



# **TETON COUNTY, IDAHO**

**Financial Statements  
and  
Supplementary Information  
with  
Independent Auditors' Report**

**September 30, 2011**

**TETON COUNTY, IDAHO**  
**Table of Contents**  
**September 30, 2011**

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**Independent Auditors' Report**..... 1-2

**Basic Financial Statements**

Statement of Net Assets – Government Wide.....3  
Statement of Activities – Government Wide .....4  
  
Balance Sheet – Governmental Funds.....5  
  
Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Assets .....6  
  
Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Governmental Funds .....7  
  
Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities .....8  
  
Statement of Fiduciary Net Assets – Agency Fund .....9  
  
Notes to Financial Statements ..... 10-26

**Required Supplementary Information**

Budgetary Comparison Schedule – General Fund .....27  
  
Budgetary Comparison Schedule – Road and Bridge Fund.....28  
  
Budgetary Comparison Schedule – Solid Waste Fund .....29

**TETON COUNTY, IDAHO**  
**Table of Contents (Continued)**  
**September 30, 2011**

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**Other Supplementary Information**

Combining Balance Sheet – Nonmajor Governmental Funds .....	30-37
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	38-45
Combining Statement of Assets and Liabilities – Agency Funds .....	46-49
Component Unit Statements.....	50-52
Report On Internal Control over Financial Reporting and On Compliance and Other Matters Based On an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> .....	53-54



**RUDD & COMPANY<sup>INC.</sup>**

**INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
Teton 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 Teton County, Idaho as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Teton County, Idaho. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Teton Valley Health Care (the "Hospital"), which are presented as a discrete component unit. Those financial statements were audited by other auditors whose report thereon, dated February 7, 2012, has been furnished to us, and our opinion, insofar as it relates to the amounts included for Teton Valley Health Care, is based solely on the report of the other auditors.

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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial positions of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Teton County, Idaho as of September 30, 2010, and the respective changes in financial position 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 23, 2012, on our consideration of Teton County, Idaho's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant

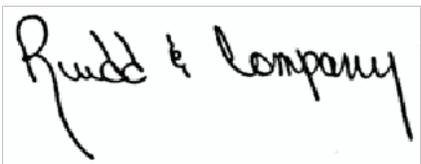
agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Teton County has not presented the management's discussion and analysis that accounting principles generally accepted in the United States have 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 Teton County, Idaho's basic financial statements. The combining and individual non-major fund financial statements and other supplementary information listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and other supplementary information listed in the table of contents 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.

As discussed in Note 18 to the financial statements, the beginning net assets and fund balances have been restated to correct a misstatement.

A handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive style and is contained within a rectangular box.

January 23, 2012

Except for the component unit which is dated  
February 7, 2012

## **BASIC FINANCIAL STATEMENTS**

**TETON COUNTY, IDAHO**  
**Statement of Net Assets**  
**September 30, 2011**

	<u>Governmental Activities</u>	<u>Component Unit</u>
<b>Assets</b>		
Current Assets		
Cash and investments	\$ 6,050,085	\$ 1,861,588
Receivables:		
Accounts receivable (net of allowance for doubtful accounts and contractual adjustments of \$2,574,000)	-	2,111,418
Estimated third-party payor settlements		259,000
Property taxes	1,062,102	245,774
Other receivables	60,233	39,637
Inventory	-	493,333
Prepaid expenses and other assets	-	19,931
Bond discount (net of amortization of \$1,560)	6,233	-
Bond issuance costs (net of amortization of \$10,248)	40,998	-
Capital contributions	-	102,829
Deferred financing costs	-	21,324
Total Current Assets	<u>7,219,651</u>	<u>5,154,834</u>
Capital Assets		
Nondepreciable capital assets	2,401,538	92,671
Depreciable capital assets	17,749,120	9,002,972
Accumulated depreciation	<u>(3,517,201)</u>	<u>(5,972,837)</u>
Total Capital Assets	<u>16,633,457</u>	<u>3,122,806</u>
Total Assets	<u>\$ 23,853,108</u>	<u>\$ 8,277,640</u>
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable	\$ -	\$ 558,880
Warrants outstanding	381,675	-
Accrued liabilities	95,597	811,289
Other liabilities	28,717	11,834
Current portion of long-term obligations	<u>484,610</u>	<u>154,545</u>
Total Current Liabilities	990,599	1,536,548
Noncurrent Portion of Long-term Obligations	<u>3,169,212</u>	<u>830,742</u>
Total Liabilities	<u>\$ 4,159,811</u>	<u>\$ 2,367,290</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	12,979,635	2,287,774
Restricted for capital acquisition	-	102,829
Unrestricted	<u>6,713,662</u>	<u>3,519,747</u>
Total Net Assets	<u>\$ 19,693,297</u>	<u>\$ 5,910,350</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

**TETON COUNTY, IDAHO**  
**Statement of Activities**  
**For the Year Ended September 30, 2011**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit
<b>Primary Government</b>						
Governmental Activities						
General and administrative	\$ 4,738,941	\$ 725,406	\$ 520,522	\$ -	\$ (3,493,013)	\$ -
Road and bridge	1,718,175	510	1,048,636	-	(669,029)	-
Law enforcement	1,297,539	84,232	-	-	(1,213,307)	-
Solid waste	1,147,422	1,160,715	-	-	13,293	-
Total Governmental Activities	8,902,077	1,970,863	1,569,158	-	(5,362,056)	-
Total Primary Government	\$ 8,902,077	\$ 1,970,863	\$ 1,569,158	\$ -	(5,362,056)	-
<b>Component Unit</b>						
General and administrative	\$ 12,095,708	\$ 12,271,893	\$ 17,675	\$ 380,652	-	574,512
Interest on long-term debt	69,371	-	-	-	-	(69,371)
Total Component Unit	\$ 12,165,079	\$ 12,271,893	\$ 17,675	\$ 380,652	-	505,141
<b>General Revenues</b>						
Taxes:						
Property taxes levied for general purposes					5,128,337	-
Property taxes levied for capital purchases					-	1,070,582
State and federal payments					830,483	-
Investment earnings					30,207	6,326
Gain on disposal of capital assets					90,000	19,129
Miscellaneous					439,075	32,425
Total General Revenues					6,518,102	1,128,462
Changes in Net Assets					1,156,046	1,633,603
Original net assets - beginning					18,489,829	4,276,747
Prior Period Adjustment					47,422	-
Adjusted net assets - beginning					18,537,251	4,276,747
Net Assets - Ending					\$ 19,693,297	\$ 5,910,350

The Accompanying Notes are an Integral Part of the Financial Statements.

**TETON COUNTY, IDAHO**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2011**

	General Fund	Road and Bridge Fund	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Investments	\$ 1,140,072	\$ 205,090	\$ 466,069	\$ 4,238,854	\$ 6,050,085
Receivables					
Property taxes	529,585	15,020	86,404	431,093	1,062,102
Other receivables	-	-	-	60,233	60,233
Total Assets	<u>\$ 1,669,657</u>	<u>\$ 220,110</u>	<u>\$ 552,473</u>	<u>\$ 4,730,180</u>	<u>\$ 7,172,420</u>
<b>Liabilities and Fund Equity</b>					
<b>Liabilities</b>					
Warrants outstanding	\$ 80,640	\$ 51,014	\$ 55,161	\$ 194,860	\$ 381,675
Accrued liabilities	65,523	16,262	5,308	8,504	95,597
Other liabilities	-	-	-	28,717	28,717
Deferred revenue	433,379	12,904	73,349	373,244	892,876
Total Liabilities	<u>579,542</u>	<u>80,180</u>	<u>133,818</u>	<u>605,325</u>	<u>1,398,865</u>
<b>Fund Balances</b>					
Nonspendable	-	-	-	364,441	364,441
Restricted	-	139,930	-	1,476,885	1,616,815
Committed	-	-	418,655	2,136,679	2,555,334
Assigned	-	-	-	160,203	160,203
Unassigned	1,090,115	-	-	(13,353)	1,076,762
Total Fund Balances	<u>1,090,115</u>	<u>139,930</u>	<u>418,655</u>	<u>4,124,855</u>	<u>5,773,555</u>
Total Liabilities and Fund Balances	<u>\$ 1,669,657</u>	<u>\$ 220,110</u>	<u>\$ 552,473</u>	<u>\$ 4,730,180</u>	<u>\$ 7,172,420</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

**TETON COUNTY, IDAHO**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
**For the Year Ended September 30, 2011**

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Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance - Governmental Funds	\$ 5,773,555
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is \$20,150,658 and the accumulated depreciation is \$3,517,201.	16,633,457
Certain receivables are not financial resources and are reported as deferred revenues:	
Property tax deferred revenue	892,876
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Long-term debt	(3,653,822)
Bond discount (net of amortization of \$1,560)	6,233
Bond issuance costs (net of amortization of \$10,248)	<u>40,998</u>
Total Net Assets - Governmental Activities	<u>\$ 19,693,297</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

**TETON COUNTY, IDAHO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2011**

	General Fund	Road and Bridge Fund	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 2,585,716	\$ 11,031	\$ -	\$ 2,534,376	\$ 5,131,123
State liquor fund	76,002	-	-	-	76,002
State sales tax	396,807	-	-	-	396,807
State highway users fund	-	898,736	-	-	898,736
Other state revenues	25,874	-	-	244,128	270,002
Federal funds	87,672	-	-	18,966	106,638
Juvenile justice funds	-	-	-	78,266	78,266
Licenses, permits and other fees	309,632	510	1,160,715	500,006	1,970,863
Interest earned	30,207	-	-	-	30,207
Miscellaneous	439,075	149,900	-	423,290	1,012,265
<b>Total Revenues</b>	<b>3,950,985</b>	<b>1,060,177</b>	<b>1,160,715</b>	<b>3,799,032</b>	<b>9,970,909</b>
<b>Expenditures</b>					
General and administrative	2,218,428	-	-	2,285,408	4,503,836
Road and bridge	-	798,782	-	634,196	1,432,978
Law enforcement	1,114,074	-	-	65,131	1,179,205
Solid waste	-	-	841,502	-	841,502
Bond payments	-	-	225,437	-	225,437
Capital lease payments	41,750	425,375	24,169	15,700	506,994
Capital improvements	64,866	594,658	85,476	369,075	1,114,075
<b>Total Expenditures</b>	<b>3,439,118</b>	<b>1,818,815</b>	<b>1,176,584</b>	<b>3,369,510</b>	<b>9,804,027</b>
<b>Excess (Deficiency) of Revenues</b>					
Over Expenditures	511,867	(758,638)	(15,869)	429,522	166,882
<b>Other Financing Sources (Uses):</b>					
Proceeds from financing sources	-	-	-	75,000	75,000
Proceeds from capital leases	-	470,284	-	-	470,284
Transfers in	7,942	38,715	-	1,087,296	1,133,953
Transfers out	(1,099,070)	(1,215)	(668)	(33,000)	(1,133,953)
<b>Total Other Financing Sources</b>	<b>(1,091,128)</b>	<b>507,784</b>	<b>(668)</b>	<b>1,129,296</b>	<b>545,284</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>and Other Sources Over</b>					
<b>Expenditures and Other Uses</b>	<b>(579,261)</b>	<b>(250,854)</b>	<b>(16,537)</b>	<b>1,558,818</b>	<b>712,166</b>
<b>Original fund balance at beginning</b>					
of the year	1,769,376	390,784	435,192	2,566,037	5,161,389
<b>Prior period adjustment</b>					
	(100,000)	-	-	-	(100,000)
<b>Adjusted fund balance at</b>					
beginning of the year	1,669,376	390,784	435,192	2,566,037	5,061,389
<b>Fund Balance at End of Year</b>					
	\$ 1,090,115	\$ 139,930	\$ 418,655	\$ 4,124,855	\$ 5,773,555

The Accompanying Notes are an Integral Part of the Financial Statements.

**TETON COUNTY, IDAHO**  
**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, 2011**

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Amounts reported for governmental activities in the statement of activities are different because:

Net Changes in Fund Balances - Total Governmental Funds \$ 712,166

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays are reduced by depreciation in the current period:

Capital expenditures capitalized as fixed assets	1,114,075
Disposal of fixed assets	90,000
Depreciation expense	(775,169)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes	(2,786)
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Governmental funds report proceeds from bonds and capital leases as other sources of revenue. In the statement of activities these proceeds are not revenues.

(545,284)

Governmental funds report principal repayment on debt as an expenditure. However, in the statement of activities debt payments are not an expense and bond issuance costs are not amortized:

Principal payments on long-term obligations	566,556
Amortization of bond discount	(390)
Amortization of bond issuance costs	(3,122)

Change in Net Assets of Governmental Activities	\$ 1,156,046
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The Accompanying Notes are an Integral Part of the Financial Statements.

**TETON COUNTY, IDAHO**  
**Statement of Fiduciary Net Assets**  
**Agency Funds**  
**September 30, 2011**

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**Assets**

Cash and Investments	\$ 125,221
Receivables	
Property taxes	<u>1,955,856</u>
Total Assets	<u>\$ 2,081,077</u>

**Liabilities**

Warrants outstanding	\$ -
Deferred reveune	-
Due to other agencies	<u>2,081,077</u>
Total Liabilities	<u>\$ 2,081,077</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**1. Summary of Significant Accounting Policies**

Teton County, Idaho (the County) is organized and operates under the provisions of the Idaho Constitution and related state statutes. The County operates under a Commission form of government and provides the following services as authorized by its charter: public safety, streets, sanitation, culture-recreation, health and social services, agriculture extension, and general administrative, legal and judicial services.

The primary government of the County includes all of the funds, departments, boards, and agencies that are not legally separate from the County.

The financial statements of the County include those of separately administered organizations that are controlled by or dependent on the County. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

The financial statements of Teton County, Idaho have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Component Units**

Component units are organizations which are legally separated from the County, but are financially accountable to the County, or their relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Discretely presented component units are reported in a separate column to emphasize that they are legally separate from the primary government and are governed by separate boards. The County has one discretely presented component unit. A brief description of the discretely presented component unit follows:

*Teton Valley Health Care* (the Hospital) is organized as a governmental entity and is considered a component unit of Teton County, Idaho. The Hospital is presided over by a Board of Trustees appointed by the County Commissioners consisting of individuals from the surrounding community who are not directly affiliated with the Hospital. The Board approves all major expenditures. The Hospital services the medical needs of individuals residing in Teton County and the surrounding area. The Hospital is presented discretely as an enterprise fund. The Hospital's individual financial statements are available by contacting the Hospital.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**1. Summary of Significant Accounting Policies (continued)**

**Component Units (Continued)**

The County has three blended component units that are included as separate funds in the basic financial statements. A brief description of the blended component units follows:

*Teton County Ambulance Service District* is organized to provide for the ambulance service for the County. Taxes are assessed for the Ambulance District and it is governed by a board of directors consisting of the county commissioners.

*Fair Board Fund* is organized to provide the annual county fair and associated activities in Teton County. Taxes are assessed for the Fair Board which is governed by a board of directors appointed by the County Commissioners.

*Teton Mosquito Abatement District* is organized to provide relief from mosquitoes and the diseases they may carry to the residents of Teton County. Taxes are assessed for the Mosquito Abatement District, which is governed by the board of directors appointed by the county commissioners.

*Housing Authority Fund* is organized to address the shortage of affordable housing. It is governed by a board of directors appointed by the County Commissioners. Due to the decline in real estate values over the past few years housing has become more affordable and this fund is currently inactive.

**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 primary government. 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 or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**1. Summary of Significant Accounting Policies (continued)**

**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. 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.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

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 revenues to be available if they are collected within 60 days of the end of the current fiscal 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, early retirement, and arbitrage rebates, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible-to-accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

- The General Fund is established to account for resources devoted to financing the general services that the County performs. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund. This fund is charged with all costs of operating the County for which a separate fund has not been established.
- The Road and Bridge fund is established to account for the resources accumulated and payments made for road and bridge maintenance, snow removal and road construction within the County.
- The Solid Waste Fund is established to account for the revenues and operations of the solid waste operations in the county.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**1. Summary of Significant Accounting Policies (continued)**

- The County Hospital Fund was established for the support of the County Hospital.

The County additionally reports the following fund type:

- The Agency Fund accounts for the County's collection and disbursement of taxes and other fees which are held in trust for others.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

The County has several nonmajor funds. Significant nonmajor funds consist of the Teton County Ambulance District Fund, District Court Fund, Indigent and Charity Fund, Teton Valley Arena Fund, Emergency Communication Fund, Insurance Trust Fund, Planning and Zoning Trust Fund and Road Improvement Fund.

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

**Capital Assets**

Capital assets, which include property, plant and equipment used in governmental fund type operations (those items which relate to the general activities and services of the County) are accounted for in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 with an estimated useful life in excess of two years. Depreciation is provided on property, plant and equipment using the straight-line method over the estimated useful lives of the related assets:

Vehicles .....	5 years
Heavy Equipment .....	15 years
Buildings .....	30 years

**Budgetary Policy**

The County prepares one combined budget which includes the operations of all funds. Under Idaho Code, the County's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, except as allowed by the Code for certain events. During the fiscal year ended September 30, 2011, the County amended its budget.

The County has adopted the policy to maintain governmental fund balances at 25 to 33 percent of expenditures.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**1. Summary of Significant Accounting Policies (continued)**

**Encumbrances**

Encumbrances 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, because it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

**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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. Cash and Investments**

Cash balances of most of the County funds are pooled and invested. The County maintains a primary checking account and several miscellaneous bank accounts where balances are kept at a minimum. All excess funds are then invested with the State Treasurer's pooled cash investment account and in certificates of deposit. The State Treasurer's pooled cash invests in time certificates of deposit, local government tax anticipation notes, federal loans, U.S. treasury notes and other U.S. governmental securities. Information regarding insurance or collateralization of amounts invested in the pooled accounts is not available.

The County's cash accounts are insured through the Federal Deposit Insurance Corporation (at banks) and The Federal Savings and Loan Insurance Corporation (at savings and loans organizations) up to \$250,000 per depository.

The County adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures* beginning for the year ended September 30, 2005. This statement establishes and modifies disclosure requirements related to investment and deposit risk; accordingly, the note disclosures on cash and investments are in conformity with the provisions of GASB Statement No. 40.

1. Deposits – At September 30, 2011, the carrying amount of the County's deposits was \$4,451,969 and the respective bank balances totaled \$4,334,585. Of the bank balances all were insured.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**2. Cash and Investments (continued)**

2. Custodial Credit Risk, Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned. As of September 30, 2011, the bank balances were insured or collateralized with pooled securities held by the pledging financial institution in the name of the County. Petty cash was \$921.
3. Investments – As of September 30, 2011, the County had invested funds in the Idaho State Pooling Fund. The fund has a weighted average maturity of 107 days. The amount with the Idaho State Pooling Fund on September 30, 2011 was \$1,722,416.
4. Custodial Credit Risk, Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment.
5. Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from changes in interest rates, the County structures its portfolio so that securities mature to meet cash requirements for ongoing operations. Because the State Investment Pool as of September 30, 2010, had a weighted average maturity less than one year, it was presented as an investment with a maturity of less than one year.
6. Credit Risk – Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the County’s policy to limit investments to the safest types of securities and to diversify the County’s investment portfolio so that potential losses on securities will be minimized. The County follows Idaho statute that outlines qualifying investment options.

The following is a reconciliation of the County’s deposit and investment balance as of September 30, 2011:

Petty Cash	\$ 921
Bank Deposits and CD’s	4,451,969
State Treasurer’s Pool	<u>1,722,416</u>
Total	<u>\$ 6,175,306</u>
Cash and Investments – Governmental Funds	\$ 6,050,085
Cash and Investments – Agency Funds	<u>125,221</u>
Total	<u>\$ 6,175,306</u>

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**3. Capital Assets**

A summary of changes in Property, Plant and Equipment is as follows:

	Balance September 30, 2010	Additions	Dispositions	Balance September 30, 2011
Non Depreciable Assets – Land	2,401,538	-	-	2,401,538
Buildings	10,934,854	240,693	-	11,175,547
Infrastructure	1,677,852	124,375	-	1,802,227
Equipment	4,168,629	839,007	236,290	4,771,346
Total Buildings and Equipment	16,781,335	1,204,075	236,290	17,749,120
Total	19,182,873	1,204,075	236,290	20,150,658
Accumulated Depreciation	2,978,322	775,169	236,290	3,517,201

Depreciation expense was charged to the government activities as follows:

General and Administrative	\$ 234,780
Law Enforcement	112,728
Road and Bridge	244,682
Solid Waste	182,979
Total	<u>\$ 775,169</u>

**4. Taxes Receivable**

Property taxes are levied in October of each year and become payable on December 20<sup>th</sup> and on June 20<sup>th</sup> of the following year for real and personal property.

Property taxes attach as an enforceable lien as of December 20<sup>th</sup> following the levy in October. Therefore, no amount has been set aside for an allowance for doubtful accounts.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**5. Accrued Compensated Absences**

The County's policy is to accrue paid time off on a calendar year basis for its employees. The County has elected not to show its normal long-term illness benefits as compensated absences as normal long-term illness does not vest.

**6. Retirement Plan**

**Public Employee Retirement System of Idaho**

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](http://www.persi.idaho.gov).

The actuarially determined contribution requirements of the Teton County, Idaho and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2011, the required contribution rate as a percentage of covered payrolls for members was 6.23% for general members and 7.69% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. Teton County, Idaho employer contributions required and paid were \$272,864, \$270,673, and \$265,765 for the three years ended September 30, 2011, 2010, and 2009, respectively.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**7. Obligations under Capital Leases**

The County has entered into agreements to purchase equipment, vehicles and land through capital lease agreements.

The following is a schedule of fixed assets and outstanding liabilities relating to capital lease agreements:

	<u>Fixed Assets</u>	<u>Capital Lease Payable</u>
Vehicles and Equipment	\$ 1,891,890	\$ 998,822

The following is a schedule by year of future lease payments with the present value of the net minimum lease payments as of September 30, 2011:

Year Ending September 30,	<u>Capital Lease Obligation</u>
2012	\$ 374,112
2013	256,095
2014	106,509
2015	56,510
2016	<u>320,000</u>
Total Minimum Lease Payments	1,113,226
Less Amount Representing Interest	<u>114,404</u>
Present Value of Minimum Lease Payments	998,822
Current Portion of Present Value	<u>327,110</u>
Long-Term Portion of Present Value	<u>\$ 671,712</u>

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**7. Obligations under Capital Leases (continued)**

Interest expense on capital leases for the year ended September 30, 2011 was \$51,323. Interest expense was charged to the government activities as follows:

Law Enforcement	5,606
Road And Bridge	40,515
Solid Waste	<u>4,877</u>
Total	<u>\$ 51,323</u>

**8. Long-Term Bonds**

On November 1, 2007, the County issued \$3,000,000 in Revenue Bonds through the Idaho Bond Bank Authority. These bonds have an interest rate ranging from 4.000% to 4.250%. The net proceeds were used to construct a solid waste transfer station accounted for in the Solid Waste Fund. Revenues from the Solid Waste Fund will be used to pay the bonds. The following is a summary of the long-term obligations at yearend:

Revenue Bonds Series 2007, Principal due in annual Installments in September, interest rates 4.00% to 4.25% due in semi-annual installments in March and September through 2027, original amount \$3,000,000	\$ 2,580,000
Less Current Maturities of Long-Term Debt	<u>120,000</u>
Long-Term Debt Net of Current Maturities	<u>\$ 2,460,000</u>

Scheduled principal repayments on long-term obligations for the next five years are as follows:

Year Ending September 30,	Principal	Interest	Total
2012	\$ 120,000	\$ 105,694	\$ 225,694
2013	125,000	100,894	225,894
2014	125,000	95,894	220,894
2015	130,000	90,894	220,894
2016	140,000	85,531	225,531
Thereafter	<u>1,940,000</u>	<u>514,200</u>	<u>2,454,200</u>
	<u>\$2,580,000</u>	<u>\$ 993,107</u>	<u>\$3,573,107</u>

Interest expense on long-term bonds for the year ended September 30, 2011 was \$110,438.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**9. Building Note**

The County purchased a building from the local school district during the year for \$175,000. The County made a down payment of \$100,000 and are paying the remaining \$75,000 in two equal installments of \$37,500 in 2012 and 2013. There is no stated interest rate and due to the short term of the note and small amount of interest, the County did not discount the note for interest.

**10. Changes in Long Term Debt**

A summary of general long-term debt transactions of the County for the year ended September 30, 2011, is as follows:

	Long-term Obligations September 30, 2010	Obligations Incurred	Obligations Paid	Long-term Obligations September 30, 2011
Obligations under capital lease	\$ 980,094	\$ 470,284	\$ 451,556	\$ 998,822
Building Note	-	75,000	-	75,000
Revenue Bonds	<u>2,695,000</u>	<u>-</u>	<u>115,000</u>	<u>2,580,000</u>
	<u>\$ 3,675,094</u>	<u>\$ 545,284</u>	<u>\$ 566,556</u>	<u>\$ 3,653,822</u>

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**11. Interfund Transactions**

Operating transfers between funds during the year were as follows:

Governmental:	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 7,942	\$ 1,099,070
Road & Bridge Fund	38,715	1,215
Building Fund	992,000	-
Road Special Fund	-	33,000
Special Projects Fund	79,315	-
Solid Waste Fund	-	668
Court Fund	14,000	-
Solid waste capital fund	668	-
Grants Fund	1,313	-
	<u>\$ 1,133,953</u>	<u>\$ 1,133,953</u>

**12. Budgetary Basis**

The County's budgets are adopted on a cash-basis of accounting. The following are the adjustments in total to revenues and expenditures:

	<u>GAAP Basis</u>	<u>Non-cash Adjustments</u>	<u>Budgetary Basis</u>
General Fund:			
Total Revenues	\$ 3,950,985	\$ 19,370	\$ 3,970,355
Total Expenditures	3,439,118	(8,272)	3,430,846
Road and Bridge Fund:			
Total Revenues	1,060,177	(8,735)	1,051,442
Total Expenditures	1,818,815	(511,310)	1,307,505
Solid Waste Fund:			
Total Revenues	1,160,715	11,458	1,172,173
Total Expenditures	1,176,584	2,638	1,179,222

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**13. Other Required Individual Fund Disclosures**

The following funds had a fund balance deficit at September 30, 2011:

Teton County Motor Vehicle Fund.....\$13,353

**14. Contingent Liabilities**

**Federal Financial Assistance Programs**

The County participates in a number of federally assisted grant programs. These programs may be subject to compliance audits by the grantors or their representatives. Such audits of these programs for the year reported herein have not been conducted or completed and accepted.

Accordingly, the County accepted compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agency or agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

**Municipal Landfill**

The County has closed its municipal landfill. Teton County has elected and qualifies for self-insurance against post-closure and corrective action liability in accordance with “Financial Assurance Mechanisms for Local Government Owners and Operators of Municipal Solid Waste Land Fill Facilities” (MSWLF). There are no guaranteed facilities, underground petroleum storage tanks, hazardous waste facilities, PCB storage facilities, or underground injection control wells associated with the landfill. Post-closure financial assurance requirements are being met and are deemed nominal in amount.

**15. Contingencies**

The County is currently a defendant in several civil lawsuits and tort claims. The outcome of these cases is not known. The County denies liability and is defending against the allegations.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**16. Component Unit of the Hospital**

The Hospital has one component unit. Teton Valley Health Care Foundation (the Foundation) is organized as an Idaho nonprofit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation was organized to solicit and accept charitable contributions in order to provide support to the Hospital. The Foundation provided contributions to the Hospital during 2011 in the amount of approximately \$265,000 for various operational and capital support.

The Foundation's condensed balance sheet at September 30, 2011 is summarized as follows:

Assets	
Cash and investments	\$ 347,862
Accounts receivable	5,421
Inventories	48,685
Property and equipment, net	<u>96,513</u>
Total assets	<u>\$ 498,481</u>
Liabilities	
Accrued expenses and other current liabilities	\$ 110,597
Long-term debt	<u>113,244</u>
Total liabilities	<u>223,841</u>
Net assets	
Temporarily restricted	131,174
Unrestricted	<u>143,466</u>
Total net assets	<u>274,640</u>
Total liabilities and net assets	<u>\$ 498,481</u>

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**16. Component Unit of the Hospital (continued)**

The Foundation's condensed statements of revenues, expenses, and changes in net assets for the year ended September 30, 2011 is summarized as follows:

Revenues	
Thrift store revenue	\$ 265,670
Special event revenue, net of expenses of \$6,331	24,086
Donations and grants	333,715
Other revenue	<u>550</u>
Total revenues	624,021
Expenses	
Contribution to Hospital	299,786
Other expense	<u>232,149</u>
Total expenses	<u>531,935</u>
Change in net assets	92,086
Net assets, beginning of year	<u>182,554</u>
Net assets, end of year	<u>\$ 274,640</u>

**17. Fund Balances**

Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

Nonspendable fund balance – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors, or laws, or regulations of other governments, or through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the government's highest level of decisions making authority. In this case of the district it is by board action.

Assigned fund balance – amounts that are constrained by government's intent to be used for specific purposes, but are neither restricted nor committed.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**17. Fund Balances (continued)**

Unassigned fund balance – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

Details of constraints on fund balances of governmental funds:

	<u>General</u> <u>Fund</u>	<u>Road and</u> <u>Bridge</u> <u>Fund</u>	<u>Solid</u> <u>Waste</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Planning and zoning	-	-	-	364,441	364,441
<b>Restricted for:</b>					
Road and Bridge	-	139,930	-	-	139,930
Ambulance	-	-	-	306,229	306,229
Teton Valley Arena	-	-	-	241,908	241,908
Grants	-	-	-	57,069	57,069
Veterans Memorial	-	-	-	98	98
Interlock	-	-	-	10,422	10,422
Domestic Violence	-	-	-	2,645	2,645
Prosecuting Attorney	-	-	-	18,314	18,314
Youth Program	-	-	-	1,604	1,604
Waterways	-	-	-	16,067	16,067
Mosquito	-	-	-	116,386	116,386
Emergency Comm	-	-	-	117,730	117,730
Impact Fees - Rec	-	-	-	9,063	9,063
Impact Fees - Sheriff	-	-	-	18,216	18,216
Impact Fees - EMS	-	-	-	2,384	2,384
Impact Fees - Circulation	-	-	-	91,136	91,136
County Hospital	-	-	-	62	62
Court Facility	-	-	-	4,842	4,842
Court Fines and Fees	-	-	-	7,002	7,002

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2011**

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**17. Fund Balances (continued)**

Drug Court	-	-	-	2,718	2,718
Dare Trust	-	-	-	6,161	6,161
Court Restitution	-	-	-	3,161	3,161
Court Bonds	-	-	-	4,900	4,900
Road Special	-	-	-	307,159	307,159
Road Improvement	-	-	-	131,609	131,609
<b>Committed to:</b>					
Solid Waste	-	-	418,655	-	418,655
District Court and Juv				253,402	253,402
Indigent and Charity	-	-	-	145,300	145,300
Revaluation	-	-	-	22,683	22,683
Tort	-	-	-	34,506	34,506
Weed	-	-	-	6,000	6,000
Fair Board	-	-	-	27,923	27,923
Housing	-	-	-	10,750	10,750
Special Planning	-	-	-	132,689	132,689
Solid Waste	-	-	-	300,000	300,000
Elections	-	-	-	13,464	13,464
Building	-	-	-	1,189,962	1,189,962
<b>Assigned to:</b>					
Road and Bridge	-	-	-	1,215	1,215
Solid Waste	-	-	-	668	668
Employee Benefit	-	-	-	158,320	158,320
<b>Unassigned:</b>	1,190,115	-	-	(13,353)	1,176,762
Total fund balances	<u>1,190,115</u>	<u>139,930</u>	<u>418,655</u>	<u>4,124,855</u>	<u>5,873,555</u>

**18. Prior period adjustment**

The beginning fund balance for the general fund has been reduced by \$100,000 to account for an error in a prior year. Cash has also been restated by the same amount. The government-wide funds have also been restated by the same amount. The government-wide net assets have also been restated by \$147,422 for the addition of road and bridge infrastructure that was not capitalized in the prior year. This was reflected in both the net assets of \$147,422, capital assets \$152,506 and accumulated depreciation of \$5,084.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TETON COUNTY, IDAHO**  
**Budgetary Comparison Schedule**  
**General Fund**  
**September 30, 2011**

	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 2,407,400	\$ 2,341,900	\$ 2,605,086	\$ 263,186
State liquor fund	85,000	85,000	76,002	(8,998)
State sales tax	375,000	375,000	396,807	21,807
Other state revenues	25,000	25,000	25,874	874
Federal funds	51,000	51,000	87,672	36,672
Licenses, permits and other fees	279,000	279,000	309,632	30,632
Interest earned	20,000	20,000	30,207	10,207
Miscellaneous	429,000	429,000	439,075	10,075
Total Revenues	<u>3,671,400</u>	<u>3,605,900</u>	<u>3,970,355</u>	<u>364,455</u>
<b>Expenditures</b>				
General and administrative	2,409,041	2,335,162	2,219,002	116,160
Law enforcement	1,153,084	1,161,142	1,099,303	61,839
Capital lease payments	-	-	47,675	(47,675)
Capital improvements	109,275	109,596	64,866	44,730
Total Expenditures	<u>3,671,400</u>	<u>3,605,900</u>	<u>3,430,846</u>	<u>175,054</u>
<b>Excess (Deficiency) of Revenues</b>				
Over Expenditures	<u>-</u>	<u>-</u>	<u>539,509</u>	<u>539,509</u>
<b>Other Financing Sources (Uses):</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(1,099,070)</u>	<u>(1,099,070)</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(1,099,070)</u>	<u>(1,099,070)</u>
<b>Excess (Deficiency) of Revenues</b>				
and Other Sources Over				
Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>(559,561)</u>	<u>(559,561)</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>1,871,714</u>	<u>1,871,714</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,312,153</u>	<u>\$ 1,312,153</u>

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Budgetary Comparison Schedule**  
**Road and Bridge Fund**  
**September 30, 2011**

	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 2,295	\$ 2,295	\$ 2,295	\$ -
State highway users fund	900,000	900,000	898,736	(1,264)
Other state revenues	30,000	30,000	60,050	30,050
Federal funds	70,000	70,000	75,081	5,081
Licenses, permits and other fees	-	-	510	510
Miscellaneous	5,000	5,000	14,770	9,770
Total Revenues	<u>1,007,295</u>	<u>1,007,295</u>	<u>1,051,442</u>	<u>44,147</u>
<b>Expenditures</b>				
Road and bridge	870,344	916,754	884,458	32,296
Capital lease payments	255,000	255,000	255,212	(212)
Capital improvements	163,529	168,029	167,835	194
Total Expenditures	<u>1,288,873</u>	<u>1,339,783</u>	<u>1,307,505</u>	<u>32,278</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(281,578)</u>	<u>(332,488)</u>	<u>(256,063)</u>	<u>76,425</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from capital leases	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	38,715	38,715
Transfers out	-	-	(1,215)	(1,215)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>37,500</u>	<u>37,500</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(281,578)</u>	<u>(332,488)</u>	<u>(218,563)</u>	<u>113,925</u>
Fund Balance at Beginning of Year	<u>281,578</u>	<u>332,488</u>	<u>442,979</u>	<u>110,491</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,416</u>	<u>\$ 224,416</u>

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Budgetary Comparison Schedule**  
**Solid Waste Fund**  
**September 30, 2011**

	Original Budgeted Amount	Original and Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues				
Licenses, permits and other fees	\$ 1,272,888	\$ 1,272,888	\$ 1,172,173	\$ (100,715)
Total Revenues	<u>1,272,888</u>	<u>1,272,888</u>	<u>1,172,173</u>	<u>(100,715)</u>
Expenditures				
Solid waste	917,888	915,912	848,890	67,022
Bond payments	226,000	226,000	225,438	562
Capital lease payments	25,000	25,000	24,170	830
Capital improvements	104,000	105,976	80,724	25,252
Total Expenditures	<u>1,272,888</u>	<u>1,272,888</u>	<u>1,179,222</u>	<u>93,666</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(7,049)</u>	<u>(7,049)</u>
Other Financing Sources (Uses):				
Proceeds from capital leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>(7,049)</u>	<u>(7,049)</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>456,767</u>	<u>456,767</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449,718</u>	<u>\$ 449,718</u>

See Independent Auditors' Report.

**OTHER SUPPLEMENTARY INFORMATION**

**TETON COUNTY, IDAHO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2011**

	<b>Special Revenue Funds</b>			
	Teton County Ambulance Service District	District Court and Juvenile Probation Fund	Indigent and Charity Fund	Revaluation Fund
<b>Assets</b>				
Cash and Investments	\$ 291,172	\$ 223,774	\$ 144,936	\$ 26,437
Receivables				
Property taxes	117,722	57,129	2,611	25,024
Other receivables	-	60,233	-	-
Total Assets	<u>\$ 408,894</u>	<u>\$ 341,136</u>	<u>\$ 147,547</u>	<u>\$ 51,461</u>
<b>Liabilities and Fund Equity</b>				
Liabilities				
Warrants outstanding	\$ 1,589	\$ 5,127	\$ -	\$ 7,260
Accrued liabilities	-	4,803	-	-
Other liabilities	-	28,717	-	-
Deferred revenue	101,076	49,087	2,247	21,518
Total Liabilities	<u>102,665</u>	<u>87,734</u>	<u>2,247</u>	<u>28,778</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	306,229	-	-	-
Committed	-	253,402	145,300	22,683
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>306,229</u>	<u>253,402</u>	<u>145,300</u>	<u>22,683</u>
Total Liabilities and Fund Balances	<u>\$ 408,894</u>	<u>\$ 341,136</u>	<u>\$ 147,547</u>	<u>\$ 51,461</u>

(continued)

See Independent Auditors' Report.

**Special Revenue Funds**

Tort Fund	Weed Fund	Teton Valley Arena Fund	Grants Fund	Fair Board Fund	Veterans Memorial Fund
\$ 31,344	\$ 45,598	\$ 241,964	\$ 58,787	\$ 28,635	\$ -
22,603	8,728	-	-	3,101	748
-	-	-	-	-	-
<u>\$ 53,947</u>	<u>\$ 54,326</u>	<u>\$ 241,964</u>	<u>\$ 58,787</u>	<u>\$ 31,736</u>	<u>\$ 748</u>
\$ -	\$ 40,391	\$ 56	\$ -	\$ 1,120	\$ -
-	415	-	1,718	-	-
-	-	-	-	-	-
19,441	7,520	-	-	2,693	650
<u>19,441</u>	<u>48,326</u>	<u>56</u>	<u>1,718</u>	<u>3,813</u>	<u>650</u>
-	-	-	-	-	-
-	-	241,908	57,069	-	98
34,506	6,000	-	-	27,923	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>34,506</u>	<u>6,000</u>	<u>241,908</u>	<u>57,069</u>	<u>27,923</u>	<u>98</u>
<u>\$ 53,947</u>	<u>\$ 54,326</u>	<u>\$ 241,964</u>	<u>\$ 58,787</u>	<u>\$ 31,736</u>	<u>\$ 748</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2011**

	<b>Special Revenue Funds</b>			
	Interlock/ Monitoring Fund	Domestic Violence Eval Fund	Prosecuting Attorneys Fund	Youth Program Fund
<b>Assets</b>				
Cash and Investments	\$ 10,422	\$ 2,645	\$ 18,314	\$ 1,604
Receivables				
Property taxes	-	-	-	-
Other receivables	-	-	-	-
Total Assets	<u>\$ 10,422</u>	<u>\$ 2,645</u>	<u>\$ 18,314</u>	<u>\$ 1,604</u>
<b>Liabilities and Fund Equity</b>				
Liabilities				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	10,422	2,645	18,314	1,604
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>10,422</u>	<u>2,645</u>	<u>18,314</u>	<u>1,604</u>
Total Liabilities and Fund Balances	<u>\$ 10,422</u>	<u>\$ 2,645</u>	<u>\$ 18,314</u>	<u>\$ 1,604</u>

(continued)

See Independent Auditors' Report.

**Special Revenue Funds**

Waterways Fund	Housing Authority Fund	Mosquito Abatement District Fund	Emergency Communi- cation Fund	Impact Fees - Recreation Facilities	Impact Fees - Sheriff Facilities
\$ 16,742	\$ 10,750	\$ 109,725	\$ 125,250	\$ 9,063	\$ 18,216
-	-	67,268	-	-	-
-	-	-	-	-	-
<u>\$ 16,742</u>	<u>\$ 10,750</u>	<u>\$ 176,993</u>	<u>\$ 125,250</u>	<u>\$ 9,063</u>	<u>\$ 18,216</u>
\$ 675	\$ -	\$ 15	\$ 7,520	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	60,592	-	-	-
<u>675</u>	<u>-</u>	<u>60,607</u>	<u>7,520</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
16,067	-	116,386	117,730	9,063	18,216
-	10,750	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,067</u>	<u>10,750</u>	<u>116,386</u>	<u>117,730</u>	<u>9,063</u>	<u>18,216</u>
<u>\$ 16,742</u>	<u>\$ 10,750</u>	<u>\$ 176,993</u>	<u>\$ 125,250</u>	<u>\$ 9,063</u>	<u>\$ 18,216</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2011**

	<b>Special Revenue Funds</b>			
	Impact Fees - EMS Facilities	Impact Fees - Circulation Facilities	Special Planning Projects Fund	Solid Waste Self Assurance Fund
<b>Assets</b>				
Cash and Investments				
Receivables	\$ 2,384	\$ 91,136	\$ 143,211	\$ 300,000
Property taxes				
Other receivables	-	-	-	-
Total Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,384</u>	<u>\$ 91,136</u>	<u>\$ 143,211</u>	<u>\$ 300,000</u>
<b>Liabilities and Fund Equity</b>				
<b>Liabilities</b>				
Warrants outstanding				
Accrued liabilities	\$ -	\$ -	\$ 10,298	\$ -
Other liabilities	-	-	224	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>10,522</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>10,522</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>				
Nonspendable				
Restricted	-	-	-	-
Committed	2,384	91,136	-	-
Assigned	-	-	132,689	300,000
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>2,384</u>	<u>91,136</u>	<u>132,689</u>	<u>300,000</u>
	<u>\$ 2,384</u>	<u>\$ 91,136</u>	<u>\$ 143,211</u>	<u>\$ 300,000</u>

(continued)

See Independent Auditors' Report.

Special Revenue				Expendable Trust Funds	
Road and Bridge Capital Fund	Elections State Fund	Solid Waste Capital Fund	County Hospital Fund	Auditors Trust Fund	Court Facility Trust Fund
\$ 1,215	\$ 15,333	\$ 668	\$ 62	\$ 1,075	\$ 4,842
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,215</u>	<u>\$ 15,333</u>	<u>\$ 668</u>	<u>\$ 62</u>	<u>\$ 1,075</u>	<u>\$ 4,842</u>
\$ -	\$ 525	\$ -	\$ -	\$ 1,075	\$ -
-	1,344	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,869</u>	<u>-</u>	<u>-</u>	<u>1,075</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	62	-	4,842
-	13,464	-	-	-	-
1,215	-	668	-	-	-
-	-	-	-	-	-
<u>1,215</u>	<u>13,464</u>	<u>668</u>	<u>62</u>	<u>-</u>	<u>4,842</u>
<u>\$ 1,215</u>	<u>\$ 15,333</u>	<u>\$ 668</u>	<u>\$ 62</u>	<u>\$ 1,075</u>	<u>\$ 4,842</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2011**

	<b>Expendable Trust Funds</b>			
	Court Fines and Fees Fund	Teton County Motor Vehicle Fund	Employee Benefit Fund	Drug Court Trust Fund
<b>Assets</b>				
Cash and Investments				
Receivables	\$ 26,828	\$ 58,438	\$158,320	\$ 2,718
Property taxes				
Other receivables	-	-	-	-
Total Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 26,828</u>	<u>\$ 58,438</u>	<u>\$158,320</u>	<u>\$ 2,718</u>
<b>Liabilities and Fund Equity</b>				
<b>Liabilities</b>				
Warrants outstanding				
Accrued liabilities	\$ 19,826	\$ 71,791	\$ -	\$ -
Other liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>19,826</u>	<u>71,791</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>				
Nonspendable				
Restricted	-	-	-	-
Committed	7,002	-	-	2,718
Assigned	-	-	-	-
Unassigned	-	-	158,320	-
Total Fund Balances (Deficits)	<u>-</u>	<u>(13,353)</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>7,002</u>	<u>(13,353)</u>	<u>158,320</u>	<u>2,718</u>
	<u>\$ 26,828</u>	<u>\$ 58,438</u>	<u>\$158,320</u>	<u>\$ 2,718</u>

(continued)

See Independent Auditors' Report.

**Special Revenue Funds**

Dare Trust Fund	Planning and Zoning Trust Fund	Court Restitution Fund	Court Bonds Fund	Road Special Fund	Road Improvement Fund	Building Fund	Total Nonmajor Governmental Funds
\$ 6,161	\$ 383,905	\$ 3,409	\$ 12,780	\$ 292,622	\$ 131,609	\$ 1,186,760	\$ 4,238,854
-	-	-	-	103,332	-	22,827	431,093
-	-	-	-	-	-	-	60,233
<u>\$ 6,161</u>	<u>\$ 383,905</u>	<u>\$ 3,409</u>	<u>\$ 12,780</u>	<u>\$ 395,954</u>	<u>\$ 131,609</u>	<u>\$ 1,209,587</u>	<u>\$ 4,730,180</u>
\$ -	\$ 19,464	\$ 248	\$ 7,880	\$ -	\$ -	\$ -	\$ 194,860
-	-	-	-	-	-	-	8,504
-	-	-	-	-	-	-	28,717
-	-	-	-	88,795	-	19,625	373,244
<u>-</u>	<u>19,464</u>	<u>248</u>	<u>7,880</u>	<u>88,795</u>	<u>-</u>	<u>19,625</u>	<u>605,325</u>
-	364,441	-	-	-	-	-	364,441
6,161	-	3,161	4,900	307,159	131,609	-	1,476,885
-	-	-	-	-	-	1,189,962	2,136,679
-	-	-	-	-	-	-	160,203
-	-	-	-	-	-	-	(13,353)
<u>6,161</u>	<u>364,441</u>	<u>3,161</u>	<u>4,900</u>	<u>307,159</u>	<u>131,609</u>	<u>1,189,962</u>	<u>4,124,855</u>
<u>\$ 6,161</u>	<u>\$ 383,905</u>	<u>\$ 3,409</u>	<u>\$ 12,780</u>	<u>\$ 395,954</u>	<u>\$ 131,609</u>	<u>\$ 1,209,587</u>	<u>\$ 4,730,180</u>

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2011**

	<b>Special Revenue Funds</b>			
	Teton County Ambulance Service District	District Court and Juvenile Probation Fund	Indigent and Charity Fund	Revaluation Fund
Revenues				
Property taxes	\$ 471,690	\$ 325,991	\$ 3,416	\$ 118,624
Other state revenues	-	-	-	-
Federal funds	8,413	553	-	-
Juvenile justice funds	-	78,266	-	-
Licenses, permits and other fees	-	65,105	-	-
Interest earned				
Miscellaneous	58,320	18,692	2,590	-
Total Revenues	<u>538,423</u>	<u>488,607</u>	<u>6,006</u>	<u>118,624</u>
Expenditures				
General and administrative	564,478	421,726	26,839	116,641
Road and bridge	-	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	58,758	-	-	-
Total Expenditures	<u>623,236</u>	<u>421,726</u>	<u>26,839</u>	<u>116,641</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(84,813)</u>	<u>66,881</u>	<u>(20,833)</u>	<u>1,983</u>
Other Financing Sources (Uses):				
Proceeds from financing sources	-	-	-	-
Transfers in	-	14,000	-	-
Transfers out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>14,000</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(84,813)</u>	<u>80,881</u>	<u>(20,833)</u>	<u>1,983</u>
Fund Balance at Beginning of Year	<u>391,042</u>	<u>172,521</u>	<u>166,133</u>	<u>20,700</u>
Fund Balance at End of Year	<u>\$ 306,229</u>	<u>\$ 253,402</u>	<u>\$ 145,300</u>	<u>\$ 22,683</u>

(continued)

See Independent Auditors' Report.

**Special Revenue Funds**

Tort Fund	Weed Fund	Teton Valley Arena Fund	Grants Fund	Fair Board Fund	Veterans Memorial Fund
\$ 124,948	\$ 55,396	\$ -	\$ -	\$ 13,113	\$ 487
-	-	-	182,652	-	-
-	-	-	10,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,861	6,592	14,201	28,142	-
<u>124,948</u>	<u>57,257</u>	<u>6,592</u>	<u>206,853</u>	<u>41,255</u>	<u>487</u>
105,773	71,724	5,537	15,780	30,413	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	135,317	-	-
<u>105,773</u>	<u>71,724</u>	<u>5,537</u>	<u>151,097</u>	<u>30,413</u>	<u>-</u>
<u>19,175</u>	<u>(14,467)</u>	<u>1,055</u>	<u>55,756</u>	<u>10,842</u>	<u>487</u>
-	-	-	-	-	-
-	-	-	1,313	-	-
-	-	-	-	-	-
-	-	-	<u>1,313</u>	-	-
<u>19,175</u>	<u>(14,467)</u>	<u>1,055</u>	<u>57,069</u>	<u>10,842</u>	<u>487</u>
<u>15,331</u>	<u>20,467</u>	<u>240,853</u>	<u>-</u>	<u>17,081</u>	<u>(389)</u>
<u>\$ 34,506</u>	<u>\$ 6,000</u>	<u>\$ 241,908</u>	<u>\$ 57,069</u>	<u>\$ 27,923</u>	<u>\$ 98</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2011**

	<b>Special Revenue Funds</b>			
	Interlock/ Monitoring Fund	Domestic Violence Eval Fund	Prosecuting Attorneys Fund	Youth Program Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
	-	-	-	-
Federal funds	-	-	-	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	150
Interest earned	-	-	-	-
Miscellaneous	704	210	9,616	-
Total Revenues	<u>704</u>	<u>210</u>	<u>9,616</u>	<u>150</u>
Expenditures				
General and administrative	-	-	7,100	-
Health care	-	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>7,100</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>704</u>	<u>210</u>	<u>2,516</u>	<u>150</u>
Other Financing Sources (Uses):				
	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>704</u>	<u>210</u>	<u>2,516</u>	<u>150</u>
Fund Balance at Beginning of Year	<u>9,718</u>	<u>2,435</u>	<u>15,798</u>	<u>1,454</u>
Fund Balance at End of Year	<u>\$ 10,422</u>	<u>\$ 2,645</u>	<u>\$ 18,314</u>	<u>\$ 1,604</u>

(continued)

See Independent Auditors' Report.

**Special Revenue Funds**

Waterways Fund	Housing Authority Fund	Mosquito Abatement District Fund	Emergency Communication Fund	Impact Fees - Recreation Facilities	Impact Fees - Sheriff Facilities
\$ -	\$ -	\$ 352,272	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	120,607	-	-
-	-	-	-	-	-
9,567	10,075	-	-	1,908	3,921
<u>9,567</u>	<u>10,075</u>	<u>352,272</u>	<u>120,607</u>	<u>1,908</u>	<u>3,921</u>
1,375	9,516	330,963	-	-	-
-	-	-	-	-	-
-	-	-	65,131	-	-
-	-	-	15,700	-	-
-	-	-	-	-	-
<u>1,375</u>	<u>9,516</u>	<u>330,963</u>	<u>80,831</u>	<u>-</u>	<u>-</u>
8,192	559	21,309	39,776	1,908	3,921
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,192</u>	<u>559</u>	<u>21,309</u>	<u>39,776</u>	<u>1,908</u>	<u>3,921</u>
7,875	10,191	95,077	77,954	7,155	14,295
<u>\$ 16,067</u>	<u>\$ 10,750</u>	<u>\$ 116,386</u>	<u>\$ 117,730</u>	<u>\$ 9,063</u>	<u>\$ 18,216</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2011**

	<b>Special Revenue Funds</b>			
	Impact Fees - EMS Facilities	Impact Fees - Circulation Facilities	Special Planning Projects Fund	Solid Waste Self Assurance Fund
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other state revenues	-	-	-	-
Federal funds	-	-	-	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	-
Interest earned	-	-	-	-
Miscellaneous	506	18,771	-	-
Total Revenues	<u>506</u>	<u>18,771</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
General and administrative	-	-	61,411	-
Health care	-	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>61,411</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>506</u>	<u>18,771</u>	<u>(61,411)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
	-	-	-	-
Transfers in	-	-	78,100	-
Transfers out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>78,100</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>506</u>	<u>18,771</u>	<u>16,689</u>	<u>-</u>
Fund Balance at Beginning of Year	<u>1,878</u>	<u>72,365</u>	<u>116,000</u>	<u>300,000</u>
Fund Balance at End of Year	<u>\$ 2,384</u>	<u>\$ 91,136</u>	<u>\$ 132,689</u>	<u>\$ 300,000</u>

(continued)

See Independent Auditors' Report.

<b>Special Revenue</b>				<b>Expendable Trust Funds</b>	
Road and Bridge Capital Fund	Elections State Fund	Solid Waste Capital Fund	County Hospital Fund	Auditors Trust Fund	Court Facility Trust Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	61,476	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	484	10,260
<u>-</u>	<u>61,476</u>	<u>-</u>	<u>-</u>	<u>484</u>	<u>10,260</u>
-	48,012	-	22,475	484	5,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>48,012</u>	<u>-</u>	<u>22,475</u>	<u>484</u>	<u>5,500</u>
-	13,464	-	(22,475)	-	4,760
-	-	-	-	-	-
1,215	-	668	-	-	-
-	-	-	-	-	-
<u>1,215</u>	<u>-</u>	<u>668</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,215	13,464	668	(22,475)	-	4,760
-	-	-	22,537	-	82
<u>\$ 1,215</u>	<u>\$ 13,464</u>	<u>\$ 668</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ 4,842</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2011**

	<b>Expendable Trust Funds</b>			
	Court Fines and Fees Fund	Teton County Motor Vehicle Fund	Employee Benefit Fund	Drug Court Trust Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other state revenues	-	-	-	-
Federal funds	-	-	-	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	-
Interest earned				
Miscellaneous	-	-	-	6,583
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,583</u>
Expenditures				
General and administrative	2,815	1	185,182	3,900
Health care	-	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	-
Total Expenditures	<u>2,815</u>	<u>1</u>	<u>185,182</u>	<u>3,900</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,815)</u>	<u>(1)</u>	<u>(185,182)</u>	<u>2,683</u>
Other Financing Sources (Uses):				
	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(2,815)</u>	<u>(1)</u>	<u>(185,182)</u>	<u>2,683</u>
Fund Balance at Beginning of Year	<u>9,817</u>	<u>(13,352)</u>	<u>343,502</u>	<u>35</u>
Fund Balance at End of Year	<u>\$ 7,002</u>	<u>\$ (13,353)</u>	<u>\$ 158,320</u>	<u>\$ 2,718</u>

(continued)

See Independent Auditors' Report.

<b>Expendable Trust Fund:</b>		<b>Capital Project Funds</b>						
Dare Trust Fund	Planning and Zoning Trust Fund	Court Restitution Fund	Court Bonds Fund	Road Special Fund	Road Improvement Fund	Building Fund	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$952,459	\$ -	\$ 115,980	\$ 2,534,376	
-	-	-	-	-	-	-	244,128	
-	-	-	-	-	-	-	18,966	
-	-	-	-	-	-	-	78,266	
-	314,144	-	-	-	-	-	500,006	
-	-	-	-	-	-	-	-	
-	-	47,806	-	13,496	1,300	157,685	423,290	
-	314,144	47,806	-	965,955	1,300	273,665	3,799,032	
-	127,471	44,645	-	-	-	75,647	2,285,408	
-	-	-	-	625,796	8,400	-	634,196	
-	-	-	-	-	-	-	65,131	
-	-	-	-	-	-	-	15,700	
-	-	-	-	-	-	175,000	369,075	
-	127,471	44,645	-	625,796	8,400	250,647	3,369,510	
-	186,673	3,161	-	340,159	(7,100)	23,018	429,522	
-	-	-	-	-	-	75,000	75,000	
-	-	-	-	-	-	992,000	1,087,296	
-	-	-	-	(33,000)	-	-	(33,000)	
-	-	-	-	(33,000)	-	1,067,000	1,129,296	
-	186,673	3,161	-	307,159	(7,100)	1,090,018	1,558,818	
6,161	177,768	-	4,900	-	138,709	99,944	2,566,037	
\$6,161	\$ 364,441	\$ 3,161	\$ 4,900	\$307,159	\$ 131,609	\$1,189,962	\$ 4,124,855	

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**September 30, 2011**

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	Dept. of Transporation Fund	Driggs City Fund	Victor City Fund	Tetonia City Fund
<b>Assets</b>				
Cash and Investments	\$ 42,015	\$ 4,088	\$ 2,651	\$ 1,239
Receivables				
Property taxes	-	94,565	137,183	6,021
Total Assets	<u>\$ 42,015</u>	<u>\$ 98,653</u>	<u>\$ 139,834</u>	<u>\$ 7,260</u>
<b>Liabilities and Fund Equity</b>				
Liabilities				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Due to other agencies	42,015	98,653	139,834	7,260
Total Liabilities	<u>\$ 42,015</u>	<u>\$ 98,653</u>	<u>\$ 139,834</u>	<u>\$ 7,260</u>

(continued)

See Independent Auditors' Report.

School District #401 Fund	Bates Cemetery Fund	Cache-Clawson Cemetery Fund	Driggs-Darby Cemetery Fund	Haden Cemetery Fund	Victor-Cedron Cemetery Fund
\$ 28,719	\$ 31	\$ 87	\$ 158	\$ 43	\$ 421
918,720	271	2,578	5,569	1,169	15,976
<u>\$ 947,439</u>	<u>\$ 302</u>	<u>\$ 2,665</u>	<u>\$ 5,727</u>	<u>\$ 1,212</u>	<u>\$ 16,397</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
947,439	302	2,665	5,727	1,212	16,397
<u>\$ 947,439</u>	<u>\$ 302</u>	<u>\$ 2,665</u>	<u>\$ 5,727</u>	<u>\$ 1,212</u>	<u>\$ 16,397</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Statement of Assets and Liabilities (continued)**  
**Agency Funds**  
**September 30, 2011**

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	Felt Cemetery Fund	County Fire Protection Fund	State Remittance Account	Practices Admin Fund
<b>Assets</b>				
Cash and Investments	\$ 5,318	\$ 15,263	\$ 11,208	\$ 17
Receivables				
Property taxes		473,209	-	296
Total Assets	<u>\$ 5,318</u>	<u>\$ 488,472</u>	<u>\$ 11,208</u>	<u>\$ 313</u>
<b>Liabilities and Fund Equity</b>				
Liabilities				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Due to other agencies	5,318	488,472	11,208	313
Total Liabilities	<u>\$ 5,318</u>	<u>\$ 488,472</u>	<u>\$ 11,208</u>	<u>\$ 313</u>

(continued)

See Independent Auditors' Report.

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Valley of the Teton Library Fund	Forest Protection Tax Fund	Water District Fund	Taylor Grazing Fund	Employee Fund	County Hospital Fund	Total Agency Funds
\$ 1,265	\$ 179	\$ 497	\$ 4,870	\$ (340)	\$ 7,492	\$ 125,221
39,840	3,094	6,714	-	-	250,651	1,955,856
<u>\$ 41,105</u>	<u>\$ 3,273</u>	<u>\$ 7,211</u>	<u>\$ 4,870</u>	<u>\$ (340)</u>	<u>\$ 258,143</u>	<u>\$ 2,081,077</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
41,105	3,273	7,211	4,870	(340)	258,143	2,081,077
<u>\$ 41,105</u>	<u>\$ 3,273</u>	<u>\$ 7,211</u>	<u>\$ 4,870</u>	<u>\$ (340)</u>	<u>\$ 258,143</u>	<u>\$ 2,081,077</u>

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Component Unit**  
**For the Year Ended September 30, 2011**

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Operating Revenues	
Net patient service revenue	\$ 11,749,674
Teton County Ambulance District contract	429,186
Day care revenue	1,552
Grants	17,675
Other	91,481
Total Operating Revenues	<u>12,289,568</u>
Operating Expenses	
Salaries and wages	6,277,174
Employee benefits	1,215,630
Purchased services	1,849,150
Supplies	1,305,217
Leases and rent	109,875
Repairs and maintenance	188,061
Utilities	163,184
Insurance	136,103
Depreciation and amortization	514,190
Other expenses	337,124
Total Operating Expenses	<u>12,095,708</u>
Operating Income (Loss)	<u>193,860</u>
Non-Operating Revenues (Expenses)	
Interest income	6,326
Contributions	32,425
Taxation for capital purchases	1,070,582
Gain on disposal of capital assets	19,129
Interest expense	(69,371)
Total Non-Operating Revenues	<u>1,059,091</u>
Net Income (Loss)	1,252,951
Capita grants	116,032
Capital contributions from Foundation	<u>264,620</u>
Change in Net Assets	1,633,603
Net Assets, Beginning of Year	<u>4,276,747</u>
Net Assets, End of Year	<u>\$ 5,910,350</u>

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Statement of Cash Flows**  
**Component Unit**  
**For the Year Ended September 30, 2011**

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**Cash Flows from Operating Activities**

Receipts from and on behalf of patients	\$ 12,409,078
Payments to employees	(7,593,454)
Payments to suppliers and contractors	(4,219,833)
Other receipts	<u>513,306</u>

Net Cash Used by Operating Activities 1,109,097

**Cash Flows from Noncapital Financing Activities**

Interest paid	(9,731)
Taxation for operations	113,896
Receipts of grants and contributions	<u>32,425</u>

Net Cash Provided by Noncapital Financing Activities 136,590

**Cash Flows from Capital and Related Financing Activities**

Principal paid on long-term debt	(136,079)
Principal paid on capital lease obligations	(17,291)
Interest on long-term debt	(49,186)
Sale of capital assets	58,800
Cash received from Foundation	234,871
Cash received from capital grants	116,032
Purchase of property and equipment	(1,286,050)
Taxation for capital acquisitions	<u>970,597</u>

Net Cash Used in Capital and Related Financing Activities (108,306)

**Cash Flows from Investing Activities**

Interest received	<u>6,326</u>
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Net Cash Provided by Investing Activities 6,326

Net Increase in Cash and Cash Equivalents 1,143,707

Cash and Cash Equivalents at the Beginning of the Year 717,881

Cash and Cash Equivalents at the End of the Year \$ 1,861,588

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Statement of Cash Flows (Continued)**  
**Component Unit**  
**For the Year Ended September 30, 2011**

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**Reconciliation of Loss from Operations to Net Cash from  
Operating Activities**

Income from operations	\$ 193,860
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation and amortization	514,190
Provision for bad debts	1,480,677
Changes in assets and liabilities:	
Patient accounts receivable	(1,045,273)
Estimated third-party payor settlements	224,000
Other receivables	(26,588)
Inventories	(43,310)
Prepaid expenses	(1,439)
Accounts payable	(86,370)
Accrued payroll and related liabilities	(77,245)
Net pension obligation	<u>(23,405)</u>
Net Cash Used by Operating Activities	<u>\$ 1,109,097</u>

See Independent Auditors' Report.



**INDEPENDENT AUDITORS' 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***

To the Board of Commissioners  
Teton County  
Driggs, Idaho

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Teton County, Idaho, as of and for the year ended September 30, 2011, which collectively comprise the basic financial statements of Teton County, Idaho and have issued our report thereon dated January 23, 2012. 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 Teton County, Idaho's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Teton County, Idaho's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Teton County, Idaho's internal control over financial reporting.

*A deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

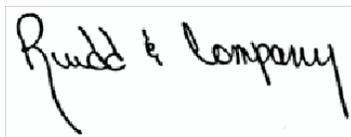
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Teton County, 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 noted certain matters that we reported to management of Teton County, Idaho, in a separate letter dated January 23, 2012.

This report is intended solely for the information and use of management, County Commissioners, others within the entity, 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.

A handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive style and is contained within a thin black rectangular border.

Rexburg, Idaho

January 23, 2012

Except for the component unit which is dated

February 7, 2012