

**CITY OF GOODING
GOODING COUNTY, IDAHO**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

SEPTEMBER 30, 2008

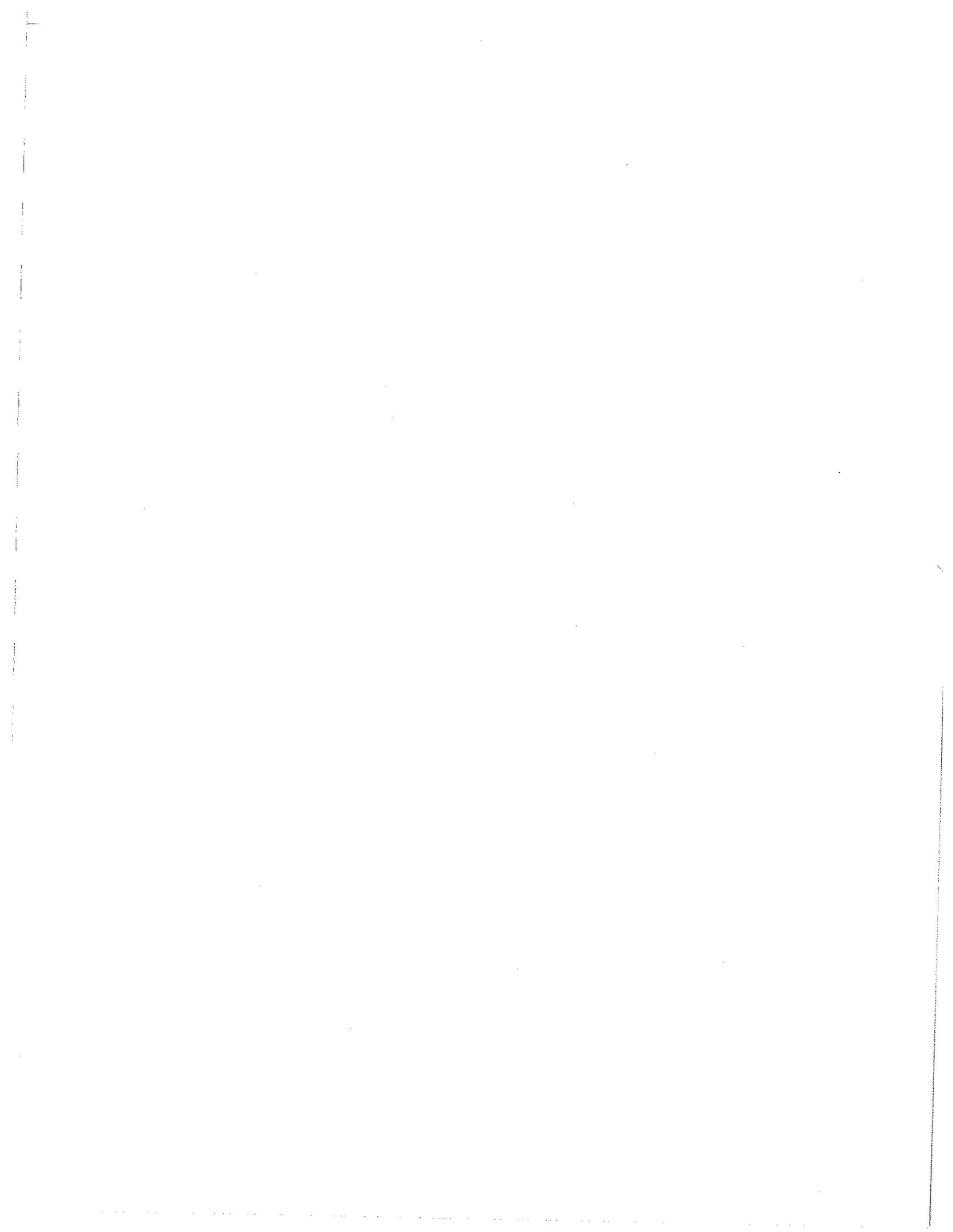


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Governmental Auditing Standards Report:

Report on Internal Control Over Financial Reporting and on Compliance
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January 26, 2009

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Gooding
Gooding, Idaho 83330

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Gooding, Idaho, as of and for the year ended, September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Gooding, Idaho'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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Gooding, Idaho, as of September 30, 2008, and the respective changes in financial position, and cash flows, where applicable, 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 26, 2009 on our consideration of the City of Gooding, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial

reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important in assessing the results of our audit.

The budgetary comparison schedules on pages 29 through 35 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison schedules 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 City of Gooding, Idaho has not presented the management's discussion and analysis that the Governmental Accounting Standards Board 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 an opinion on the financial statements that collectively comprise the City of Gooding, Idaho's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,


Jones, France, Basterrechea & Brush, Chtd.
Certified Public Accountants

CITY OF GOODING
GOODING COUNTY, IDAHO
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008

ASSETS	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Cash in Bank	\$ 515,354	\$ 584,199	\$ 1,099,553	\$ 14,508
Time Deposits	230,409	618,911	849,320	-
Receivables:				
Property Tax Assessments	42,926	-	42,926	-
Sales Tax	-	122,068	122,068	-
Highway Users	33,755	3,451	37,206	-
City Highway	27,881	-	27,881	-
Revenue Sharing	215	-	215	-
Liquor Apportionment	22,416	2,292	24,708	-
Rent	7,917	-	7,917	-
Loan Receivable - Component Unit	8,331	-	8,331	-
Farm Lease Receivable	10,000	-	10,000	-
Lease Receivable	5,500	-	5,500	-
Miscellaneous	990	-	990	-
Accrued Interest	9,264	-	9,264	-
Prepaid Insurance	2,183	2,679	4,862	-
Inventory	18,184	-	18,184	-
Restricted Assets:	39,293	-	39,293	-
Cash	4,936	16,187	21,123	-
Time Deposits	61,945	-	61,945	-
Capital Assets, (net of accumulated depreciation)	2,341,865	3,604,327	5,946,192	-
Total Assets	<u>3,383,364</u>	<u>4,954,114</u>	<u>8,337,478</u>	<u>1,095,496</u>
LIABILITIES				
Accounts Payable	116,066	67,365	183,431	-
Customer Deposits	-	16,195	16,195	-
Accrued Interest	-	2,923	2,923	-
Compensated Absences - Current	32,110	17,368	49,478	-
Capital Leases - Current	10,814	-	10,814	-
Revenue Bonds Payable - Current	-	65,000	65,000	-
Loan Payable - Primary Government	-	-	-	10,000
Loan Payable - Current	-	-	-	71,283
Capital Leases - Long-term	37,128	-	37,128	-
Revenue Bonds Payable - Long-term	-	563,307	563,307	-
Loan Payable - Long-term	-	-	-	460,786
Total Liabilities	<u>196,118</u>	<u>732,158</u>	<u>928,276</u>	<u>542,069</u>
NET ASSETS				
Investment in capital assets, net of related debt	2,293,923	2,973,097	5,267,020	563,426
Unrestricted	893,323	1,248,859	2,142,182	4,509
Total Net Assets	<u>\$ 3,187,246</u>	<u>\$ 4,221,956</u>	<u>\$ 7,409,202</u>	<u>\$ 567,935</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			COMPONENT UNIT
	EXPENSES	FEES, FINES, AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
GOVERNMENTAL ACTIVITIES:								
General Government	\$ 238,132	\$ 109,551	\$ -	\$ -	\$ (128,581)	\$ -	\$ (128,581)	\$ -
Public Protection	569,922	73,482	-	1,076	(495,364)	-	(495,364)	-
Streets and Airport	560,356	46,052	-	63,994	(287,431)	-	(287,431)	-
Library and Recreation	120,667	8,925	-	2,436	(109,306)	-	(109,306)	-
Community Development	-	-	-	-	-	-	-	-
Interest on Long-term Debt	966	-	-	-	(966)	-	(966)	-
Total Governmental Activities	1,490,043	238,010	-	67,506	(1,021,648)	-	(1,021,648)	-
BUSINESS-TYPE ACTIVITIES:								
Water	383,411	345,839	-	-	-	(37,572)	(37,572)	-
Sewer	394,596	306,211	-	-	-	(88,385)	(88,385)	-
Sanitation	206,389	184,787	-	-	-	(21,602)	(21,602)	-
Irrigation	135,417	99,829	-	-	-	(35,588)	(35,588)	-
Total Business-Type Activities	1,119,813	936,666	-	-	-	(183,147)	(183,147)	-
Total Primary Government	\$ 2,609,856	\$ 1,174,676	\$ 162,879	\$ 67,506	(1,021,648)	(183,147)	(1,204,795)	-
COMPONENT UNIT								
Gooding Urban Renewal Agency	\$ 51,977	\$ 101,068	\$ -	\$ -	-	-	-	49,091
GENERAL REVENUES:								
Property Taxes					713,854	-	713,854	-
Ag Replacement Tax					4,032	-	4,032	-
Sales Taxes / Revenue Sharing					214,638	-	214,638	-
Liquor Apportionment					34,333	24,105	34,333	24,105
Earnings on Investments					30,693	-	30,693	-
Gain (Loss) on Disposal of Assets					(8,906)	44,431	(8,906)	44,431
Miscellaneous					17,473	-	17,473	-
Total General Revenues & Transfers					1,006,117	68,536	1,074,653	68,536
Change in Net Assets					(15,531)	(114,611)	(130,142)	(130,142)
Net Assets - Beginning					3,199,862	4,336,567	7,536,448	4,336,567
Prior Period Adjustment					2,895	-	2,895	-
Net Assets - Beginning, Restated					3,202,777	4,336,567	7,539,344	4,336,567
Net Assets - Ending					3,187,246	4,221,956	7,409,202	4,221,956

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2008

ASSETS	GENERAL FUND	AIRPORT FUND	STREET FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash in Bank					
Time Deposits	\$ 190,178	\$ 75,180	\$ 150,810	\$ 99,186	\$ 515,354
Receivables:	-	129,297	-	101,112	230,409
Interfund Receivables	-	-	-	-	-
Property Taxes	-	-	-	6,947	6,947
Sales Tax	24,244	1,936	10,441	6,305	42,926
Highway Users	18,580	1,491	8,757	4,927	33,755
City Highway	-	-	27,881	-	27,881
Revenue Sharing	-	-	215	-	215
State Liquor Apportionment	12,963	631	6,255	2,567	22,416
Rural Fire Receivable	7,917	-	-	-	7,917
Lease Receivable	8,331	-	-	-	8,331
Farm Lease Receivable	990	-	-	-	990
Due from Component Unit	-	5,500	-	-	5,500
Miscellaneous	4,198	-	-	10,000	10,000
Accrued Interest	45	-	-	5,066	9,264
Prepaid Insurance	18,184	-	-	2,138	2,183
Inventory	-	-	-	-	18,184
Restricted Assets:	-	-	39,293	-	39,293
Cash	-	-	-	-	-
Time Deposits	-	-	-	4,936	4,936
Total Assets	\$ 285,630	\$ 214,035	\$ 243,652	\$ 305,129	\$ 1,048,446
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payables	\$ -	\$ -	\$ -	\$ 6,947	\$ 6,947
Accounts Payable	71,228	1,243	12,019	31,576	116,066
Deferred Revenue	21,682	1,731	9,312	5,647	38,372
Total Liabilities	92,910	2,974	21,331	44,170	161,385
Fund Balances:					
Unreserved					
Unreserved, Reported in Nonmajor Special Revenue Funds:	192,720	211,061	222,321	-	626,102
Designated for Capital Projects	-	-	-	-	-
Undesignated	-	-	-	245,031	245,031
Total Fund Balances	192,720	211,061	222,321	15,928	15,928
Total Liabilities and Fund Balances	\$ 285,630	\$ 214,035	\$ 243,652	\$ 305,129	\$ 1,048,446

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Total Governmental Fund Balance \$ 887,061

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 governmental funds. These assets consist of:

Land	81,705	
Infrastructure	1,872,631	
Buildings	776,739	
Equipment	1,065,647	
Accumulated Depreciation	<u>(1,454,857)</u>	
Total Capital Assets		2,341,865

Some of the City's taxes will be collected after year-end, but are not available soon enough to pay the current period's expenditures, and therefore are reported as deferred revenue in the funds. 38,372

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Balances at September 30, 2008 are as follows:

Capital Leases - Long-term	(37,128)	
Capital Leases - Short-term	(10,814)	
Compensated Absences Payable	<u>(32,110)</u>	
Total Long-term Liabilities		<u>(80,052)</u>

Net Assets of Governmental Activities \$ 3,187,246

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	GENERAL FUND	AIRPORT FUND	STREET FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property Taxes	\$ 398,883	\$ 31,598	\$ 185,940	\$ 105,199	\$ 721,620
Ag Replacement Tax	4,032	-	-	-	4,032
Delinquent Interest	8,977	-	-	-	8,977
Sales Tax / Revenue Sharing	123,271	6,027	61,458	23,882	214,638
Highway Users	-	-	121,273	-	121,273
City Highway	-	-	41,606	-	41,606
State Liquor Apportionment	34,333	-	-	-	34,333
Franchise Fees	18,920	-	18,920	20,702	58,542
Licenses, Permits, Fines and Fees	69,929	-	-	8,925	78,854
Court Revenue	40,505	-	-	-	40,505
Earnings on Investments	19,890	6,607	-	4,131	30,628
Earnings on Leases	65	-	-	-	65
Rural Fire District	32,977	-	-	-	32,977
Rent-Hangers and Land	-	17,591	-	-	17,591
Airport Operator	-	9,541	-	-	9,541
Federal Grant	1,076	63,994	-	-	65,070
Contributions and Donations	-	-	-	-	-
Miscellaneous	3,834	-	-	2,436	2,436
Total Revenues	<u>756,692</u>	<u>135,358</u>	<u>429,740</u>	<u>169,394</u>	<u>1,491,184</u>
EXPENDITURES					
Current:					
General Government	198,275	-	-	-	198,275
Public Protection	530,753	-	-	-	530,753
Streets and Airport	-	25,593	404,015	-	429,608
Library and Recreation	-	-	-	110,678	110,678
Debt Service:					
Principal Payments	42,532	-	-	-	42,532
Interest Payments	966	-	-	-	966
Capital Outlay	79,775	79,439	16,355	35,199	210,768
Total Expenditures	<u>852,301</u>	<u>105,032</u>	<u>420,370</u>	<u>145,877</u>	<u>1,523,580</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(95,609)</u>	<u>30,326</u>	<u>9,370</u>	<u>23,517</u>	<u>(32,396)</u>
OTHER FINANCING SOURCES					
Sale of Assets	5,039	-	5,602	-	10,641
Capital Lease Proceeds	62,064	-	-	-	62,064
Total Other Financing Sources	<u>67,103</u>	<u>-</u>	<u>5,602</u>	<u>-</u>	<u>72,705</u>
Net Change in Fund Balances	(28,506)	30,326	14,972	23,517	40,309
Fund Balances - Beginning	221,226	180,735	207,349	237,442	846,752
Fund Balances - Ending	<u>\$ 192,720</u>	<u>\$ 211,061</u>	<u>\$ 222,321</u>	<u>\$ 260,959</u>	<u>\$ 887,061</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Net Change in Fund Balances - Total Governmental Funds		\$ 40,309
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues that will not be collected for several months after the City's fiscal year ends are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues decreased by this amount this year.		(7,766)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	93,101	
Depreciation Expense	(105,735)	
Excess of Depreciation Expense over Capital Outlay		(12,634)
In the statement of activities, only the net gain on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold.		(19,547)
In governmental funds, capital leases are considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. Similarly, lease payments are recorded as expenditures in governmental funds, but as reductions of a liability in the government-wide statements.		
Capital Lease Proceeds	(62,064)	
Capital Lease Principal Payment	42,532	
Increase in Government-wide Liabilities		(19,532)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of financial resource availability.		
Increase in Compensated Absences		3,639
Change in net assets of governmental activities		\$ (15,531)

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
SEPTEMBER 30, 2008

	WATER WORKS	SEWER SYSTEM	SANITATION	IRRIGATION	TOTAL
ASSETS:					
Current Assets:					
Cash	\$ 273,351	\$ 203,538	\$ 58,248	\$ 49,062	\$ 584,199
Time Deposits	383,872	72,976	162,063	-	618,911
Receivables:					
Interfund Receivable	-	-	-	-	-
Assessments	92,905	8,500	-	-	8,500
Revenue Sharing	-	-	-	29,163	122,068
Sales Tax	-	-	-	2,292	2,292
Accrued Interest	-	-	-	3,451	3,451
Restricted Assets:	2,679	-	-	-	2,679
Cash	16,187	-	-	-	16,187
Total Current Assets	768,994	276,514	228,811	83,968	1,358,287
Noncurrent Assets:					
Capital Assets:					
Property, Plant & Equipment	1,871,725	4,747,826	855,427	114,804	7,569,782
Less Accumulated Depreciation	(1,052,018)	(2,140,683)	(708,454)	(84,300)	(3,985,455)
Total Capital Assets, (net of accumulated depreciation)	819,707	2,607,143	146,973	30,504	3,604,327
Total Assets	1,588,701	2,883,657	375,784	114,472	4,962,614
LIABILITIES AND FUND EQUITY:					
Current Liabilities:					
Interfund Payable	36,477	10,755	-	8,500	8,500
Accounts Payable	16,195	-	5,130	15,003	67,365
Customer Deposits	-	-	-	-	16,195
Revenue Bonds Payable	-	65,000	-	-	65,000
Accrued Interest Payable	-	2,923	-	-	2,923
Compensated Absences Payable	6,488	7,675	1,979	1,226	17,368
Total Current Liabilities	59,160	86,353	7,109	24,729	177,351
Noncurrent Liabilities:					
Revenue Bonds Payable (net of unamortized premium and deferred issuance costs)	-	563,307	-	-	563,307
Total Noncurrent Liabilities	-	563,307	-	-	563,307
Total Liabilities	59,160	649,660	7,109	24,729	740,658
NET ASSETS:					
Invested in capital assets, net of related debt	819,707	1,975,913	146,973	30,504	2,973,097
Unrestricted	709,834	258,084	221,702	59,239	1,248,859
Total Net Assets	\$ 1,529,541	\$ 2,233,997	\$ 368,675	\$ 89,743	\$ 4,221,956

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	WATER WORKS	SEWER SYSTEM	SANITATION	IRRIGATION	TOTAL
OPERATING REVENUES:					
Service Fees	\$ 335,278	305,211	\$ 184,787	\$ 99,829	\$ 925,105
Hook-up Fees	6,661	1,000	-	-	7,661
Miscellaneous	3,900	-	-	-	3,900
Total Operating Revenues	345,839	306,211	184,787	99,829	936,666
OPERATING EXPENSES:					
Salaries	145,993	151,247	107,225	77,555	482,020
Supplies	181,414	89,202	59,800	54,908	385,324
Depreciation	56,004	125,684	39,364	2,954	224,006
Total Operating Expenses	383,411	366,133	206,389	135,417	1,091,350
Operating Income (Loss)	(37,572)	(59,922)	(21,602)	(35,588)	(154,684)
NON-OPERATING REVENUES (EXPENSES):					
Sales Tax/Revenue Sharing	-	-	-	-	-
Earnings on Investments	25,700	11,127	6,044	24,105	24,105
Interest Expense	-	(28,463)	-	1,560	44,431
Total Non-Operating Revenues (Expenses)	25,700	(17,336)	6,044	25,665	(28,463)
Change in Net Assets	(11,872)	(77,258)	(15,558)	(9,923)	(114,611)
TOTAL NET ASSETS - BEGINNING	1,541,413	2,311,255	384,233	99,666	4,336,567
TOTAL NET ASSETS - ENDING	\$ 1,529,541	2,233,997	\$ 368,675	\$ 89,743	\$ 4,221,956

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Customers
Cash Payments to Suppliers for Goods and Services
Cash Payments to Employees for Services
Other Operating Revenues
Net Cash Provided (Used) By Operating Activities

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Cash Advanced From (To) Other Funds
Sales Tax/Revenue Sharing
Net Cash Provided by Noncapital Financing Activities

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition of Capital Assets
Principal Paid on Debt
Interest Paid on Debt
Net Cash Used by Capital and Related Financing Activities

CASH FLOWS FROM INVESTING ACTIVITIES:

(Purchase) Sale of Time Deposits
Earnings on Investments
Net Cash Provided (Used) By Investing Activities

Net Increase (Decrease) in Cash and Cash Equivalents
BALANCES - BEGINNING OF THE YEAR
BALANCES - END OF THE YEAR

The notes to the financial statements are an integral part of this statement.

	WATER WORKS	SEWER SYSTEM	SANITATION	IRRIGATION	TOTAL
	\$ 342,430	\$ 306,211	\$ 184,787	\$ 102,615	\$ 936,043
	(159,503)	(84,811)	(60,888)	(42,845)	(348,047)
	(147,862)	(149,156)	(107,372)	(76,329)	(480,719)
	3,900	-	-	280	4,180
	<u>38,965</u>	<u>72,244</u>	<u>16,527</u>	<u>(16,279)</u>	<u>111,457</u>
	-	-	(8,500)	8,500	-
	-	-	-	24,105	24,105
	-	-	(8,500)	32,605	24,105
	<u>(98,950)</u>	<u>(5,340)</u>	<u>-</u>	<u>(8,500)</u>	<u>(112,790)</u>
	-	(67,830)	-	-	(67,830)
	-	(28,138)	-	-	(28,138)
	<u>(98,950)</u>	<u>(101,308)</u>	<u>-</u>	<u>(8,500)</u>	<u>(208,758)</u>
	(21,603)	71,044	(7,823)	-	41,618
	29,376	13,834	9,322	1,560	54,092
	<u>7,773</u>	<u>84,878</u>	<u>1,499</u>	<u>1,560</u>	<u>95,710</u>
	(52,212)	55,814	9,526	9,386	22,514
	341,750	147,724	48,722	39,676	577,872
	<u>\$ 289,538</u>	<u>\$ 203,538</u>	<u>\$ 58,248</u>	<u>\$ 49,062</u>	<u>\$ 600,386</u>

CITY OF GOODING
GOODING COUNTY, IDAHO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>WATER WORKS</u>	<u>SEWER SYSTEM</u>	<u>SANITATION</u>	<u>IRRIGATION</u>	<u>TOTAL</u>
	\$ (37,572)	\$ (59,922)	\$ (21,602)	\$ (35,588)	\$ (154,684)
	56,004	125,684	39,364	2,954	224,006
	1,690	-	-	2,524	4,214
	21,911	4,391	(1,088)	12,063	37,277
	-	-	-	542	542
	(1,199)	-	-	-	(1,199)
	(1,869)	2,091	(147)	1,226	1,301
	<u>76,537</u>	<u>132,166</u>	<u>38,129</u>	<u>19,309</u>	<u>266,141</u>
	<u>\$ 38,965</u>	<u>\$ 72,244</u>	<u>\$ 16,527</u>	<u>\$ (16,279)</u>	<u>\$ 111,457</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**
Operating Income (Loss)
Adjustments to Reconcile Operating Income (Loss) to Net Cash
Provided (Used) by Operating Activities:
Depreciation Expense
Changes in Assets and Liabilities:
Decrease (Increase) in Accounts Receivable
Increase (Decrease) in Accounts Payable
Decrease (Increase) in Miscellaneous Receivables
Increase (Decrease) in Customer Deposits
Increase (Decrease) in Compensated Absences Payable
Total Adjustments

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2008

	Health Reimbursement Arrangement
ASSETS:	
Cash	
Total Assets	\$ 28,392
	28,392
LIABILITIES:	
Due to General Fund	
Due to Others	-
Total Liabilities	28,392
	28,392
NET ASSETS:	
	\$ -

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Generally Accepted Accounting Principles. The basic-but not the only-criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Based upon the application of these criteria, the City of Gooding has one discretely presented component unit included in this report. The Urban Renewal Agency of Gooding ("Agency") was created by the City of Gooding pursuant to Idaho Code §50-2008 to rehabilitate, conserve, and/or redevelop deteriorated or deteriorating areas within the City of Gooding. The City identified the Gooding Industrial Park as an appropriate area for an urban renewal project and appointed the six-member Board of Commissioners of the Agency. No separate financial statements are available for the Agency.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the governmental entity. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF GOODING
GOODING COUNTY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes 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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when the 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.

Property taxes, franchise taxes, licenses, and interest revenue associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

The *airport fund* accounts for grant and property tax revenue that is restricted for maintenance and construction of airport facilities.

The *street fund* accounts for highway user revenue that is restricted for maintenance and construction of city streets.

The government reports the following major proprietary funds:

The *water fund* is used to account for the costs necessary to operate the city's water system and the charges necessary to offset those costs.

The *sewer fund* is used to account for the costs necessary to operate the city's sewer system and the charges necessary to offset those costs.

CITY OF GOODING
GOODING COUNTY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

The *sanitation fund* is used to account for the costs necessary to operate the city's sanitation system and the charges necessary to offset those costs.

The *irrigation fund* is used to account for the costs necessary to operate the city's irrigation system and the charges necessary to offset those costs.

Additionally, the City reports the following fund types:

Agency Funds. This fund accounts for monies held on behalf of employees which accumulates resources for health insurance deductible buy-downs to qualified employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) fees, fines, and charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer enterprise funds are charges to customers for sales and service. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1) Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date to acquisition.

State statute authorizes the City to invest in places of deposit as provided by ordinance; including obligations of the U.S. Treasury, time deposit accounts, commercial paper, corporate bonds, revenue

CITY OF GOODING
GOODING COUNTY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

and general obligation bonds, tax anticipation bonds or notes, repurchase agreements, and the State Treasurer's Investment Pool. Investments for the government are reported at fair value.

2) Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund balances." Interfund balances offset each other and are not a part of the government-wide financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All other interfund transactions, including nonrecurring or non-routine permanent transfers of equity and operating transfers, are reported as "interfund transfers." Interfund transfers offset each other and are not a part of the government-wide financial statements.

Non-tax receivables are recognized as revenues received from the State and Federal governments if designated for the current fiscal period.

No allowance for uncollectible property taxes has been accrued. The City feels property taxes are ultimately collectible through property liens and/or forced sales and any amounts not collected are immaterial to the financial statements taken as a whole.

3) Inventories

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

4) Restricted Assets

Certain resources of the Recreation Special Revenue fund are set aside for future projects. These resources are classified as restricted on the balance sheet because their use is limited to special capital improvement projects.

5) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. General infrastructure assets acquired prior to October 1, 2003 (other than in proprietary funds) have not been capitalized. Subsequent to October 1, 2003, any newly acquired or constructed infrastructure assets have been capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY OF GOODING
GOODING COUNTY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25 - 50
Building Improvements	25
Public Domain Infrastructure	50
System Infrastructure	30
Equipment & Vehicles	5 - 25
Office Equipment	3 - 5

6) Compensated Absences

Employees of the City are entitled to paid vacation and paid sick leave depending on job classification, length of service, and other factors. There is no liability for unpaid accumulated sick leave since the city does not have a policy to pay any amounts when employees separate from service with the city. All vacation days are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is not reported in governmental funds.

7) Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8) Net Assets

In the government-wide statement of net assets, restrictions may be imposed on a portion of a government's net assets by parties outside the government (such as creditors, grantors, contributors, laws or regulations of other governments). These amounts are reported as restricted in the net assets section of the statement of net assets.

CITY OF GOODING
GOODING COUNTY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

9) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans for future use of financial resources.

10) Contingent Liability – Federal Assistance

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally by the Federal Government. Any disallowed claims, including amounts already collected, could become a liability of the general fund or other applicable funds.

NOTE 2. DETAILED NOTES ON ALL FUNDS

A. Deposits

Following is a summary of the City's deposit balances as of September 30, 2008:

	Government-wide Statement of Net Assets		
	Unrestricted	Restricted	Total
Cash in Bank	\$ 1,099,553	\$ 21,123	\$ 1,120,676
Time Deposits	849,320	61,945	911,265
Total	\$ 1,948,873	\$ 83,068	\$ 2,031,941

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2008, the carrying amount of the City's deposits was \$2,021,941 and the respective bank balances totaled \$2,155,886. Of the City's bank balances, \$1,953,609 was exposed to custodial risk because the balances were not covered by depository insurance and also were uncollateralized.

B. Property Tax Calendar

The City's property tax is levied each October on the value listed as of the prior January 1 for all real property located in the City. The lien date is effective January 1 of the year the property tax is levied. A revaluation of all property is required to be completed no less than every five years.

Under Idaho Code Section 50-235, the City is permitted to levy taxes up to nine tenths percent (.9%) of the total City adjusted market value for taxable real property located within the City. Taxes are due in two equal installments on December 20 and June 20 following the levy date. Property taxes levied for fiscal year 2007 are recorded as receivables if uncollected and a deferred revenue amount is recorded, in the fund financial statements, to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

CITY OF GOODING
GOODING COUNTY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

C. Capital Assets

Capital asset activity for the year ended September 30, 2008 was as follows:

<u>Governmental Activities:</u>	Balance 10/01/2007	Increases	Decreases	Balance 09/30/2008
Land	\$ 81,705	\$ -	\$ -	\$ 81,705
Infrastructure	1,384,377	488,254	-	1,872,631
Buildings and Improvements	776,739	-	-	776,739
Equipment	1,108,820	85,446	128,619	1,065,647
Construction in Progress	480,599	855	481,454	-
Total	<u>\$ 3,832,240</u>	<u>\$ 574,555</u>	<u>\$ 610,073</u>	<u>\$ 3,796,722</u>

<u>Business-Type Activities:</u>	Balance 10/01/2007	Increases	Decreases	Balance 09/30/2008
Land	\$ 91,839	\$ -	\$ -	\$ 91,839
Water System	1,311,967	-	-	1,311,967
Sewer System	4,528,581	-	-	4,528,581
Buildings and Improvements	92,821	-	-	92,821
Equipment	1,537,056	112,790	85,272	1,564,574
Total	<u>\$ 7,562,264</u>	<u>\$ 112,790</u>	<u>\$ 85,272</u>	<u>\$ 7,589,782</u>

Current depreciation and accumulated depreciation was as follows:

<u>Governmental Activities:</u>	Beginning Balance	Increases	Decreases	Ending Balance
Infrastructure	\$ 76,084	\$ 38,362	\$ -	\$ 114,446
Buildings and Improvements	477,947	11,983	-	489,930
Equipment	904,163	55,390	109,072	850,481
Total	<u>\$ 1,458,194</u>	<u>\$ 105,735</u>	<u>\$ 109,072</u>	<u>\$ 1,454,857</u>

<u>Business-Type Activities:</u>	Beginning Balance	Increases	Decreases	Ending Balance
Water System	\$ 667,375	\$ 26,601	\$ -	\$ 693,976
Sewer System	1,900,669	113,216	-	2,013,885
Buildings and Improvements	23,277	2,684	-	25,961
Equipment	1,255,400	81,505	85,272	1,251,633
Total	<u>\$ 3,846,721</u>	<u>\$ 224,006</u>	<u>\$ 85,272</u>	<u>\$ 3,985,455</u>

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities:</u>	
General Government	\$ 10,462
Public Protection	33,729
Streets and Airport	59,650
Library and Recreation	1,894
Total Depreciation Expense – Governmental Activities	<u>\$105,735</u>

CITY OF GOODING
GOODING COUNTY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Business-type Activities:

Water	\$ 56,004
Sewer	125,684
Sanitation	39,364
Irrigation	2,954
Total Depreciation Expense – Business-type Activities	\$224,006

D. Interfund Receivables, Payables, and Transfers

During FY07, the Capital Improvements fund received property tax monies that were deposited into the Recreation Fund. As of September 30, 2008 the cash had not been transferred to the correct fund, resulting in an interfund payable of \$6,947 in the Recreation Fund and an interfund receivable of \$6,947 in the Capital Improvements Fund. During the current year, an expenditure for a vehicle purchased for the Irrigation Fund was miscoded to the Sanitation Fund, resulting in an interfund receivable of \$8,500 for the Sanitation Fund and an interfund payable of \$8,500 for the Irrigation Fund.

E. Leases

The City of Gooding has entered into a lease agreement as lessee for financing the acquisition of three police cars. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital lease are as follows:

	<u>Governmental Activities</u>
Assets:	
Machinery and equipment	\$ 65,751
Less: Accumulated depreciation	(6,165)
Total	\$ 59,586

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2008, were as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>
2009	\$ 14,122
2010	14,122
2011	14,122
2012	14,122
Total minimum lease payments	56,488
Less: Amount representing interest	(8,546)
Present value of minimum lease payments	\$ 47,942

CITY OF GOODING
GOODING COUNTY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

F. Long-Term Debt

The City is participating in the Idaho Municipal Bond Bank program in which a municipality obtains a loan from the Bond Bank secured by either the municipality's bond or a loan agreement with the Bond Bank. The Bond Bank pools several loans to municipalities into one bond issue. The municipalities then repay the loan, and those repayments are used to repay the revenue bonds. The municipalities share the costs of issuing the revenue bonds and the bond premium.

On December 31, 2004, the City executed a loan agreement ("revenue bonds payable") with the Idaho Bond Bank in which the proceeds of a new loan would pay in full the two existing DEQ Wastewater Facility Design and Construction loans. This refinancing of the existing debt resulted in differences between the amount of the new loan and the carrying amounts of the DEQ loans. The net difference of \$39,630 is being amortized over the remaining life of the loan.

The City completed the current refinancing to reduce its total debt service payments over the next fourteen years by \$39,260 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$35,243.

The following is a summary of debt maturity requirements for the revenue bonds payable to the Idaho Bond Bank for the year ended September 30, 2008:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	65,000	29,230
2010	70,000	25,980
2011	70,000	22,480
2012	75,000	18,980
2013	80,000	15,230
2014-2018	240,000	26,570
	<u>\$600,000</u>	<u>\$138,470</u>

G. Changes in Long-Term Liabilities

During the year ended September 30, 2008, the following changes occurred in liabilities:

	<u>Balance</u> <u>10/01/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>09/30/2008</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Capital Leases	\$ 31,301	\$ 62,064	\$ 45,423	\$ 47,942	\$ 10,814
Compensated Absences	35,749	25,868	29,507	32,110	32,110
<u>Business-type Activities:</u>					
Revenue Bonds Payable	665,000	-	65,000	600,000	65,000
Compensated Absences	16,067	15,094	13,793	17,368	17,368
Total	<u>\$ 748,117</u>	<u>\$ 103,026</u>	<u>\$ 153,723</u>	<u>\$ 697,420</u>	<u>\$ 125,292</u>

For the governmental activities, compensated absences typically have been liquidated in the general fund.

CITY OF GOODING
GOODING COUNTY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

NOTE 3: DISCRETELY PRESENTED COMPONENT UNIT

The Gooding Urban Renewal Agency financed the acquisition of a manufacturing facility in the Gooding Industrial Park with a \$760,000 Taxable Revenue Note secured by a Deed of Trust on the manufacturing facility. The Agency submitted a proposal to Kiefer Built, LLC wherein the property would be leased to Kiefer Built, LLC for a ten-year and one-day period, with the option to purchase the property after five years. The lease was effective January 19, 2005. Kiefer Built, LLC pays monthly rent payments of \$8,422 to the Agency.

NOTE 4: OTHER INFORMATION

A. Employee's Retirement System

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

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

The actuarially determined contribution requirements of the City of Gooding and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended September 30, 2008 the required contribution rate as a percentage of covered payroll for members was 6.23% for general members and 7.65% for police/firefighters. The employer rate percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. The City of Gooding contributions required and paid were \$89,805, \$83,851, and \$83,616 for the three years ending September 30, 2008, 2007, and 2006, respectively. Employee contributions for the three years ending September 30, 2008, 2007, and 2006, respectively, were \$56,835, \$53,072, and \$56,426.

B. Joint Ventures

The City of Gooding is in a joint-venture with the Gooding Rural Fire District. Half of the salaries for the Fire Chief and the part-time employee for the City and Rural Fire Department are paid by the Rural Fire District. The Gooding Rural Fire District, through its Board of Commissioners, administers the on-going operation of the Joint Fire Department. The agreement is verbal. Separate financial statements for the joint venture are not available.

CITY OF GOODING
GOODING COUNTY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

C. Designation of Fund Equity

The capital improvements special revenue fund receives property taxes for the purposes of making capital improvements. The fund balance is designated for that purpose and is not available for general maintenance and repairs.

The golf course is collecting a surcharge on golf fees to be used to purchase a sprinkler system at the golf course. The funds are remitted to the Recreation special revenue fund. At September 30, 2008, \$66,881 was designated for this purpose. Cash is restricted in the same amount.

D. Risk Management

The City 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 for which the City carries commercial insurance. Amounts of settlements have not exceeded insurance coverage in the past three years.

E. Related Party Transaction

The City of Gooding has loaned the Gooding Urban Renewal Agency \$10,000 for planning and developing the urban renewal district. The loan does not have a maturity date, and there is no stated rate of interest.

F. Prior Period Adjustment

In December 2003, the City entered into a lease agreement as co-lessee with the Gooding Rural Fire District for financing the acquisition of a fire truck. Each entity was responsible for paying half of the debt in annual payments. However, the Gooding Rural Fire District made its payments ahead of schedule, so the payments made by the City were allocated incorrectly as to principal and interest. In prior periods, the amount of interest paid by the City was overstated and the amount of principal paid by the City was understated.

Therefore, in financial statements for prior periods, the City's portion of the liability has been overstated and net assets have been understated. An adjustment of \$2,895 has been made to beginning net assets to adjust net assets to actual.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GOODING
GOODING COUNTY, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 393,486	\$ 393,486	\$ 398,883	\$ 5,397
Ag Replacement Tax	4,032	4,032	4,032	-
Delinquent Interest	10,800	10,800	8,977	(1,823)
Sales Tax	131,050	131,050	123,271	(7,779)
State Liquor	28,000	28,000	34,333	6,333
Franchise Fees	24,400	24,400	18,920	(5,480)
Licenses and Permits	23,810	23,810	69,929	46,119
Court Revenue	28,000	28,000	40,505	12,505
Earnings on Investments	21,000	21,000	19,890	(1,110)
Earnings on Leases	80	80	65	(15)
Rural Fire Department	40,000	40,000	32,977	(7,023)
Federal Grants	-	-	1,076	1,076
Miscellaneous	7,860	7,860	3,834	(4,026)
Total Revenues	<u>712,518</u>	<u>712,518</u>	<u>756,692</u>	<u>44,174</u>
EXPENDITURES:				
Administration:				
Salaries & Benefits	89,902	89,902	87,790	2,112
Insurance	34,815	34,815	33,715	1,100
Supplies	50,350	50,350	76,770	(26,420)
Capital Outlay	2,500	2,500	3,000	(500)
Flood Control:				
Salaries & Benefits	500	500	-	500
Supplies	500	500	699	(199)
Police Department:				
Salaries & Benefits	333,313	333,313	310,915	22,398
Supplies	102,492	102,492	115,847	(13,355)
Capital Outlay	3,000	3,000	76,309	(73,309)
Debt Service:				
Principal	20,100	20,100	14,122	5,978
Interest	-	-	-	-
Fire Department:				
Salaries & Benefits	78,709	78,709	74,248	4,461
Supplies	35,375	35,375	29,044	6,331
Capital Outlay	31,900	31,900	466	31,434
Debt Service				
Principal	-	-	28,410	(28,410)
Interest	-	-	966	(966)
Total Expenditures	<u>783,456</u>	<u>783,456</u>	<u>852,301</u>	<u>(68,845)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(70,938)</u>	<u>(70,938)</u>	<u>(95,609)</u>	<u>(24,671)</u>
OTHER FINANCING SOURCES:				
Sale of Assets	-	-	5,039	5,039
Capital Lease Proceeds	-	-	62,064	62,064
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>67,103</u>	<u>67,103</u>
Net Change in Fund Balances	(70,938)	(70,938)	(28,506)	42,432
FUND BALANCES - BEGINNING	<u>221,226</u>	<u>221,226</u>	<u>221,226</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 150,288</u>	<u>\$ 150,288</u>	<u>\$ 192,720</u>	<u>\$ 42,432</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
BUDGETARY COMPARISON SCHEDULE
AIRPORT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Property Taxes	\$ 31,262	\$ 31,598	\$ 336
Sales Tax / Revenue Sharing	6,340	6,027	(313)
Rent - Hangars and Land	17,500	17,591	91
Airport Operator	9,000	9,541	541
Federal Grant	260,000	63,994	(196,006)
State Grant	15,000	-	(15,000)
Earnings on Investments	3,000	6,607	3,607
Miscellaneous	100	-	(100)
Total Revenues	<u>342,202</u>	<u>135,358</u>	<u>(206,844)</u>
EXPENDITURES:			
Salaries & Benefits	13,600	9,779	3,821
Supplies	33,602	15,814	17,788
Capital Outlay	295,000	79,439	215,561
Total Expenditures	<u>342,202</u>	<u>105,032</u>	<u>237,170</u>
Excess (Deficiency) of Revenues Over Expenditures	-	30,326	30,326
FUND BALANCES - BEGINNING	180,735	180,735	-
FUND BALANCES - ENDING	<u>\$ 180,735</u>	<u>\$ 211,061</u>	<u>\$ 30,326</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
BUDGETARY COMPARISON SCHEDULE
WATER WORKS ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
OPERATING REVENUES:			
Metered Water Sales	\$ 350,000	\$ 335,278	\$ (14,722)
New Meters and Hook-ups	7,510	6,661	(849)
Miscellaneous	10,910	3,900	(7,010)
Total Operating Revenues	<u>368,420</u>	<u>345,839</u>	<u>(22,581)</u>
OPERATING EXPENSES:			
Salaries & Benefits	185,000	145,993	39,007
Supplies	466,000	181,414	284,586
Depreciation	-	56,004	(56,004)
Total Operating Expenses	<u>651,000</u>	<u>383,411</u>	<u>267,589</u>
Operating Income (Loss)	<u>(282,580)</u>	<u>(37,572)</u>	<u>245,008</u>
NON-OPERATING REVENUES (EXPENSES):			
Earnings on Investments	16,000	25,700	9,700
Total Non-Operating Revenues (Expenses)	<u>16,000</u>	<u>25,700</u>	<u>9,700</u>
Change in Net Assets	(266,580)	(11,872)	254,708
TOTAL NET ASSETS - BEGINNING	1,541,413	1,541,413	-
TOTAL NET ASSETS - ENDING	<u>\$ 1,274,833</u>	<u>\$ 1,529,541</u>	<u>\$ 254,708</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
BUDGETARY COMPARISON SCHEDULE
SEWER SYSTEM ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Original/Final Budget	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUES:			
Fees	\$ 306,240	\$ 305,211	\$ (1,029)
Hook-ups	2,000	1,000	(1,000)
Grant Revenue	500,000	-	(500,000)
Miscellaneous	500	-	(500)
Total Operating Revenues	<u>808,740</u>	<u>306,211</u>	<u>(502,529)</u>
OPERATING EXPENSES:			
Salaries & Benefits	156,000	151,247	4,753
Supplies	805,900	89,202	716,698
Depreciation	-	125,684	(125,684)
Total Operating Expenses	<u>961,900</u>	<u>366,133</u>	<u>595,767</u>
Operating Income (Loss)	<u>(153,160)</u>	<u>(59,922)</u>	<u>93,238</u>
NON-OPERATING REVENUES (EXPENSES):			
Earnings on Investments	11,500	11,127	(373)
Interest Expense	(31,180)	(28,463)	2,717
Total Non-Operating Revenues (Expenses)	<u>(19,680)</u>	<u>(17,336)</u>	<u>2,344</u>
Change in Net Assets	(172,840)	(77,258)	95,582
TOTAL NET ASSETS - BEGINNING	<u>2,311,255</u>	<u>2,311,255</u>	-
TOTAL NET ASSETS - ENDING	<u>\$ 2,138,415</u>	<u>\$ 2,233,997</u>	<u>\$ 95,582</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
BUDGETARY COMPARISON SCHEDULE
SANITATION ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Original/Final Budget	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUES:			
Sanitation Fees	\$ 182,198	\$ 184,787	\$ 2,589
Miscellaneous	500	-	(500)
Total Operating Revenues	<u>182,698</u>	<u>184,787</u>	<u>2,089</u>
OPERATING EXPENSES:			
Salaries & Benefits	116,000	107,225	8,775
Supplies	136,250	59,800	76,450
Capital Outlay	35,000	-	35,000
Depreciation	-	39,364	(39,364)
Total Operating Expenses	<u>287,250</u>	<u>206,389</u>	<u>80,861</u>
Operating Income (Loss)	<u>(104,552)</u>	<u>(21,602)</u>	<u>82,950</u>
NON-OPERATING REVENUES (EXPENSES):			
Earnings on Investments	5,100	6,044	944
Total Non-Operating Revenues (Expenses)	<u>5,100</u>	<u>6,044</u>	<u>944</u>
Change in Net Assets	(99,452)	(15,558)	83,894
TOTAL NET ASSETS - BEGINNING	384,233	384,233	-
TOTAL NET ASSETS - ENDING	<u>\$ 284,781</u>	<u>\$ 368,675</u>	<u>\$ 83,894</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
BUDGETARY COMPARISON SCHEDULE
IRRIGATION ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
OPERATING REVENUES:			
Irrigation Assessments	\$ 96,000	\$ 99,829	\$ 3,829
Miscellaneous	500	-	(500)
Total Operating Revenues	<u>96,500</u>	<u>99,829</u>	<u>3,329</u>
OPERATING EXPENSES:			
Salaries & Benefits	67,103	77,555	(10,452)
Supplies	54,310	54,908	(598)
Depreciation	-	2,954	(2,954)
Total Operating Expenses	<u>121,413</u>	<u>135,417</u>	<u>(14,004)</u>
Operating Income (Loss)	<u>(24,913)</u>	<u>(35,588)</u>	<u>(10,675)</u>
NON-OPERATING REVENUES (EXPENSES):			
Sales Tax/Revenue Sharing	23,303	24,105	802
Interest Earned on Assessments	1,610	1,560	(50)
Total Non-Operating Revenue (Expenses)	<u>24,913</u>	<u>25,665</u>	<u>752</u>
Change in Net Assets	-	(9,923)	(9,923)
TOTAL NET ASSETS - BEGINNING	99,666	99,666	-
TOTAL NET ASSETS - ENDING	<u>\$ 99,666</u>	<u>\$ 89,743</u>	<u>\$ (9,923)</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GOODING,
GOODING COUNTY, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2008**

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds. Annual operating budgets are adopted for proprietary funds.

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the City Clerk submits to the City Council 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. Public hearings are conducted at the City Hall.
3. Prior to September 1, the budget is legally enacted through passage of an ordinance.
4. The City Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Expenditures may not legally exceed budgeted appropriations at the activity level.

Enterprise fund statements match the operating budget with the operating expenditures, allowing budgets for capital outlay and debt service to flow to the budget carryover.

B. Excess of Expenditures Over Appropriations

For the year ended September 30, 2008, total expenditures exceeded appropriations in the General Fund by \$68,845; these overexpenditures were funded by the sale of assets and proceeds from a capital lease. Operating expenditures exceeded appropriations in the Irrigation Fund by \$14,004; these overexpenditures were funded by greater than anticipated collections of irrigation assessments and additional miscellaneous revenue.

SUPPLEMENTARY INFORMATION

CITY OF GOODING
GOODING COUNTY, IDAHO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2008

	<u>CAPITAL IMPROVEMENTS</u>	<u>LIBRARY</u>	<u>RECREATION</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
ASSETS:				
Cash	\$ 80,258	\$ 4,232	\$ 14,696	\$ 99,186
Time Deposits	100,000	1,112	-	101,112
Receivables:				
Property Taxes	1,236	3,215	1,854	6,305
Sales Tax	1,014	2,475	1,438	4,927
Revenue Sharing	99	1,965	503	2,567
Due from Component Unit	10,000	-	-	10,000
Other Receivables	5,066	-	-	5,066
Interfund Receivables	6,947	-	-	6,947
Accrued Interest	2,138	-	-	2,138
Restricted Assets:				
Cash	-	-	4,936	4,936
Time Deposits	-	-	61,945	61,945
Total Assets	<u>\$ 206,758</u>	<u>\$ 12,999</u>	<u>\$ 85,372</u>	<u>\$ 305,129</u>
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Interfund Payable	\$ -	\$ -	\$ 6,947	\$ 6,947
Accounts Payable	27,500	1,775	2,301	31,576
Deferred Revenue	1,108	2,876	1,663	5,647
Total Liabilities	<u>28,608</u>	<u>4,651</u>	<u>10,911</u>	<u>44,170</u>
Fund Balance:				
Unreserved:				
Designated for Capital Projects	178,150	-	66,881	245,031
Undesignated	-	8,348	7,580	15,928
Total Fund Balances	<u>178,150</u>	<u>8,348</u>	<u>74,461</u>	<u>260,959</u>
Total Liabilities and Fund Balances	<u>\$ 206,758</u>	<u>\$ 12,999</u>	<u>\$ 85,372</u>	<u>\$ 305,129</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOODING
GOODING COUNTY, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>CAPITAL IMPROVEMENTS</u>	<u>LIBRARY</u>	<u>RECREATION</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
REVENUES:				
Property Taxes	\$ 21,543	\$ 52,999	\$ 30,657	\$ 105,199
Sales Tax / Revenue Sharing	782	18,431	4,669	23,882
Franchise Fees	20,702	-	-	20,702
Earnings on Investments	1,476	31	2,624	4,131
Fees	-	3,378	5,547	8,925
Contributions and Donations	-	2,436	-	2,436
Miscellaneous	-	156	3,963	4,119
Total Revenues	<u>44,503</u>	<u>77,431</u>	<u>47,460</u>	<u>169,394</u>
EXPENDITURES:				
Salaries & Benefits	-	55,952	11,857	67,809
Supplies	27,500	23,699	19,170	70,369
Capital Outlay	-	1,544	6,155	7,699
Total Expenditures	<u>27,500</u>	<u>81,195</u>	<u>37,182</u>	<u>145,877</u>
Excess (Deficiency) of Revenues Over Expenditures	17,003	(3,764)	10,278	23,517
FUND BALANCE - BEGINNING	161,147	12,112	64,183	237,442
FUND BALANCE - ENDING	<u>\$ 178,150</u>	<u>\$ 8,348</u>	<u>\$ 74,461</u>	<u>\$ 260,959</u>

The notes to the financial statements are an integral part of this statement.

GOVERNMENTAL AUDITING STANDARDS REPORT



Jones, France, Basterrechea & Brush, Chtd.
Certified Public Accountants

J. THOMAS JONES, C.P.A.
STEVEN R. FRANCE, C.P.A.
RICK BASTERRECHEA, C.P.A.
DAVID D. BRUSH, C.P.A.

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January 26, 2009

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

Honorable Mayor and City Council
City of Gooding
Gooding, Idaho

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Gooding, Idaho, as of and for the year ended September 30, 2008, which collectively comprise the City of Gooding, Idaho's basic financial statements and have issued our report thereon dated January 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control

deficiency, or combination of control deficiencies, that adversely affects the City of Gooding, Idaho's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Gooding, Idaho's financial statements that is more than inconsequential will not be prevented or detected by the City of Gooding, Idaho's internal control. We consider the deficiencies, described in the accompanying schedule as Findings 2008-1 through 2008-2, to be significant deficiencies in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Gooding, Idaho's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain additional matters that we reported to management of the City of Gooding, Idaho in a separate letter dated January 26, 2009.

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

This report is intended solely for the information and use of the City Council, management, others within the organization, 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.


Jones, France, Basterrechea, & Brush, Chtd.
Certified Public Accountants

CITY OF GOODING
GOODING COUNTY, IDAHO
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2008

I. FINANCIAL STATEMENT FINDINGS

Finding 2008-1

Criteria	Separation of the authorization of transactions from the custody of related assets.
Condition	The city clerk has the duty of authorizing payment of invoices, duty of preparing checks, duty of signing checks (1 of 2 required signatures), duty of recording transactions into the general ledger, duty of reconciling the bank statement and has access to the signature stamp of the mayor (2 of 2 required signatures).
Effect	The authorization of transactions from the custody of related assets is not separated.
Recommendation	Only the mayor or a supervisor of the city clerk should have access to and be allowed to use the signature stamp of the mayor.
Management's Response	The signature stamp of the mayor will be restricted to the mayor or a supervisor of the city clerk in the future.

Finding 2008-2

Criteria	City employees or management should have the qualifications & training to accurately prepare year-end accrual entries, GASB 34 conversion entries, the financial statements & note disclosures to the financial statements in accordance with Generally Accepted Accounting Principles (GAAP).
Condition	The City does not have employees or management to accurately prepare year-end accrual entries, GASB 34 conversion entries, the financial statements & note disclosures to the financial statement in accordance with GAAP.
Effect	The City GAAP prepared financial statements & note disclosures cannot be prepared materially correct by the City.

CITY OF GOODING
GOODING COUNTY, IDAHO
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2008

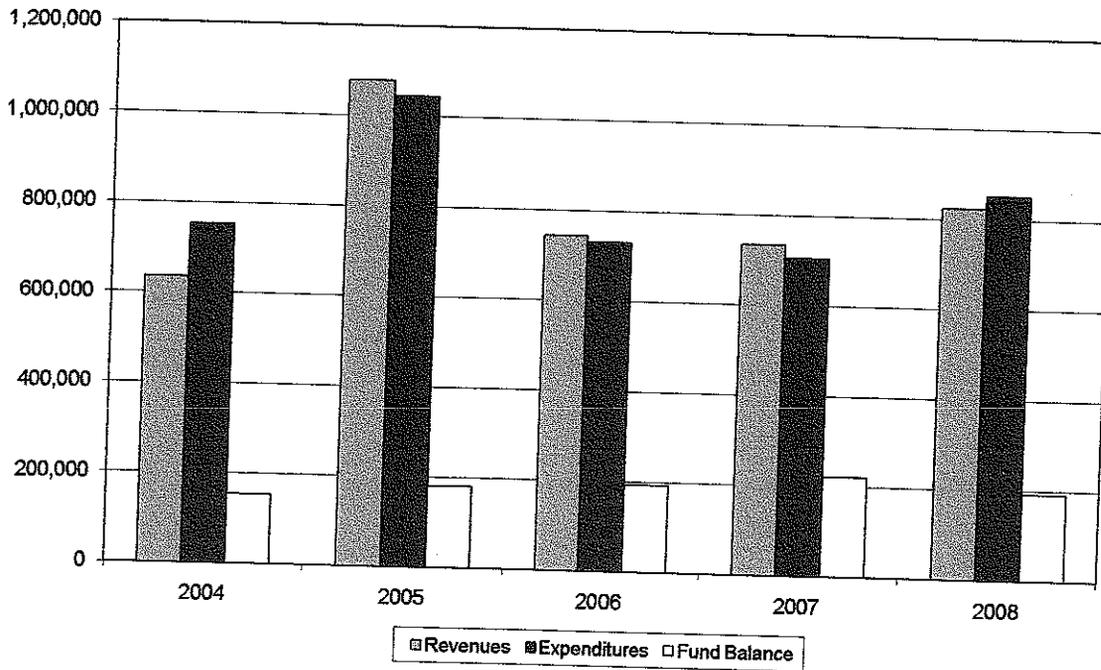
Recommendation

We recommend hiring an employee with the qualifications & training to accurately prepare year-end accrual entries, GASB 34 conversion entries, the financial statements & note disclosures to the financial statements in accordance with GAAP.

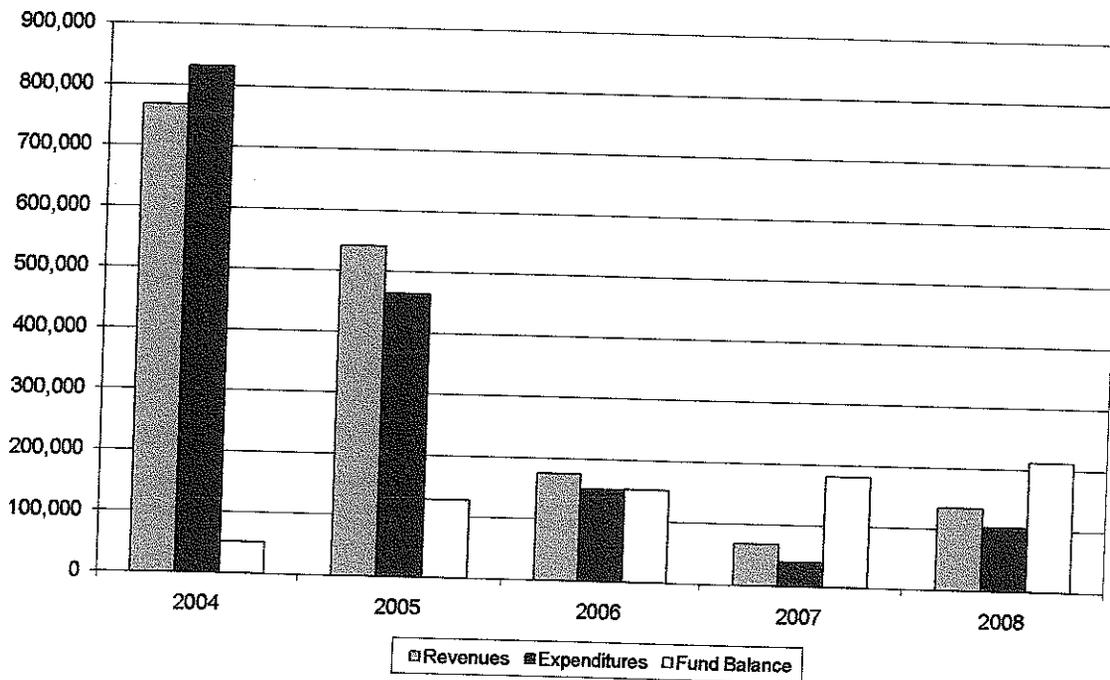
Management's Response

The costs of hiring additional personnel outweigh the benefits. The accrual entries, GASB 34 conversion entries, preparation of the financial statements & related note disclosures are performed by our external auditors as allowed by *Government Auditing Standards*.

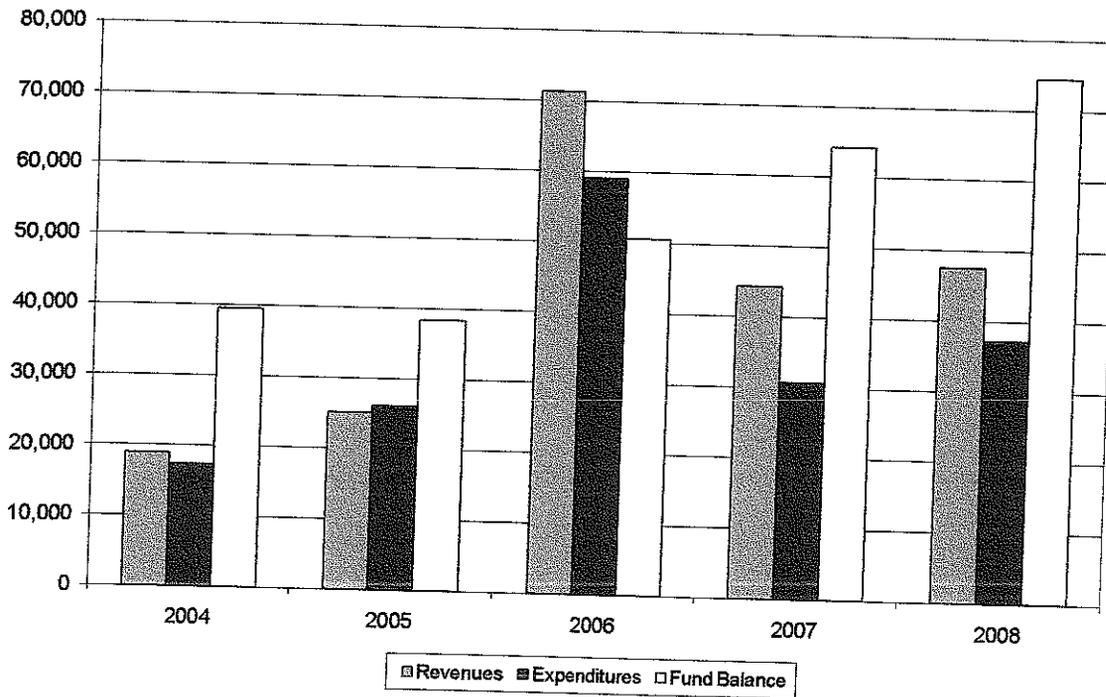
**CITY OF GOODING
General Fund**



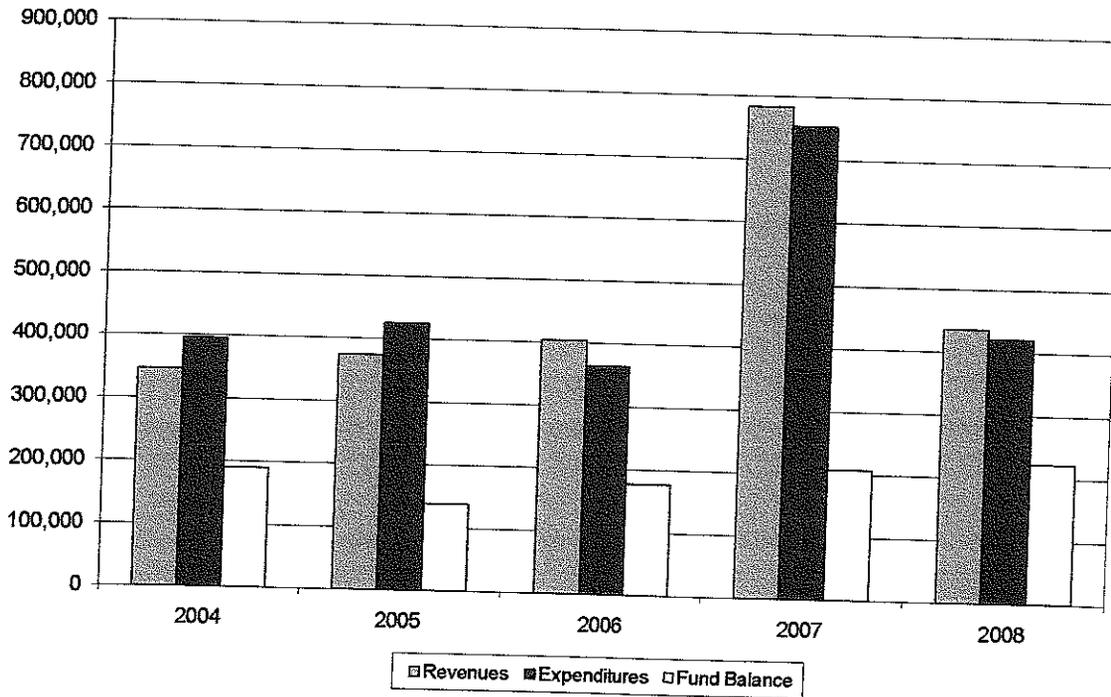
**CITY OF GOODING
Airport Special Revenue Fund**



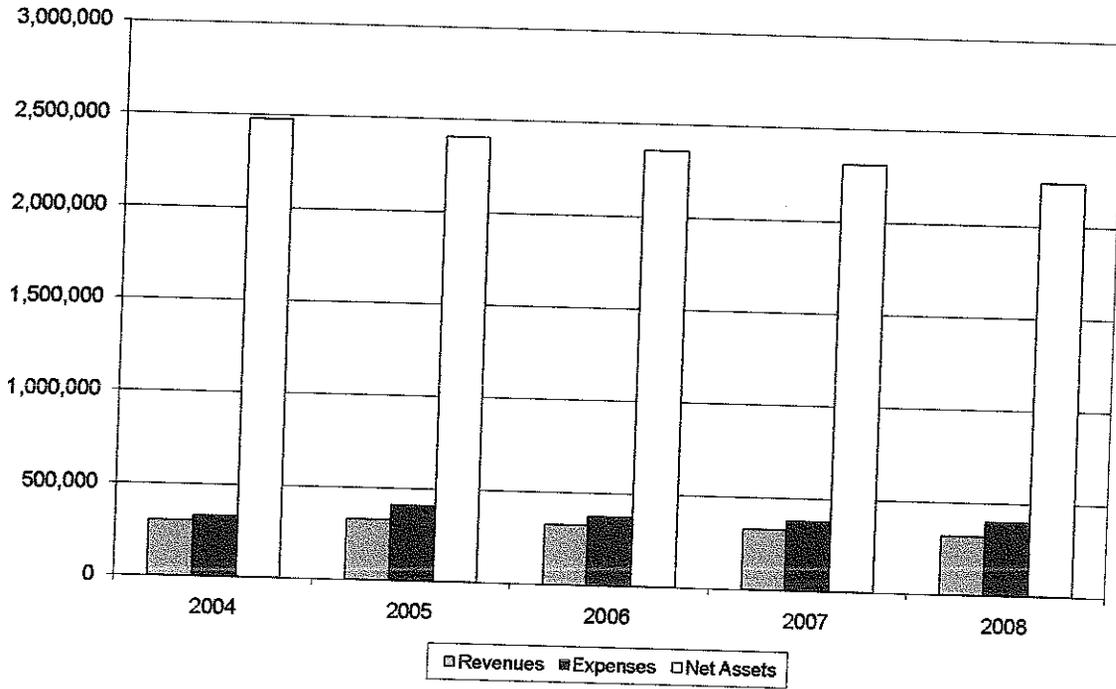
**CITY OF GOODING
Recreation Special Revenue Fund**



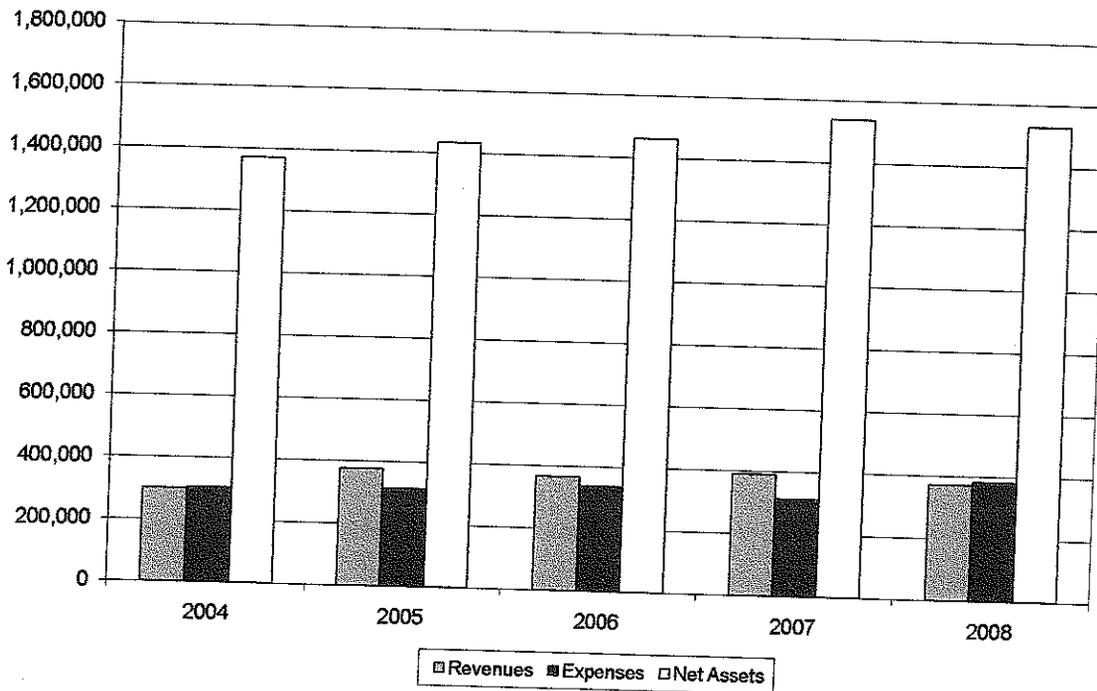
**CITY OF GOODING
Street Special Revenue Fund**



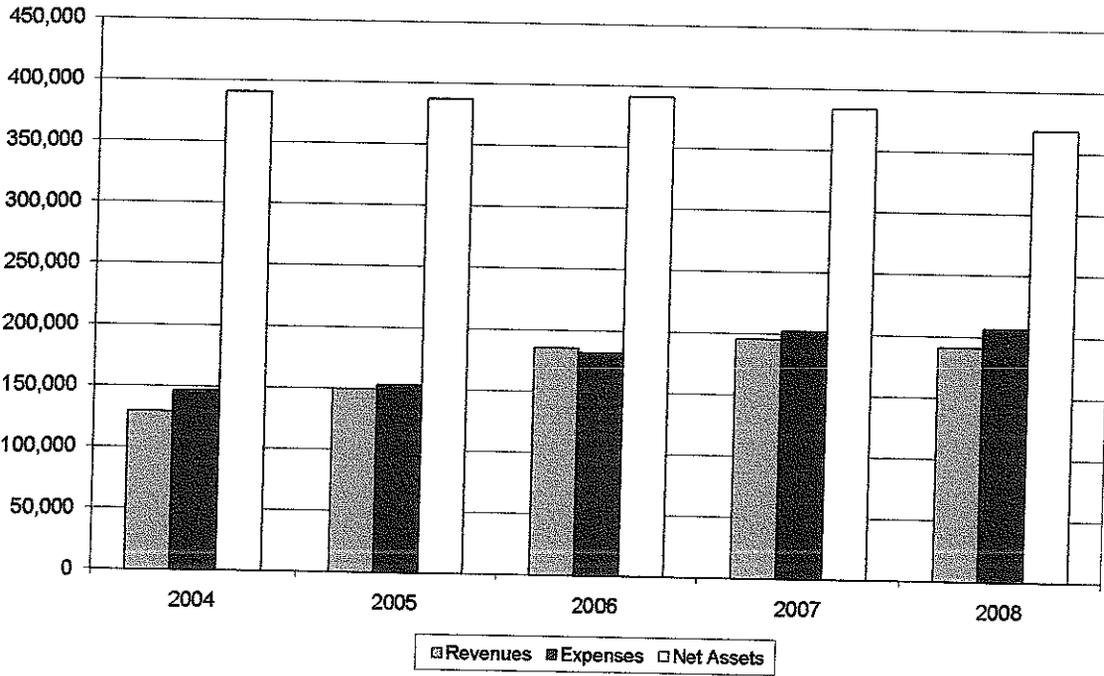
**CITY OF GOODING
Sewer System Enterprise Fund**



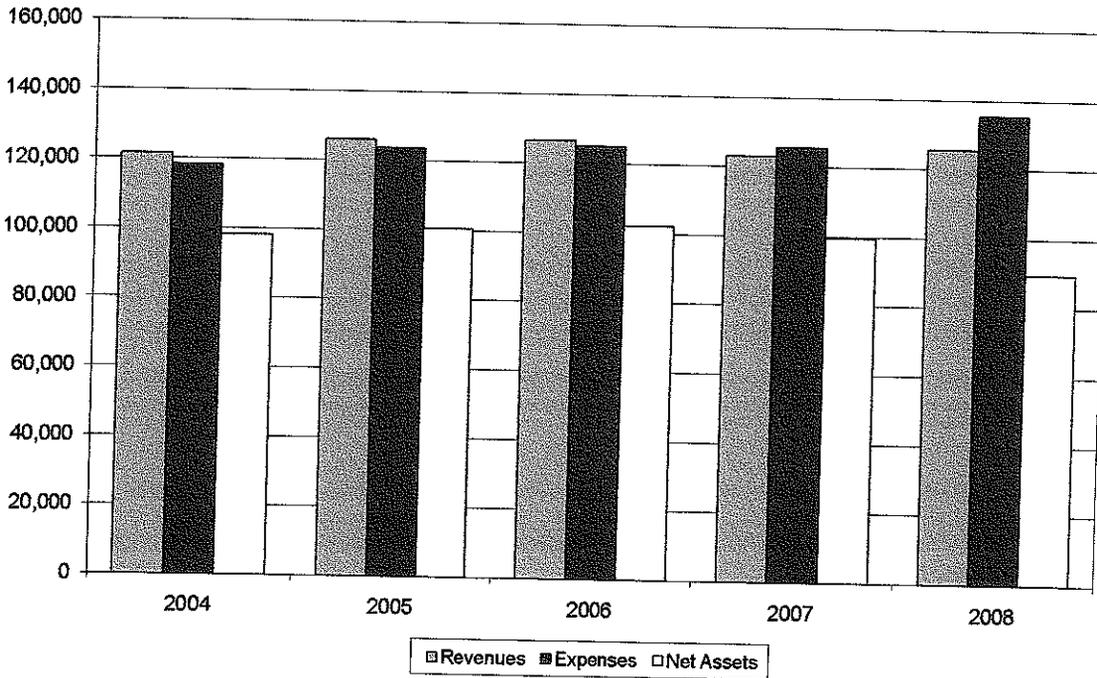
**CITY OF GOODING
Water Works Enterprise Fund**



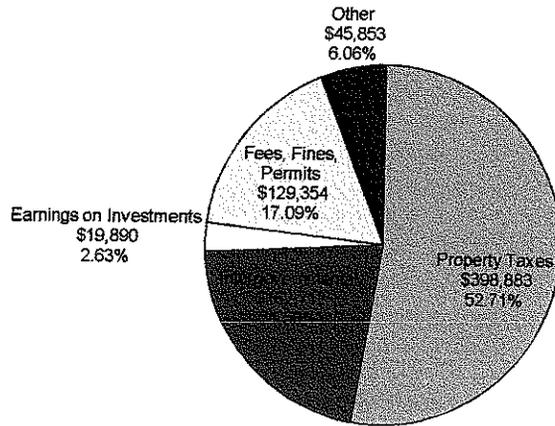
**CITY OF GOODING
Sanitation Enterprise Fund**



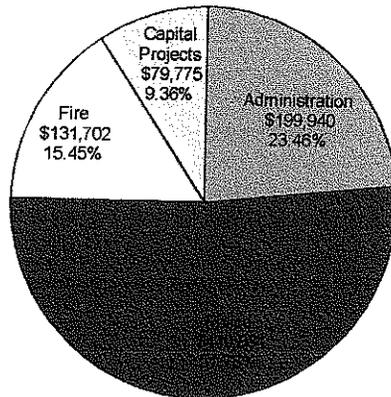
**CITY OF GOODING
Irrigation Enterprise Fund**



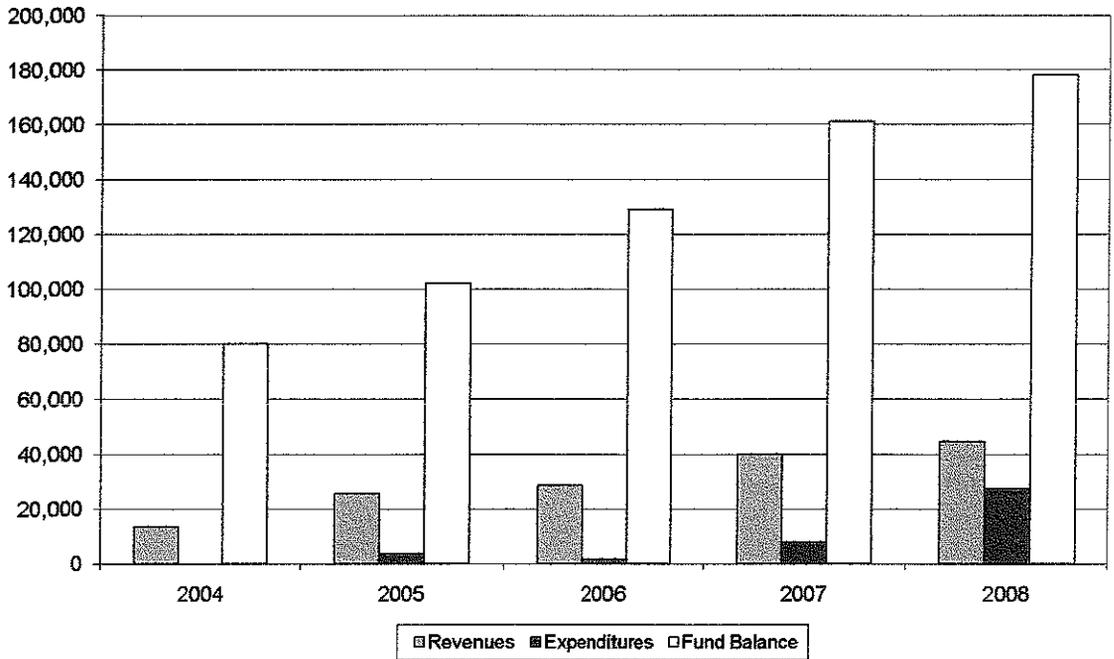
**CITY OF GOODING
General Fund Revenues**



**CITY OF GOODING
General Fund Expenditures**



**CITY OF GOODING
Capital Improvement Special Revenue Fund**



**CITY OF GOODING
Library Special Revenue Fund**

