\$ 4,750,643	\$ 4,899,103

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, 2005

Net Change in Fund Balances - Total Governmental Funds \$ (148,460)

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 capital outlay exceeded depreciation in the current period:

Fixed asset additions - purchased	\$ 245,902	
Fixed asset additions - donated	6,000	
Depreciation expense	<u>(244,495)</u>	
Excess of capital outlay over depreciation		7,407

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	13,582
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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.

37,735

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	309,100
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In the statement of activities, interest is accrued on outstanding debt, whereas in government funds, interest is expensed when due.

1,916

Change in Net Assets of Governmental Activities

\$ 221,280

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual General Fund Year Ended September 30, 2005

	Original Budget	Final Budget	2005 Actual	Variance with Final Budget: Favorable (Unfavorable)	2004 Actual
Revenues:					
Taxes - property	\$ 626,504	\$ 626,504	\$ 805,727	\$ 179,223	\$ 767,855
Taxes - sales and other	422,524	422,524	399,940	(22,584)	422,524
Fees and fines	294,972	294,972	358,693	63,721	297,192
Intergovernmental	-	-	13,125	13,125	36,296
Interest	155,048	155,048	155,123	75	115,731
Miscellaneous	28,646	28,646	51,563	22,917	34,122
Total revenues	1,527,694	1,527,694	1,784,171	256,477	1,673,720
Expenditures:					
General government:					
Commissioners	113,950	113,950	108,508	5,442	107,488
Auditor	168,800	168,800	141,585	27,215	166,804
Treasurer	156,831	156,831	139,036	17,795	138,884
Assessor	307,545	307,545	295,244	12,301	278,450
Ag. extension	148,447	148,447	160,809	(12,362)	142,112
Buildings	179,010	179,010	160,127	18,883	146,755
County Annex	20,000	20,000	9,394	10,606	13,051
Board of health	101,670	101,670	101,670	-	99,576
Planning and zoning	201,884	201,884	142,448	59,436	126,637
General	442,800	442,800	404,473	38,327	415,503
Civil defense	15,381	15,381	14,998	383	12,565
Elections	29,880	29,880	26,660	3,220	20,364
County Administration	231,710	231,710	146,161	85,549	148,093
Veterans officer	6,086	6,086	5,649	437	5,253
Total expenditures	2,123,994	2,123,994	1,856,762	267,232	1,821,535
Excess of rev over(under) expend	(596,300)	(596,300)	(72,591)	523,709	(147,815)
Other financing sources (uses):					
Transfers in	325,000	325,000	162,500	(162,500)	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	325,000	325,000	162,500	(162,500)	-
Net change in fund balances	(271,300)	(271,300)	89,909	361,209	(147,815)
Fund balance - beginning	278,340	278,340	278,340	-	426,155
Fund balance - ending	\$ 7,040	\$ 7,040	\$ 368,249	\$ 361,209	\$ 278,340

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, 2005

	Original Budget	Final Budget	2005 Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes - property	-	-	\$ -	\$ -
Taxes - sales and other	-	-	-	-
Fees and fines	821,020	821,020	1,085,014	263,994
Intergovernmental	525,837	525,837	525,837	-
Miscellaneous	-	-	-	-
Total revenues	1,346,857	1,346,857	1,610,851	263,994
Expenditures:				
Public safety:				
Miscellaneous	-	-	-	-
Total expenditures	-	-	-	-
Excess of rev over(under) expend	1,346,857	1,346,857	1,610,851	263,994
Other financing sources (uses):				
Transfers in	592,546	592,546	676,146	83,600
Transfers out	(2,196,239)	(2,196,239)	(2,194,828)	1,411
Sale of capital assets	-	-	-	-
Total other fin sources(uses)	(1,603,693)	(1,603,693)	(1,518,682)	85,011
Net change in fund balances	(256,836)	(256,836)	92,169	349,005
Fund balance - beginning	307,705	307,705	307,705	-
Fund balance - ending	\$ 50,869	\$ 50,869	\$ 399,874	\$ 349,005

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, 2005

	Original Budget	Final Budget	2005 Actual	Variance with Final Budget: Favorable (Unfavorable)	2004 Actual
Revenues:					
Taxes - property	\$ -	\$ -	\$ -	\$ -	\$ -
Use fees	520,623	520,623	493,899	(26,724)	556,755
Miscellaneous	31,700	31,700	26,845	(4,855)	-
Total revenues	552,323	552,323	520,744	(31,579)	556,755
Expenditures:					
Landfill costs	590,000	590,000	562,597	27,403	545,877
Total expenditures	590,000	590,000	562,597	27,403	545,877
Excess of rev over(under) expend	(37,677)	(37,677)	(41,853)	(4,176)	10,878
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	-	-	-	-	-
Net change in fund balances	(37,677)	(37,677)	(41,853)	(4,176)	10,878
Fund balance - beginning	637,712	637,712	637,712	-	626,834
Fund balance - ending	\$ 600,035	\$ 600,035	\$ 595,859	\$ (4,176)	\$ 637,712

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, 2005

	Original Budget	Final Budget	2005 Actual	Variance with Final Budget: Favorable (Unfavorable)	2004 Actual
Revenues:					
Taxes - property	\$ 1,562,230	\$ 1,562,230	\$ 1,559,029	\$ (3,201)	\$ 1,537,014
Taxes - sales and other	627,874	627,874	698,188	70,314	627,874
Fees and fines	205,298	205,298	183,741	(21,557)	1,043,858
Intergovernmental	1,351,704	1,351,704	1,490,587	138,883	1,407,687
Miscellaneous	31,548	31,548	1,516	(30,032)	30,441
Total revenues	3,778,654	3,778,654	3,933,061	154,407	4,646,874
Expenditures:					
Public safety:					
District Court	489,691	489,691	467,844	21,847	464,078
Juvenile justice	209,300	290,353	278,469	11,884	201,123
Prosecuting attorney	347,400	347,400	315,514	31,886	318,631
Public defender	221,946	221,946	215,240	6,706	213,781
Coroner	30,100	30,350	24,989	5,361	13,580
Law buildings	37,771	37,771	36,150	1,621	34,370
Sheriff patrol	1,456,958	1,456,958	1,561,496	(104,538)	1,440,828
Investigations	264,539	264,539	250,040	14,499	256,384
Dispatch	321,230	321,230	280,595	40,635	284,774
Administration	544,949	544,949	524,986	19,963	518,598
Detention center	2,279,839	2,279,839	2,194,828	85,011	2,042,024
Juvenile center	285,410	285,410	285,410	-	207,400
Total expenditures	6,489,133	6,570,436	6,435,561	134,875	5,995,571
Excess of rev over(under) expend	(2,710,479)	(2,791,782)	(2,502,500)	289,282	(1,348,697)
Other financing sources (uses):					
Transfers in	2,279,839	2,279,839	3,047,713	767,874	1,655,111
Transfers out	(592,546)	(592,546)	(592,546)	-	(305,764)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	1,687,293	1,687,293	2,455,167	767,874	1,349,347
Net change in fund balances	(1,023,186)	(1,104,489)	(47,333)	1,057,156	650
Fund balance - beginning	918,536	918,536	918,536	-	917,886
Fund balance - ending	\$ (104,650)	\$ (185,953)	\$ 871,203	\$ 1,057,156	\$ 918,536

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, 2005

	Original Budget	Final Budget	2005 Actual	Variance with Final Budget: Favorable (Unfavorable)	2004 Actual
Revenues:					
Payment in lieu of taxes	\$ 1,067,636	\$ 1,067,636	\$ 1,127,448	\$ 59,812	\$ 1,070,033
Miscellaneous	-	-	-	-	-
Total revenues	1,067,636	1,067,636	1,127,448	59,812	1,070,033
Expenditures:					
Other public service	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of rev over(under) expend	1,067,636	1,067,636	1,127,448	59,812	1,070,033
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(1,473,590)	(1,473,590)	(1,465,728)	7,862	(1,173,000)
Sale of capital assets	-	-	-	-	-
Total other fin sources(uses)	(1,473,590)	(1,473,590)	(1,465,728)	7,862	(1,173,000)
Net change in fund balances	(405,954)	(405,954)	(338,280)	67,674	(102,967)
Fund balance - beginning	1,146,120	1,146,120	1,146,120	-	1,249,087
Fund balance - ending	\$ 740,166	\$ 740,166	\$ 807,840	\$ 67,674	\$ 1,146,120

See accompanying notes to the financial statements.

CASSIA COUNTY

Statement of Fiduciary Net Assets Agency Funds September 30, 2005

	Total Agency Funds
ASSETS	
Cash and Investments	\$ 290,196
Other Assets	-
Total assets	290,196
LIABILITIES	
Vouchers Payable and Accrued Liabilities	256,762
Deferred Revenue	-
Total liabilities	256,762
NET ASSETS	
Held in Trust	33,434
Total Net Assets	\$ 33,434

See accompanying notes to the financial statements.

CASSIA COUNTY

Notes to Financial Statements
September 30, 2005

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, 2005

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 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, 2005

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, \$2,373,133 of the County's bank balance 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>
Idaho State Local Government Investment Pool	\$ 1,157,454
Federal Home Loan Bonds	995,813
Total Fair Value	\$ 2,153,267

The entire amount of the above investment balance is subject to custodial credit risk because the related securities are uninsured, unregistered or 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.

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

CASSIA COUNTY

Notes to Financial Statements September 30, 2005

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 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.

CASSIA COUNTY

Notes to Financial Statements
September 30, 2005

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 9/30/04	Additions	Deletions	Balance 9/30/05
Governmental Activities				
Cost / Historical Value:				
Land (non-depreciable)	\$ 997,572	\$ -	\$ -	\$ 997,572
Buildings	3,460,499	8,545	-	3,469,044
Improvements other than buildings	373,423	19,726	(28,530)	364,619
Construction in Process	-	33,527	-	33,527
Infrastructure assets	9,491,979	-	-	9,491,979
Equipment/Vehicles	1,491,460	203,686	(89,807)	1,605,339
Total	15,814,933	265,484	(118,337)	15,962,080
Accumulated Depreciation:				
Buildings	956,655	74,682	-	1,031,337
Improvements other than buildings	315,575	12,928	(28,530)	299,973
Infrastructure assets	9,181,663	24,522	-	9,206,185
Equipment/Vehicles	1,167,164	132,363	(89,807)	1,209,720
Total	11,621,057	244,495	(118,337)	11,747,215
Net Book Value:				
Land (non-depreciable)	997,572	-	-	997,572
Buildings	2,503,844	(66,137)	-	2,437,707
Improvements other than buildings	57,848	6,798	-	64,646
Construction in Process	-	33,527	-	33,527
Infrastructure assets	310,316	(24,522)	-	285,794
Equipment/Vehicles	324,296	71,323	-	395,619
Total	\$ 4,193,876	\$ 20,989	\$ -	\$ 4,214,865

CASSIA COUNTY

Notes to Financial Statements
September 30, 2005

Component Unit	Balance 9/30/04	Additions	Deletions	Balance 9/30/05
Cost / Historical Value:				
Land (non-depreciable)	\$ -	\$ -	\$ -	-
Equipment/Vehicles	31,700	19,644	-	51,344
Total	31,700	19,644	-	51,344
Accumulated Depreciation:				
Equipment/Vehicles	7,810	4,979	-	12,789
Total	7,810	4,979	-	12,789
Net Book Value:				
Land (non-depreciable)	-	-	-	-
Equipment/Vehicles	23,890	14,665	-	38,555
Total	\$ 23,890	\$ 14,665	\$ -	\$ 38,555

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	\$ 32,315
Highways and Roads	58,668
Public Safety	125,492
Other Public Service	13,627
Culture & Recreation	14,393
Total Governmental Activities Depreciation	<u>\$ 244,495</u>

NOTE 4: LONG-TERM DEBT

The final payment was made during the year ended September 30, 2005 for bonds issued September 1, 1990, designated "Cassia County, Idaho, General Obligation Jail Bonds, Series 1990".

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.

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.

CASSIA COUNTY

Notes to Financial Statements September 30, 2005

The annual requirements to amortize these notes are as follows:

FYE				
Sept. 30:	Principal	Interest	Total	
2006	\$ 77,422	\$ 14,168	\$ 91,590	
2007	19,203	10,387	29,590	
2008	20,222	9,368	29,590	
2009	21,296	8,294	29,590	
2010	22,427	7,163	29,590	
Thereafter	112,475	16,635	129,110	
Total	\$ 273,045	\$ 66,015	\$ 339,060	

As of September 30, 2005, 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 9/30/2004	Additions	Reductions	Balance at 9/30/2005
General Obligation Bond	\$ 280,000	\$ -	\$ (280,000)	\$ -
Landfill Closure Note	231,172	-	(17,315)	213,857
Wells Fargo Bank Note	70,973	-	(11,785)	59,188
	\$ 582,145	\$ -	\$ (309,100)	\$ 273,045

NOTE 5: PENSION PLAN

The County participates in the Public Employee Retirement System of Idaho (PERSI), a cost sharing multiple-employer public retirement system that 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. Financial reports for the plan are available from PERSI upon request.

After five 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/firefighters) of the average monthly salary for the highest consecutive 42 months.

For the year ended September 30, 2005, 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 \$428,022, \$400,271, and \$389,418 for the three years ended September 30, 2005, 2004, and 2003, respectively.

CASSIA COUNTY

Notes to Financial Statements
September 30, 2005

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.

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, 2005, the Water Districts Fund had a deficit fund balance of \$9, the Court Trust Fund had a deficit fund balance of \$55, and the Assessor Trust Fund had a deficit fund balance of \$20.

NOTE 9: EXPENDITURES IN EXCESS OF BUDGET

During the year ended September 30, 2005, 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 \$4,000 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.

CASSIA COUNTY

Notes to Financial Statements September 30, 2005

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>
2006	\$ 20,572
Total	<u>\$ 20,572</u>

NOTE 11: RESTRICTED NET ASSETS

Restricted net assets consist of cash and taxes receivable in the Bond Interest & Redemption Fund restricted for repayment to the PILT Fund.

NOTE 12: RELATED PARTY TRANSACTION

The County has entered into a lease agreement with a company that is owned by an employee of the County under which the County leases equipment and mules for weed spraying. The total lease payments paid by the County in the fiscal year ended September 30, 2005 were \$11,822.

NOTE 13: CHANGE IN FINANCIAL STATEMENT PRESENTATION

The Jail Trust Fund, which has been presented as an agency fund in the past, has been reclassified as a special revenue fund in the current year. Therefore, it is now included in the fund financial statements as a major fund. The net effect is an increase in beginning governmental fund balances of \$307,705.

CASSIA COUNTY

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2005

	Indigent	District Court	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	911 Commun.
ASSETS										
Cash and investments	\$ 70,712	\$ 277,291	\$ 88,952	\$ 41,406	\$ 44,194	\$ 13,446	\$ 10,198	\$ 25,086	\$ 42,489	\$ 241,831
Receivables:										
Taxes	13,325	46	-	3,184	4,598	4,444	626	8,811	5,246	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 84,037	\$ 277,337	\$ 88,952	\$ 44,590	\$ 48,792	\$ 17,890	\$ 10,824	\$ 33,897	\$ 47,735	\$ 241,831
LIABILITIES AND FUND EQUITY										
Liabilities:										
Vouchers payable	\$ 614	\$ 2,578	\$ 15,667	\$ 19,939	\$ 12,500	\$ -	\$ -	\$ -	\$ 2,888	\$ 39,852
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Deferred revenue	12,533	45	-	3,012	4,329	4,179	591	8,289	4,932	-
Total liabilities	13,147	2,623	15,667	22,951	16,829	4,179	591	8,289	7,820	39,852
Fund Balance:										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	70,890	274,714	73,285	21,639	31,963	13,711	10,233	25,608	39,915	201,979
Total fund balances	70,890	274,714	73,285	21,639	31,963	13,711	10,233	25,608	39,915	201,979
Total liab. and fund bal.	\$ 84,037	\$ 277,337	\$ 88,952	\$ 44,590	\$ 48,792	\$ 17,890	\$ 10,824	\$ 33,897	\$ 47,735	\$ 241,831

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet
Nonmajor Governmental Funds (continued, page 2 of 3)
September 30, 2005

	Boat License	Snow Mobile License	Drivers License	Police Reserve	Juvenile Justice	Court Interlock	EMS Fees	Narc. Seized Assets	Bond Int & Redempt.	Drug Task Force	DARE Trust
ASSETS											
Cash and investments	\$ 15,360	\$ 80,003	\$ 18,419	\$ 278	\$ 41,994	\$ 9,611	\$ 12,986	\$ 67,079	\$ -	\$ 4,196	\$ 18,259
Receivables:											
Taxes	-	-	-	-	-	-	-	-	7,796	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	880	-	-
Total assets	\$ 15,360	\$ 80,003	\$ 18,419	\$ 278	\$ 41,994	\$ 9,611	\$ 12,986	\$ 67,079	\$ 8,676	\$ 4,196	\$ 18,259
LIABILITIES AND FUND EQUITY											
Liabilities:											
Vouchers payable	\$ 15,360	\$ 274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,991	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	7,796	-	-
Total liabilities	15,360	274	-	-	-	-	-	-	7,796	1,991	-
Fund Balance:											
Reserved	-	-	-	-	-	-	-	-	880	-	-
Unreserved	-	79,729	18,419	278	41,994	9,611	12,986	67,079	-	2,205	18,259
Total fund balances	-	79,729	18,419	278	41,994	9,611	12,986	67,079	880	2,205	18,259
Total liab. and fund bal.	\$ 15,360	\$ 80,003	\$ 18,419	\$ 278	\$ 41,994	\$ 9,611	\$ 12,986	\$ 67,079	\$ 8,676	\$ 4,196	\$ 18,259

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Balance Sheet
Nonmajor Governmental Funds (continued, page 3 of 3)
September 30, 2005

	Court Facilities	Physical Facilities	Jail Commissary	Law Enforcement	Cassia County Benefits	Adult Misdemeanor Probation	Widow's Benefit	Warrant Redemption	Total Nonmajor Governmental Funds
ASSETS									
Cash and investments	\$ 102,195	\$ 343,501	\$ 31,459	\$ 3,546	\$ 172,540	\$ 23,063	\$ 18,096	\$ 2,737	\$ 1,820,927
Receivables:									
Taxes	-	-	-	-	-	-	-	-	48,076
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Restricted Assets	-	-	-	-	-	-	-	-	880
Total assets	\$ 102,195	\$ 343,501	\$ 31,459	\$ 3,546	\$ 172,540	\$ 23,063	\$ 18,096	\$ 2,737	\$ 1,869,883
LIABILITIES AND FUND EQUITY									
Liabilities:									
Vouchers payable	\$ -	\$ 3,876	\$ -	\$ -	\$ 866	\$ 154	\$ -	\$ -	\$ 116,559
Accrued liabilities	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	45,706
Total liabilities	-	3,876	-	-	866	154	-	-	162,265
Fund Balance:									
Reserved	-	-	-	-	-	-	-	-	880
Unreserved	102,195	339,625	31,459	3,546	171,674	22,909	18,096	2,737	1,706,738
Total fund balances	102,195	339,625	31,459	3,546	171,674	22,909	18,096	2,737	1,707,618
Total liab. and fund bal.	\$ 102,195	\$ 343,501	\$ 31,459	\$ 3,546	\$ 172,540	\$ 23,063	\$ 18,096	\$ 2,737	\$ 1,869,883

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, 2005

	Indigent	District Court	County Roads	Weed & Pest	Ambulance Service	Fair Exhibit	Historical Society	Jr. College	Revaluation	911 Commun.
Revenues:										
Taxes - property	\$ 189,611	\$ 55	\$ 18,452	\$ 14,819	\$ 65,788	\$ 67,517	\$ 7,590	\$ 121,569	\$ 80,568	\$ -
Taxes - sales and other	45,694	-	10,564	2,932	15,883	16,372	1,808	29,215	19,549	-
Fees and fines	-	156,192	-	-	-	-	-	-	-	226,818
Intergovernmental	-	67,924	268,572	16,650	-	-	-	63,747	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Miscellaneous	265,042	796	9,529	21,155	-	-	-	-	-	-
Total revenues	500,347	224,967	307,117	55,556	81,671	83,889	9,398	214,531	100,117	226,818
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	-
Indigent Assistance	488,196	-	-	-	-	-	-	-	-	-
Highways and roads	-	-	417,949	-	-	-	-	-	-	-
Public safety	-	-	-	-	150,076	-	-	-	-	112,720
Other public service	-	135,662	-	166,390	-	-	-	366,450	146,597	-
Culture and recreation	-	-	-	-	-	41,333	10,000	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Total expenditures	488,196	135,662	417,949	166,390	150,076	41,333	10,000	366,450	146,597	112,720
Excess of revenues over (under) expenditures	12,151	89,305	(110,832)	(110,834)	(68,405)	42,556	(602)	(151,919)	(46,480)	114,098
Other financing sources (uses)										
Transfers in	-	-	146,000	80,000	80,000	30,000	-	143,000	42,000	-
Transfers out	-	(67,924)	-	-	-	(69,000)	-	-	-	-
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	-	(67,924)	146,000	80,000	80,000	(39,000)	-	143,000	42,000	-
Net change in fund balances	12,151	21,381	35,168	(30,834)	11,595	3,556	(602)	(8,919)	(4,480)	114,098
Fund balance - beginning	58,739	253,333	38,117	52,473	20,368	10,155	10,835	34,527	44,395	87,881
Fund balance - ending	\$ 70,890	\$ 274,714	\$ 73,285	\$ 21,639	\$ 31,963	\$ 13,711	\$ 10,233	\$ 25,608	\$ 39,915	\$ 201,979

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, 2005

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,529	\$ -	\$ -
Taxes - sales and other	-	-	-	-	-	-	-	-	7,838	-	-
Fees and fines	30,068	17,984	152,077	-	-	2,772	7,261	3,468	-	1,360	-
Intergovernmental	-	-	-	-	155,063	-	-	-	-	97,528	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	20,335	643
Total revenues	30,068	17,984	152,077	-	155,063	2,772	7,261	3,468	17,367	119,223	643
Expenditures:											
General government	-	-	148,617	-	-	3,935	-	-	-	-	-
Indigent Assistance	-	-	-	-	-	-	-	-	-	-	-
Highways and roads	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	6,000	9,809	-	113,847	-
Other public service	-	-	-	-	-	-	-	-	-	-	6,411
Culture and recreation	25,656	23,737	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	294,030	-	-
Total expenditures	25,656	23,737	148,617	-	-	3,935	6,000	9,809	294,030	113,847	6,411
Excess of revenues over (under) expenditures	4,412	(5,753)	3,460	-	155,063	(1,163)	1,261	(6,341)	(276,663)	5,376	(5,768)
Other financing sources (uses)											
Transfers in	-	-	-	-	-	-	-	-	149,228	-	-
Transfers out	(4,412)	-	-	-	(155,545)	(5,479)	-	-	-	-	-
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	(4,412)	-	-	-	(155,545)	(5,479)	-	-	149,228	-	-
Net change in fund balances	-	(5,753)	3,460	-	(482)	(6,642)	1,261	(6,341)	(127,435)	5,376	(5,768)
Fund balance - beginning	-	85,482	14,959	278	42,476	16,253	11,725	73,420	128,315	(3,171)	24,027
Fund balance - ending	\$ -	\$ 79,729	\$ 18,419	\$ 278	\$ 41,994	\$ 9,611	\$ 12,986	\$ 67,079	\$ 880	\$ 2,205	\$ 18,259

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, 2005

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575,498
Taxes - sales and other	-	-	-	-	-	-	-	-	149,855
Fees and fines	12,150	-	-	-	-	109,720	-	-	719,870
Intergovernmental	-	-	-	-	1,212,102	-	-	-	1,881,586
Interest	-	-	-	-	-	-	-	-	-
Miscellaneous	-	44,701	62,051	-	-	-	170	-	424,422
Total revenues	12,150	44,701	62,051	-	1,212,102	109,720	170	-	3,751,231
Expenditures:									
General government	-	29,367	-	-	1,152,307	-	-	-	1,334,226
Indigent Assistance	-	-	-	-	-	-	-	-	488,196
Highways and roads	-	-	-	-	-	-	-	-	417,949
Public safety	-	-	-	-	-	107,801	-	-	500,253
Other public service	-	-	-	-	-	-	686	-	822,196
Culture and recreation	-	-	-	-	-	-	-	-	100,726
Debt Service	-	-	-	-	-	-	-	-	294,030
Total expenditures	-	29,367	-	-	1,152,307	107,801	686	-	3,957,576
Excess of revenues over (under) expenditures	12,150	15,334	62,051	-	59,795	1,919	(516)	-	(206,345)
Other financing sources (uses)									
Transfers in	-	-	-	-	-	19,009	-	-	689,237
Transfers out	-	-	(83,600)	(4)	-	-	-	-	(385,964)
Proceeds from sale of cap. assets	-	-	-	-	-	-	-	-	-
Total other fin. sources (uses)	-	-	(83,600)	(4)	-	19,009	-	-	303,273
Net change in fund balances	12,150	15,334	(21,549)	(4)	59,795	20,928	(516)	-	96,928
Fund balance - beginning	90,045	324,291	53,008	3,550	111,879	1,981	18,612	2,737	1,610,690
Fund balance - ending	\$ 102,195	\$ 339,625	\$ 31,459	\$ 3,546	\$ 171,674	\$ 22,909	\$ 18,096	\$ 2,737	\$ 1,707,618

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Fiduciary Net Assets

Agency Funds

September 30, 2005

	Range Improv Fund	Assessor Trust Fund	State Fund	Water Districts Fund	Court Trust	Taxing Districts Fund	Court Bonds
ASSETS							
Cash and Investments	\$ -	\$ 144,320	\$ 850	\$ -	\$ 30,051	\$ 2	\$ 38,606
Other Assets	-	-	-	-	-	-	-
Total assets	-	144,320	850	-	30,051	2	38,606
LIABILITIES							
Vouchers Payable	-	-	300	9	30,106	-	-
Accrued liabilities	-	144,340	-	-	-	-	7,129
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	-	144,340	300	9	30,106	-	7,129
NET ASSETS							
Held in Trust	-	(20)	550	(9)	(55)	2	31,477
Total Net Assets	\$ -	\$ (20)	\$ 550	\$ (9)	\$ (55)	\$ 2	\$ 31,477

See accompanying notes to the financial statements.

CASSIA COUNTY

Combining Statement of Fiduciary Net Assets
Agency Funds (continued, page 2 of 2)
September 30, 2005

	Court Restitution	Judgments Trust	Box Elder Bookmobile	Sheriffs Account	Tax Collector Account	Total Agency Funds
ASSETS						
Cash and Investments	\$ 1,321	\$ -	\$ 338	\$ 8,853	\$ 65,855	\$ 290,196
Other Assets	-	-	-	-	-	-
Total assets	1,321	-	338	8,853	65,855	290,196
LIABILITIES						
Vouchers Payable	-	-	-	8,853	65,855	105,123
Accrued liabilities	170	-	-	-	-	151,639
Deferred Revenue	-	-	-	-	-	-
Total liabilities	170	-	-	8,853	65,855	256,762
NET ASSETS						
Held in Trust	1,151	-	338	-	-	33,434
Total Net Assets	\$ 1,151	\$ -	\$ 338	\$ -	\$ -	\$ 33,434

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 the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information Cassia County as of and for the year ended September 30, 2005, which collectively comprise Cassia County's basic financial statements and have issued our report thereon dated January 17, 2006. 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 opinions 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. However, we noted one matter involving the internal control over financial reporting that we have reported to management of Cassia County in a separate letter dated January 17, 2006.

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 17, 2006