



TETON COUNTY, IDAHO

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

September 30, 2012

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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, 2012, 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 January 17, 2013, 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.

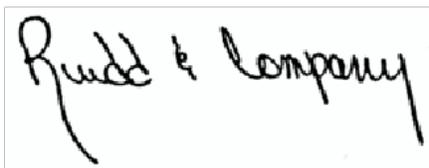
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2012, 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 28, 2013, 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 management's discussion and analysis and 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.

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.

A rectangular box containing a handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive, slightly slanted style.

January 28, 2013



Teton County, Idaho
Management's Discussion & Analysis
September 30, 2012

The following overview and analysis of Teton County's financial activities is intended to accompany and explain Teton County's financial statements for the fiscal year ended September 30, 2012.

FINANCIAL HIGHLIGHTS

- The assets of Teton County exceeded its liabilities at the close of the most recent fiscal year by \$21,008,815. Of this amount, \$7,985,690 may be used to meet the county's ongoing obligations to citizens and creditors.
- The county's total net assets increased by \$1,315,518 during the most recent fiscal year.
- As of Sept. 30, 2012 Teton County's governmental funds reported combined ending fund balances of \$7,233,311, an increase of \$1,459,756 over the prior year. About \$1,218,362 of this amount is available for spending at the county's discretion.
- At the end of the current fiscal year, the unreserved General Fund balance was \$1,219,463, which equals 36.1% of the fund's annual expenditures. The unreserved Road & Bridge Fund balance was \$272,110, which equals 22.9% of the fund's annual expenditures. The unreserved Solid Waste Fund balance was \$369,333, which equals 32.1% of the fund's annual expenditures.
- In May Teton County voters approved a two-year supplemental road levy which will provide \$758,000 per year to improve the roads and bridges in Teton County. A similar two-year levy was approved in 2010.
- Since completion of the new county courthouse in 2009, county leaders have been saving to build a new law enforcement facility. Construction is expected to begin in the spring of 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is an introduction to Teton County's basic financial statements, which include three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements.

Government-wide Financial Statements). The government-wide financial statements are designed to provide readers with a broad overview of Teton County's finances, in a manner similar to a private-sector business.

The government-wide *Statement of Net Assets* (page11) presents information on all of Teton County's assets and liabilities. The difference between the two is reported as net assets. Over time, increases or decreases in net assets may indicate whether the financial position of Teton County is improving or deteriorating.

The government-wide *Statement of Activities* (page12) presents information showing how Teton County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore revenues and expenses may be reported in the Statement of Activities that will only affect cash flows in future fiscal years (e.g. uncollected taxes and earned but unused Paid Time Off).

The government-wide financial statements include not only Teton County itself (known as the primary government), but also a legally separate entity (Teton Valley Hospital), for which Teton County is financially

accountable. Financial information for the hospital (Component Unit) is reported separately from the financial information presented for the primary government.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Teton County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Teton County can be divided into two categories: (1) governmental funds; (2) agency (fiduciary) funds. Teton County maintains three major funds and 41 nonmajor funds.

Governmental Fund financial statements provide more detailed information about the various governmental activities reported as a combined total on the government-wide financial statements. Fund financial statements show the near-term inflows and outflows of spendable resources, and the year-end balances of spendable resources. This information helps evaluate a government's liquidity and near-term financing requirements.

Because the governmental fund financial statements provide more detailed information than the government-wide financial statements, it is useful to compare the two sets of financial statements. The Governmental Fund Balance Sheet (*page 13*) and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (*page 15*) provide such comparisons and help readers understand the long-term impact of the government's near-term financing decisions. Each report is followed by a Reconciliation document (*pages 14 & 16*) which is necessary because the funds are operated on a cash basis while the government-wide reports require accrual accounting.

The information on pages 13 and 15 includes specific data regarding the county's three major funds (General, Road & Bridge, Solid Waste) along with combined total data from all of the county's nonmajor funds. Specific information about each nonmajor governmental fund is located in the Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances (*pages 38-53*).

Teton County adopts an annual appropriated budget for all governmental funds with annual expenses. A budgetary comparison statement has been provided for the county's major funds, as required (*pages 35-37*).

Agency (Fiduciary) Funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Teton County's own programs. The Statement of Fiduciary Net Assets for Agency Funds is found on page 17; detailed information about specific agency funds is found on pages 54-57.

Notes to the Financial Statements. The notes provide additional, detailed information that is essential to a full understanding of the data provided in the government-wide and fund financial statements (*pages 18-34*).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Table 1 illustrates the steady increase in Teton County net assets during the past five years.

Table 1. Statement of Net Assets for Governmental Activities

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
ASSETS					
Current assets	8,476,675	6,561,071	6,780,958	7,219,651	8,644,054
Capital assets, <i>net of related debt & depreciation</i>	8,580,861	15,705,125	16,057,129	16,633,457	16,163,240
Total assets	\$17,057,536	\$22,266,196	\$22,838,087	\$23,853,108	\$24,807,294
LIABILITIES					
Current liabilities	1,402,302	1,450,522	1,055,145	990,599	1,001,770
Non-current liabilities	3,802,338	3,553,003	3,293,113	3,169,212	2,796,709
Total liabilities	\$5,204,640	\$5,003,525	\$4,348,258	\$4,159,811	\$3,798,479
NET ASSETS					
Invested in capital assets, <i>net of related debt</i>	4,383,891	11,803,710	12,382,036	12,979,635	13,023,125
Restricted for capital acquisition	0	0	0	0	0
Unrestricted	7,469,005	5,458,961	6,107,793	6,713,662	7,985,690
TOTAL NET ASSETS	\$11,852,896	\$17,262,671	\$18,489,829	\$19,693,297	\$21,008,815

The large increase in Total Net Assets from 2008 to 2009 was mostly due to two factors: (1) gifts of land and cash made by Huntsman Springs LLC and the Huntsman Foundation to facilitate construction of the new courthouse; and (2) the sale of six county properties, most for far more than their previously booked value.

About two-thirds of Teton County's net assets is invested in capital assets (e.g. land, buildings, machinery and equipment), less depreciation and any related debt that is still outstanding. Teton County uses these capital assets to provide services for citizens and the assets are not available for future spending.

Table 2 illustrates the changes in net assets for Teton County's Component Unit (the Hospital) during the past five years and reflects the steady improvement in the Hospital's financial position since 2008.

Table 2. Statement of Net Assets for Component Unit (Hospital)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
ASSETS					
Current assets	\$4,219,376	\$3,843,754	\$4,487,845	\$5,154,834	\$6,120,764
Capital assets, <i>net of related debt & depreciation</i>	2,995,558	2,632,792	2,390,617	3,122,806	3,827,520
Total assets	\$7,214,934	\$6,476,546	\$6,978,462	\$8,277,640	\$9,948,284
LIABILITIES					
Current liabilities	4,074,701	2,014,615	1,700,977	1,536,548	1,440,764
Non-current liabilities	1,241,921	1,053,538	1,000,738	830,742	674,887
Total liabilities	\$5,316,622	\$3,068,153	\$2,701,715	\$2,367,290	\$2,115,651
NET ASSETS					
Invested in capital assets, <i>net of related debt</i>	1,481,826	1,435,276	1,412,669	2,287,774	2,130,923
Restricted for capital acquisition	0	0	73,080	102,829	989,173
Unrestricted	416,486	1,973,117	2,790,998	3,519,747	4,712,537
TOTAL NET ASSETS	\$1,898,312	\$3,408,393	\$4,276,747	\$5,910,350	\$7,832,633

The hospital experienced a severe financial crisis in 2008 which was averted by Teton County voters who approved a two-year supplemental levy in August, 2008. This levy provided \$1,000,000 per year to help pay hospital operating expenses. Significant management and structural changes were also made to stabilize the hospital's financial situation. By 2010, hospital management determined that taxpayer support was no longer needed for *operating* expenses but asked voters to support a second two-year supplemental levy to provide funds for *capital* purchases. Voters approved this levy in May 2010. In 2012, hospital management determined that the hospital no longer needed taxpayer support.

Table 3 provides a five-year history of revenue and expense information from the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances.

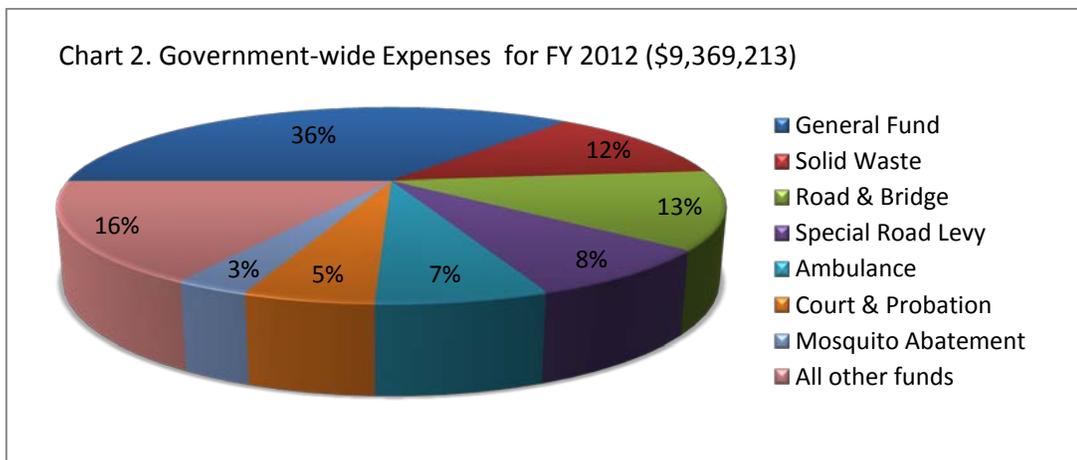
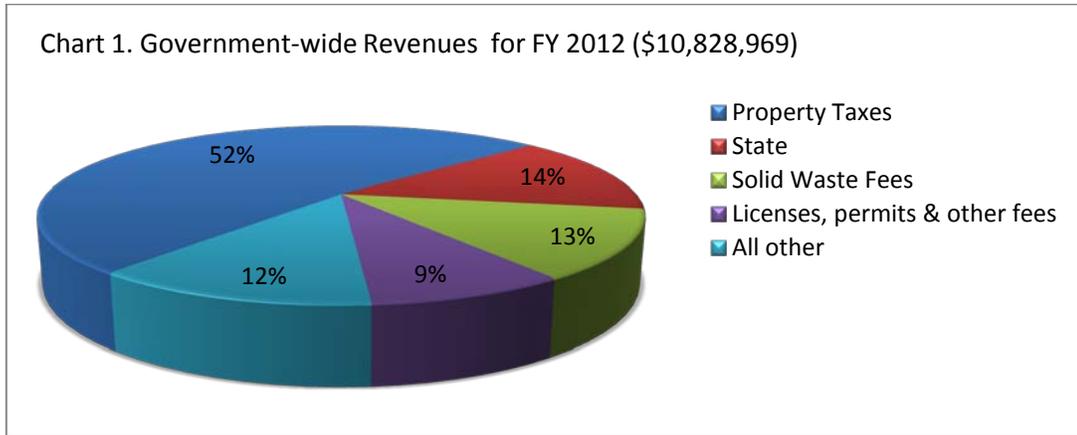
Table 3. Changes in Fund Balance

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
REVENUES					
Property Taxes	2,732,710	4,407,556	5,246,729	5,131,123	5,657,950
State liquor fund	74,745	91,178	81,982	76,002	75,351
State sales tax	423,897	388,261	375,474	396,807	426,378
State highway users fund	944,235	906,344	890,578	898,736	885,041
Other state revenues	143,685	25,558	25,671	270,002	159,122
Federal funds	703,921	414,164	180,905	106,638	200,622
Payments in lieu of taxes	0	276,394	135,373	0	0
Juvenile justice funds	42,926	48,440	23,885	78,266	57,759
Solid waste fees	1,298,337	1,230,556	1,335,756	1,160,715	1,341,564
Licenses, permits & other fees	1,171,374	851,475	593,972	810,148	943,186
Interest earned	209,924	84,587	36,545	30,207	22,587
Miscellaneous	4,174,924	4,931,892	569,581	1,012,265	1,059,409
Proceeds from financing sources & capital leases	3,313,749	151,000	187,240	545,284	0
Total Revenues	\$15,234,427	\$13,807,405	\$9,683,691	\$10,516,193	\$10,828,969
EXPENDITURES					
General & Administrative	4,689,890	4,079,041	3,693,205	4,503,836	4,783,154
Health Care	0	1,140,339	1,212,335	0	0
Road & Bridge	792,315	755,731	792,328	1,432,978	1,616,561
Law enforcement	1,071,116	1,206,433	1,103,285	1,179,205	1,229,370
Solid waste	1,240,836	1,128,541	820,421	841,502	767,954
Bond payments	197,251	224,306	224,954	225,437	225,692
Capital lease payments	528,494	302,464	352,115	506,994	267,895
Capital improvements	5,207,790	7,354,731	1,010,130	1,114,075	478,587
Total Expenditures	13,727,692	16,191,586	9,208,773	\$9,804,027	\$9,369,213
Excess (Deficiency) of Revenues	1,506,735	-2,384,181	287,678	\$712,166	1,459,756
Fund balance at beginning of year	5,464,073	7,071,211	4,687,030	5,161,389	5,773,555
Prior period adjustment	100,403	0	0	-100,000	0
FUND BALANCE AT END OF YEAR	\$5,564,476	\$4,687,030	\$5,161,948	\$5,773,555	\$7,233,311

The large increase in property tax revenue since 2008 is the result of taxes paid on the county's \$635,000,000 worth of new construction, plus taxes generated by the voter-approved road and hospital levies. The Health Care expenses reported in 2009 and 2010 represent the voter-approved supplemental tax levies collected by the County and paid to the hospital. Since 2010, these taxes have been placed into an Agency Fund. The

increase in Road & Bridge expenses is due to the supplemental road levy. The large capital expenditures reported for 2008 and 2009 represent construction of the solid waste transfer station and the new courthouse.

During the current year, revenues totaled \$10,828,969 while expenses totaled \$9,369,213. Charts 1 and 2 illustrate the current year’s revenue and expense information.



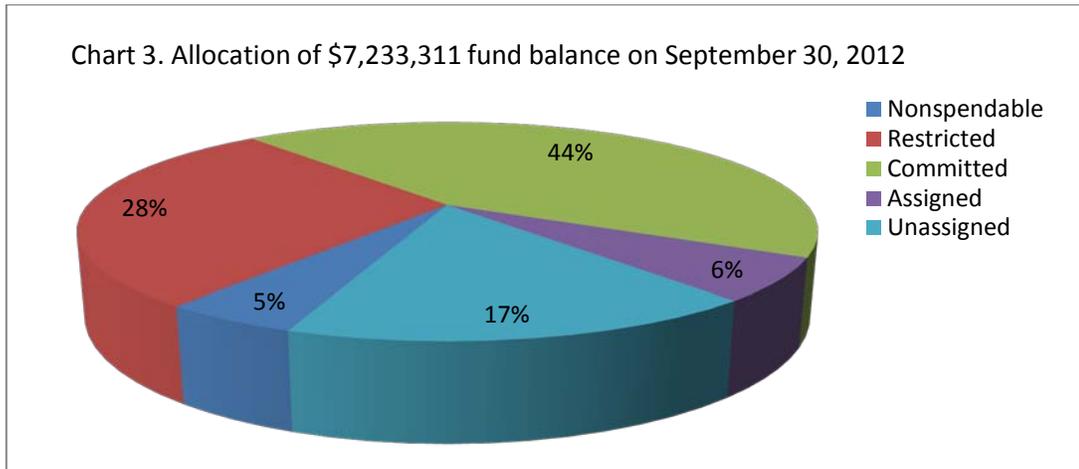
FUND FINANCIAL ANALYSIS

As noted earlier, Teton County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. Governmental fund information provides a useful measure of Teton County’s net resources available for spending at the end of the fiscal year. The Balance Sheet (*page 13*) shows the government-wide fund balances while Note #17 (*pages 33-34*) provides details about each fund balance.

At the end of the current fiscal year, Teton County’s governmental funds reported combined ending fund balances of \$7,233,311 with \$1,218,362 unassigned. This amount is available for spending at the County’s discretion. The remainder of the fund balance is not available for new spending because it is either: (1) held in trust as bonds for performance of development-related obligations and is nonspendable; (2) restricted for uses specified by state or local laws, voter initiative or granting entities; (3) committed to specific uses (County Commissioners may re-allocate these funds by unanimous resolution); or (4) assigned to specific intended uses. Chart 3 illustrates the breakout of the county’s current fund balance. More detailed information can be found on pages 33-34.

Chart 3. Allocation of \$7,233,311 fund balance on September 30, 2012



During the budgeting process, County Commissioners strive to maintain an unassigned fund balance equal to 25-33% of the next year's approved budget. This balance is necessary to provide sufficient liquidity and cash flow to enable governmental activities to continue into the new fiscal year prior to receipt of current year property taxes and other revenues. The Road & Bridge fund balance is maintained at a lower level because the first quarterly payment from the Highway Users Fund is received in October. The large committed balance represents the amount available for construction of the new law enforcement facility.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year the unassigned General Fund balance was \$1,219,463, which represents 36.1% of total General Fund expenditures.

ORIGINAL, FINAL & ACTUAL BUDGET AMOUNTS

Teton County follows all state budget laws and deadlines while preparing the annual budget. After the budget is adopted, specific needs within specific funds may change and unanticipated revenues may become available. Therefore, during any fiscal year, the adopted budget may be modified by resolution of the Commissioners, followed by a public hearing and budget opening prior to September 30, as required by state law.

CAPITAL ASSETS & LONG-TERM DEBT ACTIVITY

Capital Assets. Teton County's net investment in capital assets for its governmental activities as of September 30 is \$16,163,240. This is a decrease of \$470,217 from the previous year due to accumulated depreciation of \$852,043 as well as disposal/acquisition of \$381,826.

Major capital asset events during the current fiscal year included the following:

- Final payments were made on three road graders used by the Road & Bridge department.
- A 2009 grader was traded for a 2011 grader and a new long-term lease was executed.
- A long-term lease was executed for a new 2011 grader to replace a 1985 grader.
- A final payment was made for four vehicles purchased for the Sheriff in 2009.

Long-term debt. Teton County currently maintains long-term debt in the amount of \$3,184,390. This amount includes \$2,460,000 outstanding from the 20-year bond issued in November 2007 to fund construction of the solid waste transfer station. Another \$37,500 is due to the School District for the final payment for property purchased in 2011. Teton County's other capital lease obligations are itemized in Table 4. Additional information on Teton County's long-term debt can be found in Notes 7-10 (pages 26-28).

Table 4. Capital Lease Payments

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
2003 Cat Grader (Road & Bridge)	24,197					
2004 Cat Grader (Road & Bridge)	29,128					
2006 Cat Grader (Road & Bridge)	36,614					
2009 Grader (Road & Bridge)	30,093	159,716	0	0	0	0
2011 Grader (Road & Bridge)	28,743	28,743	28,743	28,743	160,000	
2011 Grader (Road & Bridge)	trade-in	27,766	27,766	27,766	27,766	160,000
Four vehicles (Sheriff)	41,750					
Eforce Software (Sheriff)	15,700	15,700	0	0	0	0
2009 Loader (Solid Waste)	24,169	24,169	50,000	0	0	0
TOTAL LEASE PAYMENTS	\$352,169	\$256,094	\$106,509	\$56,509	\$187,766	\$160,000

CONCLUSION

Current Status. Teton County is financially healthy. Recent voter-approved supplemental levies are paying for much-needed improvements to the county’s road system. Funds have been accumulated for construction of a law enforcement center to provide permanent offices for the dispatch center, Sheriff’s staff (including short-term prisoner holding cells), Prosecutor’s office, juvenile and adult probation departments, and the county’s emergency management coordinator. These offices are currently located in an 88-year-old leased building.

Administrative policies. During the past two years, the County Commissioners have adopted various administrative policies in order to standardize and simplify county administrative tasks by providing clear, written guidelines. The policies are intended to increase citizen confidence in county government, ensure that all applicable laws are followed, and prevent the misuse of public resources and funds. Many policies relate specifically to financial practices (e.g. Appropriate Use of County Funds, Cash Receipts, Petty Cash, etc.). The Ethics policy is reviewed and emphasized during the annual all-employee meeting.

Economic Factors. Teton Valley is a rural community nestled in the southern Greater Yellowstone Ecosystem. The history of the valley began with seasonal use by Native Americans, followed by white trappers and hunters, then homesteading settlers, and most recently, by settlers desiring the lifestyle and recreational opportunities available in Teton Valley.

In 1920, Teton County’s population was 3,921. By 1960 the population had dwindled to 2,639 and local leaders sought a way to improve the economy. They led the effort to build a ski lift and other facilities on Fred’s Mountain in the Teton range. Grand Targhee Resort opened for business in December, 1969 and continues to be the catalyst for much of the economic activity in Teton County. The valley’s proximity to Grand Teton and Yellowstone National Parks, and Jackson Hole, Wyoming also attracts tourists and second-home owners. By 2010, the valley held 10,170 residents and 36% of the county’s total personal income came from non-labor sources such as retirement payments, investment dividends, social security and similar sources.

From 2000-2010, Teton County experienced its largest ever boom/bust cycle and its population of 5,999 grew to 10,170. Thousands of new subdivision lots were created and hundreds of spec homes were built. Property values increased dramatically during the first seven years of the decade and have declined just as dramatically since then. Jobs related to building, development and real estate have disappeared and families have moved away to find work. The county’s foreclosure rate went from 15-20 per year to a peak of over 250 in 2010. It declined below 150 in 2012.

Nonetheless, Teton County remains a beautiful place with mountains, clean water, fresh air, abundant wildlife, a friendly, rural community and world class outdoor recreation opportunities. These amenities, plus the depressed real estate prices, seem to have attracted new residents to replace those who have left. The U.S.

Census shows the county’s population to have been stable during the past two years and the School District reported an increase in student enrollment for the fall of 2012.

In 2008, just 49% of the property taxes were paid by the Dec. 20 deadline, compared to 57% paid by Dec. 20, 2012. The increase in timely payment may indicate that Teton County property owners are enjoying improved financial stability and the declining foreclosure rate may indicate that the county’s excess housing inventory is being absorbed. However, large numbers of vacant lots remain unsold and continue to depress land prices. Teton County’s economy will not be recovered until property values stabilize and vacant commercial spaces are occupied by profitable businesses.

Future Considerations. Although construction of the new law enforcement center is fully funded, the FY 2014 budget will require additional funding for furnishings, fixtures, shelving, window coverings, appliances, etc. Relocating the dispatch center computers, radios and other equipment will be expensive.

In 2007 Teton County closed its landfill and began operating a solid waste transfer station. The closure involved “capping” the landfill with a thick layer of topsoil planted to native grasses. In 2010 leachate was discovered leaking from the landfill. Temporary remediation measures have been in place since then. The permanent repair or replacement of the landfill cap will cost anywhere from \$100,000 to \$2,000,000, depending upon the measures required. The County’s Solid Waste Self Assurance fund holds \$300,000 which could be spent on this project; paying for more expensive repairs would present a significant budgetary challenge. Grants and loans may be available.

In 2002 Teton County executed a Joint Powers Agreement with Madison, Fremont, Jefferson and Clark counties in order to provide and pay for the detention of juvenile offenders. Money was borrowed to build the Five County Juvenile Detention Facility and is being repaid in annual installments. Annual expenses are funded by the partner counties and by per diem payments received from state and Federal governments for the housing and treatment of their juvenile offenders. In 2008/2009 the loss of state juveniles and their accompanying payments resulted in a budget crisis which was resolved by reducing staff levels and other expenses, by recruiting additional Federal juveniles, and by increasing the amounts paid by partner counties. Future Federal budget cuts may threaten the solvency of the facility. If per diem Federal payments are reduced, partner counties will be required to make up any shortfall. This would impact future Teton County budgets.

Elected Officials. Table 5 provides the names and titles of Teton County elected officials who held office on September 30, 2012.

Table 4. Teton County elected officials

Title	Office Holder	Term Ends
Commissioner, District #1	Bob Benedict	Jan 2013
Commissioner, District #2	Kathy Rinaldi	Jan 2015
Commissioner, District #3	Kelly Park	Jan 2013
Assessor	Bonnie Beard	Jan 2015
Clerk, Auditor, Recorder	Mary Lou Hansen	Jan 2015
Prosecuting Attorney	Kathy Spitzer	Jan 2013
Sheriff	Tony Liford	Jan 2013
Treasurer	Bonnie Hatch	Jan 2015
Magistrate Judge	vacant	
District Judge	Greg Moeller	Jan 2015

Requests for Information. This financial report is designed to provide a general overview of Teton County’s finances. Any questions or requests for additional information should be directed to County Clerk Mary Lou Hansen at the Teton County Clerk’s Office, 150 Courthouse Drive #208, Driggs, Idaho 83422, by phone at 208-354-8780 or by email at clerk@co.teton.id.us. – Mary Lou Hansen, Teton County Auditor, Jan. 31, 2013

BASIC FINANCIAL STATEMENTS

TETON COUNTY, IDAHO
Statement of Net Assets
September 30, 2012

	<u>Governmental Activities</u>	<u>Component Unit</u>
Assets		
Current Assets		
Cash and investments	\$ 7,634,361	\$ 4,004,458
Receivables:		
Accounts receivable (net of allowance for doubtful accounts and contractual adjustments of \$1,798,000)	-	1,889,418
Estimated third-party payor settlements		320,000
Property taxes	929,983	187,518
Other receivables	35,435	80,676
Inventory	-	529,884
Prepaid expenses and other assets	-	83,357
Bond discount (net of amortization of \$1,560)	5,843	-
Bond issuance costs (net of amortization of \$10,248)	38,432	-
Capital contributions	-	14,626
Deferred financing costs	-	16,835
Total Current Assets	<u>8,644,054</u>	<u>7,126,772</u>
Capital Assets		
Nondepreciable capital assets	2,401,538	92,671
Depreciable capital assets	18,082,566	9,247,478
Accumulated depreciation	(4,320,864)	(6,518,637)
Total Capital Assets	<u>16,163,240</u>	<u>2,821,512</u>
Total Assets	<u>\$ 24,807,294</u>	<u>\$ 9,948,284</u>
Liabilities		
Current Liabilities:		
Accounts payable	\$ -	\$ 342,505
Warrants outstanding	507,190	-
Accrued liabilities	106,899	829,612
Other liabilities	-	105,000
Current portion of long-term obligations	387,681	163,647
Total Current Liabilities	<u>1,001,770</u>	<u>1,440,764</u>
Noncurrent Portion of Long-term Obligations	<u>2,796,709</u>	<u>674,887</u>
Total Liabilities	<u>\$ 3,798,479</u>	<u>\$ 2,115,651</u>
Net Assets		
Invested in capital assets, net of related debt	13,023,125	2,130,923
Restricted for capital acquisition	-	989,173
Unrestricted	7,985,690	4,712,537
Total Net Assets	<u>\$ 21,008,815</u>	<u>\$ 7,832,633</u>

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

TETON COUNTY, IDAHO
Statement of Activities
For the Year Ended September 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Component Unit
Primary Government						
Governmental Activities						
General and administrative	\$ 5,026,042	\$ 857,904	\$ 649,173	\$ -	\$ (3,518,965)	\$ -
Road and bridge	1,935,541	1,050	1,036,082	-	(898,409)	-
Law enforcement	1,348,248	84,232	-	-	(1,264,016)	-
Solid waste	1,075,948	1,341,564	-	-	265,616	-
Total Governmental Activities	9,385,779	2,284,750	1,685,255	-	(5,415,774)	-
Total Primary Government	\$ 9,385,779	\$ 2,284,750	\$ 1,685,255	\$ -	(5,415,774)	-
Component Unit						
General and administrative	\$ 12,793,231	\$ 13,438,927	\$ 72,470	\$ 188,966	-	907,132
Interest on long-term debt	59,848	-	-	-	-	(59,848)
Total Component Unit	\$ 12,853,079	\$ 13,438,927	\$ 72,470	\$ 188,966	-	847,284
General Revenues						
Taxes:						
Property taxes levied for general purposes					5,517,453	-
Property taxes levied for capital purchases					-	1,067,303
State and federal payments					674,385	-
Investment earnings					22,587	1,463
Gain on disposal of capital assets					12,825	6,233
Miscellaneous					504,042	-
Total General Revenues					6,731,292	1,074,999
Changes in Net Assets					1,315,518	1,922,283
Original net assets - beginning					19,693,297	5,910,350
Net Assets - Ending					\$ 21,008,815	\$ 7,832,633

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

TETON COUNTY, IDAHO
Balance Sheet
Governmental Funds
September 30, 2012

	General Fund	Road and Bridge Fund	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Investments	\$ 1,322,014	\$ 319,978	\$ 401,268	\$ 5,591,101	\$ 7,634,361
Receivables					
Property taxes	435,949	14,922	82,251	396,861	929,983
Other receivables	-	-	-	35,435	35,435
Total Assets	<u>\$ 1,757,963</u>	<u>\$ 334,900</u>	<u>\$ 483,519</u>	<u>\$ 6,023,397</u>	<u>\$ 8,599,779</u>
Liabilities and Fund Equity					
Liabilities					
Warrants outstanding	\$ 112,122	\$ 37,022	\$ 42,014	\$ 316,032	\$ 507,190
Accrued liabilities	71,483	13,602	7,519	14,295	106,899
Other liabilities	-	-	-	-	-
Deferred revenue	354,895	12,166	64,653	320,665	752,379
Total Liabilities	<u>538,500</u>	<u>62,790</u>	<u>114,186</u>	<u>650,992</u>	<u>1,366,468</u>
Fund Balances					
Nonspendable	-	-	-	350,394	350,394
Restricted	-	272,110	-	1,785,789	2,057,899
Committed	-	-	369,333	2,791,094	3,160,427
Assigned	-	-	-	446,229	446,229
Unassigned	1,219,463	-	-	(1,101)	1,218,362
Total Fund Balances	<u>1,219,463</u>	<u>272,110</u>	<u>369,333</u>	<u>5,372,405</u>	<u>7,233,311</u>
Total Liabilities and Fund Balances	<u>\$ 1,757,963</u>	<u>\$ 334,900</u>	<u>\$ 483,519</u>	<u>\$ 6,023,397</u>	<u>\$ 8,599,779</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, 2012

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

Total Fund Balance - Governmental Funds	\$ 7,233,311
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is \$20,484,104 and the accumulated depreciation is \$4,320,864.	16,163,240
Certain receivables are not financial resources and are reported as deferred revenues:	
Property tax deferred revenue	752,379
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Long-term debt	(3,184,390)
Bond discount (net of amortization of \$1,560)	5,843
Bond issuance costs (net of amortization of \$10,248)	<u>38,432</u>
Total Net Assets - Governmental Activities	<u>\$ 21,008,815</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, 2012

	General Fund	Road and Bridge Fund	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 2,818,904	\$ 201,399	\$ -	\$ 2,637,647	\$ 5,657,950
State liquor fund	75,351	-	-	-	75,351
State sales tax	426,378	-	-	-	426,378
State highway users fund	-	885,041	-	-	885,041
Other state revenues	26,028	-	-	133,094	159,122
Federal funds	13,534	85,173	-	101,915	200,622
Juvenile justice funds	-	-	-	57,759	57,759
Solid waste user fees	-	-	1,341,564	-	1,341,564
Licenses, permits and other fees	414,432	1,050	-	527,704	943,186
Interest earned	19,020	-	-	3,567	22,587
Miscellaneous	504,042	65,868	-	489,499	1,059,409
Total Revenues	4,297,689	1,238,531	1,341,564	3,951,185	10,828,969
Expenditures					
General and administrative	2,232,796	-	-	2,550,358	4,783,154
Road and bridge	-	856,735	-	759,826	1,616,561
Law enforcement	1,061,398	-	-	167,972	1,229,370
Solid waste	-	-	767,954	-	767,954
Bond payments	-	-	225,692	-	225,692
Building note payments	37,500	-	-	-	37,500
Capital lease payments	41,750	148,776	24,169	15,700	230,395
Capital improvements	6,141	181,496	133,071	157,879	478,587
Total Expenditures	3,379,585	1,187,007	1,150,886	3,651,735	9,369,213
Excess (Deficiency) of Revenues					
Over Expenditures	918,104	51,524	190,678	299,450	1,459,756
Other Financing Sources (Uses):					
Proceeds from financing sources	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-
Transfers in	-	115,656	-	948,100	1,063,756
Transfers out	(788,756)	(35,000)	(240,000)	-	(1,063,756)
Total Other Financing Sources	(788,756)	80,656	(240,000)	948,100	-
Excess (Deficiency) of Revenues					
and Other Sources Over					
Expenditures and Other Uses	129,348	132,180	(49,322)	1,247,550	1,459,756
Fund balance at beginning					
of the year	1,090,115	139,930	418,655	4,124,855	5,773,555
Fund Balance at End of Year					
	\$ 1,219,463	\$ 272,110	\$ 369,333	\$ 5,372,405	\$ 7,233,311

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, 2012

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

Net Changes in Fund Balances - Total Governmental Funds \$ 1,459,756

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	478,587
Gain on disposal of capital asset	12,825
Depreciation expense	(852,043)

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

Property taxes	(140,497)
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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	359,845
Amortization of bond discount	(390)
Amortization of bond issuance costs	<u>(2,565)</u>

Change in Net Assets of Governmental Activities \$ 1,315,518

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

TETON COUNTY, IDAHO
Statement of Fiduciary Net Assets
Agency Funds
September 30, 2012

Assets

Cash and Investments	\$ 173,199
Receivables	
Property taxes	<u>3,229</u>
Total Assets	<u>\$ 176,428</u>

Liabilities

Warrants outstanding	\$ 163,266
Deferred reveune	-
Due to other agencies	<u>13,162</u>
Total Liabilities	<u>\$ 176,428</u>

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

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2012

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, 2012

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, 2012

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, 2012

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, 2012, the County amended its budgets.

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, 2012

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, 2012, the carrying amount of the County's deposits was \$6,080,512 and the respective bank balances totaled \$5,850,006. Of the bank balances all were insured.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2012

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, 2012, 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, 2012, 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, 2012 was \$1,726,127.
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, 2012, 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, 2012:

Petty cash	\$ 921
Bank deposits and CD's	6,080,512
State treasurer's pool	<u>1,726,127</u>
Total	<u>\$ 7,807,560</u>
Cash and investments - governmental funds	\$ 7,634,361
Cash and investments - agency funds	<u>173,199</u>
Total	<u>\$ 7,807,560</u>

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2012

3. Capital Assets

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

	Balance September 30, 2011	Additions	Dispositions	Balance September 30, 2012
Non depreciable assets – land	2,401,538	-	-	2,401,538
Buildings	11,175,547	23,176	-	11,198,723
Infrastructure	1,802,227	105,005	-	1,907,232
Equipment	4,771,346	350,407	145,142	4,976,611
Total buildings and equipment	17,749,120	478,588	145,142	18,082,566
Total	20,150,658	478,588	145,142	20,484,104
Accumulated Depreciation	3,517,201	852,043	48,380	4,320,864

Depreciation expense was charged to the government activities as follows:

General and administrative	\$ 242,888
Law enforcement	115,974
Road and bridge	297,841
Solid waste	195,340
	<hr/>
Total	\$ 852,043

4. Taxes Receivable

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

Property taxes attach as an enforceable lien as of December 20th 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, 2012

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.

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 \$276,684, \$272,864, and \$270,673 for the three years ended September 30, 2012, 2011, and 2010, respectively.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2012

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	<u>\$ 1,830,841</u>	<u>\$ 686,890</u>

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, 2012:

Year Ending September 30,	<u>Capital Lease Obligation</u>
2013	\$ 256,094
2014	106,509
2015	56,510
2016	187,766
2017	<u>160,000</u>
Total minimum lease payments	766,879
Less amount representing interest	<u>79,989</u>
Present value of minimum lease payments	686,890
Current portion of present value	<u>225,181</u>
Long-term portion of present value	<u>\$ 461,709</u>

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2012

7. Obligations under Capital Leases (continued)

Interest expense on capital leases for the year ended September 30, 2012 was \$34,414. Interest expense was charged to the government activities as follows:

General and administrative	\$ -
Law enforcement	2,904
Road and bridge	21,139
Solid waste	<u>4,008</u>
 Total	 <u>\$ 28,051</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	\$ 2,460,000
Less current maturities of long-term debt	<u>125,000</u>
Long-term debt net of current maturities	<u>\$ 2,335,000</u>

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

Year Ending September 30,	Principal	Interest	Total
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
2017	145,000	79,756	224,756
Thereafter	<u>1,795,000</u>	<u>434,444</u>	<u>2,229,444</u>
	<u>\$ 2,460,000</u>	<u>\$ 887,413</u>	<u>\$ 3,347,413</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, 2012

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, a payment of \$37,500 in 2012 and the remaining \$37,500 in 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, 2011	Obligations Incurred	Obligations Paid	Long-term Obligations September 30, 2012	Current Portion
Obligations under capital lease	\$ 998,822	\$ -	\$ 311,932	\$ 686,890	\$ 225,181
Building note	75,000	-	37,500	37,500	37,500
Revenue bonds	<u>2,580,000</u>	<u>-</u>	<u>120,000</u>	<u>2,460,000</u>	<u>125,000</u>
	<u>\$ 3,653,822</u>	<u>\$ -</u>	<u>\$ 469,432</u>	<u>\$ 3,184,390</u>	<u>\$ 387,681</u>

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2012

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	\$ -	\$ 788,756
Road & bridge fund	115,656	35,000
Building fund	670,000	-
Road reserve fund	35,000	-
Special projects fund	3,100	-
Solid waste fund	-	240,000
Solid waste reserve fund	240,000	-
	<u>\$ 1,063,756</u>	<u>\$ 1,063,756</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	\$ 4,297,689	\$ (78,484)	\$ 4,219,205
Total expenditures	3,379,585	5,960	3,385,545
Road and bridge fund:			
Total revenues	1,238,531	8,736	1,247,267
Total expenditures	1,187,007	(17,952)	1,169,055
Solid waste fund:			
Total revenues	1,341,564	(8,696)	1,332,868
Total expenditures	1,150,886	2,211	1,153,097

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2012

13. Other Required Individual Fund Disclosures

The following funds had a fund balance deficit at September 30, 2012:

Auditors Trust Fund.....\$1,101

The deficit was due to funds that came in after the end of the fiscal year. This deficit is expected to be eliminated in the next fiscal year

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, 2012

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 2012 in the amount of approximately \$265,000 for various operational and capital support.

The Foundation's condensed balance sheet at September 30, 2012 is summarized as follows:

Assets	
Cash and investments	\$ 311,057
Inventories	46,106
Property and equipment, net	88,423
Total assets	<u>\$ 445,586</u>
Liabilities	
Accrued expenses and other current liabilities	\$ 54,690
Long-term debt	103,362
Total liabilities	<u>158,052</u>
Net assets	
Temporarily restricted	26,475
Unrestricted	261,059
Total net assets	<u>287,534</u>
Total liabilities and net assets	<u>\$ 445,586</u>

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2012

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, 2012 is summarized as follows:

Thrift store revenue	\$ 241,422
Special event revenue, net of expense of \$10,948	12,769
Donations and grants	205,935
Other revenue	344
Total revenues	<u>460,470</u>
Expenses	
Contributions to hospital	231,183
Other expense	216,393
Total expenses	<u>447,576</u>
Change in net assets	12,894
Net assets, beginning of year	<u>274,640</u>
Net assets, end of year	<u>\$ 287,534</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 County Commissioner 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, 2012

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>
Fund Balances:					
Nonspendable:					
Planning and zoning	-	-	-	350,394	350,394
Restricted for:					
Road and bridge	-	272,110	-	-	272,110
Ambulance	-	-	-	354,444	354,444
Teton valley arena	-	-	-	247,207	247,207
Grants	-	-	-	50	50
Veterans memorial	-	-	-	-	-
Interlock	-	-	-	11,352	11,352
Domestic violence	-	-	-	2,825	2,825
Prosecuting attorney	-	-	-	18,314	18,314
Youth program	-	-	-	1,709	1,709
Waterways	-	-	-	16,249	16,249
Mosquito	-	-	-	172,389	172,389
Emergency comm	-	-	-	111,343	111,343
Impact fees - rec	-	-	-	11,157	11,157
Impact fees - sheriff	-	-	-	22,429	22,429
Impact fees - EMS	-	-	-	2,938	2,938
Impact fees - circulation	-	-	-	111,610	111,610
County hospital	-	-	-	78	78
Court facility	-	-	-	9,262	9,262
Court fines and fees	-	-	-	1,440	1,440

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2012

17. Fund Balances (continued)

Drug court	-	-	-	5,343	5,343
Dare trust	-	-	-	6,161	6,161
Court restitution	-	-	-	6,485	6,485
Court bonds	-	-	-	7,521	7,521
Road special	-	-	-	544,756	544,756
Road improvement	-	-	-	120,727	120,727
Committed to:					
Solid waste	-	-	369,333	-	369,333
District court and juv				231,721	231,721
Indigent and charity	-	-	-	131,873	131,873
Revaluation	-	-	-	32,768	32,768
Tort	-	-	-	70,876	70,876
Weed	-	-	-	62,246	62,246
Fair board	-	-	-	28,270	28,270
Housing	-	-	-	10,750	10,750
Special planning	-	-	-	3,324	3,324
Solid waste	-	-	-	300,000	300,000
Elections	-	-	-	45,058	45,058
Building	-	-	-	1,874,208	1,874,208
Assigned to:					
Road and bridge	-	-	-	36,215	36,215
Solid waste	-	-	-	240,668	240,668
Employee benefit	-	-	-	169,346	169,346
Unassigned:	1,219,463	-	-	(1,101)	1,218,362
Total fund balances	<u>1,219,463</u>	<u>272,110</u>	<u>369,333</u>	<u>5,372,405</u>	<u>7,233,311</u>

18. Subsequent Events

Subsequent to the end of the year the County's Component Unit, Teton Valley Hospital formed a not-for profit corporation and transferred all of its liquid assets into the corporation. It started operating as a separate entity on January 1, 2013. The County retained the land, building and improvements of the Hospital and entered into a Ninety-nine year lease agreement to lease it back to the Hospital at a base amount of ten dollars per year. The Hospital will no longer be a component unit after the next fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

TETON COUNTY, IDAHO
Budgetary Comparison Schedule
General Fund
September 30, 2012

	Original and Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues			
Property taxes	\$ 2,550,068	\$ 2,740,420	\$ 190,352
State liquor fund	85,000	75,351	(9,649)
State sales tax	375,000	426,378	51,378
Other state revenues	25,000	26,028	1,028
Federal funds	8,000	13,534	5,534
Licenses, permits and other fees	362,135	414,432	52,297
Interest earned	15,000	19,020	4,020
Miscellaneous	129,135	504,042	374,907
Total Revenues	3,549,338	4,219,205	669,867
Expenditures			
General and administrative	2,377,962	2,238,756	139,206
Law enforcement	1,092,126	1,061,398	30,728
Building note payments	37,500	37,500	
Capital lease payments	41,750	41,750	-
Capital improvements	-	6,141	(6,141)
Total Expenditures	3,549,338	3,385,545	163,793
Excess (Deficiency) of Revenues Over Expenditures			
	-	833,660	833,660
Other Financing Sources (Uses):			
Transfers out	-	(788,756)	(788,756)
Total Other Financing Sources	-	(788,756)	(788,756)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses			
	-	44,904	44,904
Fund Balance at Beginning of Year			
	-	1,312,153	1,312,153
Fund Balance at End of Year			
	\$ -	\$ 1,357,057	\$ 1,357,057

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Budgetary Comparison Schedule
Road and Bridge Fund
September 30, 2012

	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues				
Property taxes	\$ 119,419	\$ 192,927	\$ 210,135	\$ 17,208
State highway users fund	900,000	900,000	885,041	(14,959)
Other state revenues	-	-	-	-
Federal funds	85,000	85,000	85,173	173
Licenses, permits and other fees	-	-	1,050	1,050
Miscellaneous	1,200	1,200	65,868	64,668
Total Revenues	1,105,619	1,179,127	1,247,267	68,140
Expenditures				
Road and bridge	792,312	851,164	838,783	12,381
Capital lease payments	271,111	271,111	148,776	122,335
Capital improvements	42,196	56,852	181,496	(124,644)
Total Expenditures	1,105,619	1,179,127	1,169,055	10,072
Excess (Deficiency) of Revenues				
Over Expenditures	-	-	78,212	78,212
Other Financing Sources (Uses):				
Proceeds from capital leases	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	115,656	115,656
Transfers out	-	-	(35,000)	(35,000)
Total Other Financing Sources	-	-	80,656	80,656
Excess (Deficiency) of Revenues				
and Other Sources Over				
Expenditures and Other Uses	-	-	158,868	158,868
Fund Balance at Beginning of Year	-	-	224,416	224,416
Fund Balance at End of Year	\$ -	\$ -	\$ 383,284	\$ 383,284

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Budgetary Comparison Schedule
Solid Waste Fund
September 30, 2012

	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues				
Licenses, permits and other fees	\$ 1,182,447	\$ 1,342,494	\$ 1,332,868	\$ (9,626)
Total Revenues	<u>1,182,447</u>	<u>1,342,494</u>	<u>1,332,868</u>	<u>(9,626)</u>
Expenditures				
Solid waste	837,547	881,518	770,165	111,353
Bond payments	225,700	225,700	225,692	8
Capital lease payments	24,200	24,200	24,169	31
Capital improvements	95,000	211,076	133,071	78,005
Total Expenditures	<u>1,182,447</u>	<u>1,342,494</u>	<u>1,153,097</u>	<u>189,397</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>179,771</u>	<u>179,771</u>
Other Financing Sources (Uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(240,000)</u>	<u>(240,000)</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(240,000)</u>	<u>(240,000)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>(60,229)</u>	<u>(60,229)</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>449,718</u>	<u>449,718</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,489</u>	<u>\$ 389,489</u>

See Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

TETON COUNTY, IDAHO
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2012

	Special Revenue Funds			
	Road and Bridge Capital Fund	District Court and Juvenile Probation Fund	Elections State Fund	Indigent and Charity Fund
Assets				
Cash and investments	\$ 36,215	\$ 201,347	\$ 45,196	\$ 131,740
Receivables				
Property taxes	-	48,662	-	932
Other receivables	-	35,435	-	-
Total Assets	<u>\$ 36,215</u>	<u>\$ 285,444</u>	<u>\$ 45,196</u>	<u>\$ 132,672</u>
Liabilities and Fund Equity				
Liabilities				
Warrants outstanding	\$ -	\$ 5,104	\$ 138	\$ 30
Accrued liabilities	-	8,959	-	-
Other liabilities	-	-	-	-
Deferred revenue	-	39,660	-	769
Total Liabilities	<u>-</u>	<u>53,723</u>	<u>138</u>	<u>799</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	231,721	45,058	131,873
Assigned	36,215	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>36,215</u>	<u>231,721</u>	<u>45,058</u>	<u>131,873</u>
Total Liabilities and Fund Balances	<u>\$ 36,215</u>	<u>\$ 285,444</u>	<u>\$ 45,196</u>	<u>\$ 132,672</u>

(continued)

See Independent Auditors' Report.

Special Revenue Funds

Revaluation Fund	Special Planning Projects Fund	Solid Waste Self Assurance Fund	Tort Fund	Solid Waste Capital Fund	Weed Fund
\$ 40,089	\$ 19,894	\$ 300,000	\$ 67,234	\$ 240,668	\$ 92,846
19,537	-	-	19,775	-	11,418
-	-	-	-	-	-
<u>\$ 59,626</u>	<u>\$ 19,894</u>	<u>\$ 300,000</u>	<u>\$ 87,009</u>	<u>\$ 240,668</u>	<u>\$ 104,264</u>
\$ 10,920	\$ 16,570	\$ -	\$ -	\$ -	\$ 32,280
-	-	-	-	-	415
-	-	-	-	-	-
15,938	-	-	16,133	-	9,323
<u>26,858</u>	<u>16,570</u>	<u>-</u>	<u>16,133</u>	<u>-</u>	<u>42,018</u>
-	-	-	-	-	-
-	-	-	-	-	-
32,768	3,324	300,000	70,876	-	62,246
-	-	-	-	240,668	-
-	-	-	-	-	-
<u>32,768</u>	<u>3,324</u>	<u>300,000</u>	<u>70,876</u>	<u>240,668</u>	<u>62,246</u>
<u>\$ 59,626</u>	<u>\$ 19,894</u>	<u>\$ 300,000</u>	<u>\$ 87,009</u>	<u>\$ 240,668</u>	<u>\$ 104,264</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2012

	Special Revenue Funds			
	Road Special Fund	Prosecuting Attorneys Fund	Building Fund	Road Improvement Fund
Assets				
Cash and investments	\$ 539,014	\$ 18,314	\$ 1,924,375	\$ 120,727
Receivables				
Property taxes	126,608	-	12,121	-
Other receivables	-	-	-	-
Total Assets	<u>\$ 665,622</u>	<u>\$ 18,314</u>	<u>\$ 1,936,496</u>	<u>\$ 120,727</u>
Liabilities and Fund Equity				
Liabilities				
Warrants outstanding	\$ 15,466	\$ -	\$ 52,404	\$ -
Accrued liabilities	2,196	-	-	-
Other liabilities	-	-	-	-
Deferred revenue	103,204	-	9,884	-
Total Liabilities	<u>120,866</u>	<u>-</u>	<u>62,288</u>	<u>-</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	544,756	18,314	-	120,727
Committed	-	-	1,874,208	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>544,756</u>	<u>18,314</u>	<u>1,874,208</u>	<u>120,727</u>
Total Liabilities and Fund Balances	<u>\$ 665,622</u>	<u>\$ 18,314</u>	<u>\$ 1,936,496</u>	<u>\$ 120,727</u>

(continued)

See Independent Auditors' Report.

Special Revenue Funds

Emergency Communica- tion Fund	Teton County Ambulance Service District	Mosquito Abatement District Fund	Waterways Fund	Housing Authority Fund	County Hospital Fund
\$ 119,148	\$ 338,033	\$ 161,311	\$ 16,730	\$ 10,750	\$ 78
-	96,153	58,969	-	-	-
-	-	-	-	-	-
<u>\$ 119,148</u>	<u>\$ 434,186</u>	<u>\$ 220,280</u>	<u>\$ 16,730</u>	<u>\$ 10,750</u>	<u>\$ 78</u>
\$ 7,218	\$ 3,346	\$ 323	\$ 481	\$ -	\$ -
587	-	420	-	-	-
-	-	-	-	-	-
-	76,396	47,148	-	-	-
<u>7,805</u>	<u>79,742</u>	<u>47,891</u>	<u>481</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
111,343	354,444	172,389	16,249	-	78
-	-	-	-	10,750	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>111,343</u>	<u>354,444</u>	<u>172,389</u>	<u>16,249</u>	<u>10,750</u>	<u>78</u>
<u>\$ 119,148</u>	<u>\$ 434,186</u>	<u>\$ 220,280</u>	<u>\$ 16,730</u>	<u>\$ 10,750</u>	<u>\$ 78</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2012

	Special Revenue Funds			
	Teton Valley Arena Fund	Grants Fund	Impact Fees - Recreation Facilities	Impact Fees - Sheriff Facilities
Assets				
Cash and investments	\$ 247,267	\$ 14,710	\$ 11,157	\$ 22,429
Receivables				
Property taxes	-	-	-	-
Other receivables	-	-	-	-
Total Assets	<u>\$ 247,267</u>	<u>\$ 14,710</u>	<u>\$ 11,157</u>	<u>\$ 22,429</u>
Liabilities and Fund Equity				
Liabilities				
Warrants outstanding	\$ 60	\$ 12,942	\$ -	\$ -
Accrued liabilities	-	1,718	-	-
Other liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>60</u>	<u>14,660</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	247,207	50	11,157	22,429
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>247,207</u>	<u>50</u>	<u>11,157</u>	<u>22,429</u>
Total Liabilities and Fund Balances	<u>\$ 247,267</u>	<u>\$ 14,710</u>	<u>\$ 11,157</u>	<u>\$ 22,429</u>

(continued)

See Independent Auditors' Report.

Special Revenue

Impact Fees - EMS Facilities	Impact Fees - Circulation Facilities	Fair Board Fund	Veterans Memorial Fund	Court Restitution Fund	Court Bonds Fund
\$ 2,938	\$ 111,610	\$ 34,508	\$ -	\$ 9,458	\$ 11,381
-	-	2,686	-	-	-
-	-	-	-	-	-
<u>\$ 2,938</u>	<u>\$ 111,610</u>	<u>\$ 37,194</u>	<u>\$ -</u>	<u>\$ 9,458</u>	<u>\$ 11,381</u>
\$ -	\$ -	\$ 6,714	\$ -	\$ 2,973	\$ 3,860
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,210	-	-	-
-	-	8,924	-	2,973	3,860
-	-	-	-	-	-
2,938	111,610	-	-	6,485	7,521
-	-	28,270	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,938</u>	<u>111,610</u>	<u>28,270</u>	<u>-</u>	<u>6,485</u>	<u>7,521</u>
<u>\$ 2,938</u>	<u>\$ 111,610</u>	<u>\$ 37,194</u>	<u>\$ -</u>	<u>\$ 9,458</u>	<u>\$ 11,381</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2012

	Special Revenue Fund			
	Interlock/ Monitoring Fund	Domestic Violence Eval Fund	Youth Program Fund	Auditors Trust Fund
Assets				
Cash and investments	\$ 11,352	\$ 2,825	\$ 1,709	\$ 4,265
Receivables				
Property taxes	-	-	-	-
Other receivables	-	-	-	-
Total Assets	<u>\$ 11,352</u>	<u>\$ 2,825</u>	<u>\$ 1,709</u>	<u>\$ 4,265</u>
Liabilities and Fund Equity				
Liabilities				
Warrants outstanding	\$ -	\$ -	\$ -	\$ 5,366
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,366</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	11,352	2,825	1,709	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(1,101)
Total Fund Balances (Deficits)	<u>11,352</u>	<u>2,825</u>	<u>1,709</u>	<u>(1,101)</u>
Total Liabilities and Fund Balances	<u>\$ 11,352</u>	<u>\$ 2,825</u>	<u>\$ 1,709</u>	<u>\$ 4,265</u>

(continued)

See Independent Auditors' Report.

Expendable Trust Funds

Drug Court Trust Fund	Court Facility Trust Fund	Court Fines and Fees Fund	Teton County Motor Bonds Fund	Employee Benefit Fund	Dare Trust Fund	Planning and Zoning Trust Fund	Total Nonmajor Governmental Funds
\$ 5,343	\$ 9,262	\$ 28,367	\$ 110,747	\$ 169,346	\$ 6,161	\$ 352,557	\$ 5,591,101
-	-	-	-	-	-	-	396,861
-	-	-	-	-	-	-	35,435
<u>\$ 5,343</u>	<u>\$ 9,262</u>	<u>\$ 28,367</u>	<u>\$ 110,747</u>	<u>\$ 169,346</u>	<u>\$ 6,161</u>	<u>\$ 352,557</u>	<u>\$ 6,023,397</u>
\$ -	\$ -	\$ 26,927	\$ 110,747	\$ -	\$ -	\$ 2,163	\$ 316,032
-	-	-	-	-	-	-	14,295
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	320,665
<u>-</u>	<u>-</u>	<u>26,927</u>	<u>110,747</u>	<u>-</u>	<u>-</u>	<u>2,163</u>	<u>650,992</u>
-	-	-	-	-	-	350,394	350,394
5,343	9,262	1,440	-	-	6,161	-	1,785,789
-	-	-	-	-	-	-	2,791,094
-	-	-	-	169,346	-	-	446,229
-	-	-	-	-	-	-	(1,101)
<u>5,343</u>	<u>9,262</u>	<u>1,440</u>	<u>-</u>	<u>169,346</u>	<u>6,161</u>	<u>350,394</u>	<u>5,372,405</u>
<u>\$ 5,343</u>	<u>\$ 9,262</u>	<u>\$ 28,367</u>	<u>\$ 110,747</u>	<u>\$ 169,346</u>	<u>\$ 6,161</u>	<u>\$ 352,557</u>	<u>\$ 6,023,397</u>

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2012

	Special Revenue Funds			
	Road and Bridge Capital Fund	District Court and Juvenile Probation Fund	Elections State Fund	Indigent and Charity Fund
Revenues				
Property taxes	\$ -	\$ 317,587	\$ -	\$ 14,404
Other state revenues	-	-	63,254	-
Federal funds	-	753	-	-
Juvenile justice funds	-	57,759	-	-
Licenses, permits and other fees	-	63,380	-	-
Interest earned	-	-	-	-
Miscellaneous	-	8,820	-	1,825
Total Revenues	<u>-</u>	<u>448,299</u>	<u>63,254</u>	<u>16,229</u>
Expenditures				
General and administrative	-	469,980	31,660	29,656
Road and bridge	-	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	-
Total Expenditures	<u>-</u>	<u>469,980</u>	<u>31,660</u>	<u>29,656</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(21,681)</u>	<u>31,594</u>	<u>(13,427)</u>
Other Financing Sources (Uses):				
Proceeds from financing sources	-	-	-	-
Transfers in	35,000	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>35,000</u>	<u>(21,681)</u>	<u>31,594</u>	<u>(13,427)</u>
Fund Balance at Beginning of Year	<u>1,215</u>	<u>253,402</u>	<u>13,464</u>	<u>145,300</u>
Fund Balance at End of Year	<u>\$ 36,215</u>	<u>\$ 231,721</u>	<u>\$ 45,058</u>	<u>\$ 131,873</u>

(continued)

See Independent Auditors' Report.

Special Revenue Funds

Revaluation Fund	Special Planning Projects Fund	Solid Waste Self Assurance Fund	Tort Fund	Solid Waste Capital Fund	Weed Fund
\$ 129,138	\$ -	\$ -	\$ 139,765	\$ -	\$ 90,271
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	17,400	-	-	-	37,011
<u>129,138</u>	<u>17,400</u>	<u>-</u>	<u>139,765</u>	<u>-</u>	<u>127,282</u>
119,053	149,865	-	103,395	-	71,036
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>119,053</u>	<u>149,865</u>	<u>-</u>	<u>103,395</u>	<u>-</u>	<u>71,036</u>
<u>10,085</u>	<u>(132,465)</u>	<u>-</u>	<u>36,370</u>	<u>-</u>	<u>56,246</u>
-	-	-	-	-	-
-	3,100	-	-	240,000	-
-	-	-	-	-	-
<u>-</u>	<u>3,100</u>	<u>-</u>	<u>-</u>	<u>240,000</u>	<u>-</u>
<u>10,085</u>	<u>(129,365)</u>	<u>-</u>	<u>36,370</u>	<u>240,000</u>	<u>56,246</u>
<u>22,683</u>	<u>132,689</u>	<u>300,000</u>	<u>34,506</u>	<u>668</u>	<u>6,000</u>
\$ <u>32,768</u>	\$ <u>3,324</u>	\$ <u>300,000</u>	\$ <u>70,876</u>	\$ <u>240,668</u>	\$ <u>62,246</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, 2012

	Special Revenue Funds			
	Road Special Fund	Prosecuting Attorneys Fund	Building Fund	Road Improvement Fund
Revenues				
Property taxes	\$ 972,698	\$ -	\$ 11,678	\$ -
Other state revenues	-	-	-	-
Federal funds	-	-	-	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	-
Interest earned	-	-	-	-
Miscellaneous	13,843	-	163,922	-
Total Revenues	<u>986,541</u>	<u>-</u>	<u>175,600</u>	<u>-</u>
Expenditures				
General and administrative	-	-	161,354	-
Road and bridge	748,944	-	-	10,882
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	-
Total Expenditures	<u>748,944</u>	<u>-</u>	<u>161,354</u>	<u>10,882</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>237,597</u>	<u>-</u>	<u>14,246</u>	<u>(10,882)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	670,000	-
Transfers out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>670,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>237,597</u>	<u>-</u>	<u>684,246</u>	<u>(10,882)</u>
Fund Balance at Beginning of Year	<u>307,159</u>	<u>18,314</u>	<u>1,189,962</u>	<u>131,609</u>
Fund Balance at End of Year	<u>\$ 544,756</u>	<u>\$ 18,314</u>	<u>\$ 1,874,208</u>	<u>\$ 120,727</u>

(continued)

See Independent Auditors' Report.

Special Revenue Funds

Emergency Communi- cation Fund	Teton County Ambulance Service District	Mosquito Abatement District Fund	Waterways Fund	Housing Authority Fund	County Hospital Fund
\$ -	\$ 608,322	\$ 329,066	\$ -	\$ -	\$ 16
-	-	-	-	-	-
-	1,181	-	-	-	-
-	-	-	-	-	-
111,698	46,018	-	-	-	-
-	-	-	-	-	-
-	11,541	-	7,100	-	-
<u>111,698</u>	<u>667,062</u>	<u>329,066</u>	<u>7,100</u>	<u>-</u>	<u>16</u>
-	606,347	273,063	6,918	-	-
-	-	-	-	-	-
71,805	-	-	-	-	-
15,700	-	-	-	-	-
30,580	12,500	-	-	-	-
<u>118,085</u>	<u>618,847</u>	<u>273,063</u>	<u>6,918</u>	<u>-</u>	<u>-</u>
(6,387)	48,215	56,003	182	-	16
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(6,387)</u>	<u>48,215</u>	<u>56,003</u>	<u>182</u>	<u>-</u>	<u>16</u>
<u>117,730</u>	<u>306,229</u>	<u>116,386</u>	<u>16,067</u>	<u>10,750</u>	<u>62</u>
<u>\$ 111,343</u>	<u>\$ 354,444</u>	<u>\$ 172,389</u>	<u>\$ 16,249</u>	<u>\$ 10,750</u>	<u>\$ 78</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, 2012

	Special Revenue Funds			
	Teton Valley Arena Fund	Grants Fund	Impact Fees - Recreation Facilities	Impact Fees - Sheriff Facilities
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other state revenues	-	69,840	-	-
Federal funds	-	99,981	-	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	-
Interest earned	3,195	-	28	56
Miscellaneous	3,825	-	2,066	4,157
Total Revenues	<u>7,020</u>	<u>169,821</u>	<u>2,094</u>	<u>4,213</u>
Expenditures				
General and administrative	1,721	15,874	-	-
Road and bridge	-	-	-	-
Law enforcement	-	96,167	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	114,799	-	-
Total Expenditures	<u>1,721</u>	<u>226,840</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,299</u>	<u>(57,019)</u>	<u>2,094</u>	<u>4,213</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>5,299</u>	<u>(57,019)</u>	<u>2,094</u>	<u>4,213</u>
Fund Balance at Beginning of Year	<u>241,908</u>	<u>57,069</u>	<u>9,063</u>	<u>18,216</u>
Fund Balance at End of Year	<u>\$ 247,207</u>	<u>\$ 50</u>	<u>\$ 11,157</u>	<u>\$ 22,429</u>

(continued)

See Independent Auditors' Report.

Special Revenue

Impact Fees - EMS Facilities	Impact Fees - Circulation Facilities	Fair Board Fund	Veterans Memorial Fund	Court Restitution Fund	Court Bonds Fund
\$ -	\$ -	\$ 24,325	\$ 377	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8	280	-	-	-	-
546	20,194	19,393	-	79,342	5,408
<u>554</u>	<u>20,474</u>	<u>43,718</u>	<u>377</u>	<u>79,342</u>	<u>5,408</u>
-	-	43,371	475	76,018	2,787
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>43,371</u>	<u>475</u>	<u>76,018</u>	<u>2,787</u>
<u>554</u>	<u>20,474</u>	<u>347</u>	<u>(98)</u>	<u>3,324.00</u>	<u>2,621</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>554</u>	<u>20,474</u>	<u>347</u>	<u>(98)</u>	<u>3,324</u>	<u>2,621</u>
<u>2,384</u>	<u>91,136</u>	<u>27,923</u>	<u>98</u>	<u>3,161</u>	<u>4,900</u>
<u>\$ 2,938</u>	<u>\$ 111,610</u>	<u>\$ 28,270</u>	<u>\$ -</u>	<u>\$ 6,485</u>	<u>\$ 7,521</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, 2012

	Special Revenue Funds			
	Interlock/ Monitoring Fund	Domestic Violence Evaluation Fund	Youth Program Fund	Auditors Trust Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other state revenues	-	-	-	-
Federal funds	-	-	-	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	105	-
Interest earned	-	-	-	-
Miscellaneous	930	180	-	9,272
Total Revenues	<u>930</u>	<u>180</u>	<u>105</u>	<u>9,272</u>
Expenditures				
General and administrative	-	-	-	10,373
Road and bridge	-	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,373</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>930</u>	<u>180</u>	<u>105</u>	<u>(1,101)</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>930</u>	<u>180</u>	<u>105</u>	<u>(1,101)</u>
Fund Balance at Beginning of Year	<u>10,422</u>	<u>2,645</u>	<u>1,604</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 11,352</u>	<u>\$ 2,825</u>	<u>\$ 1,709</u>	<u>\$ (1,101)</u>

(continued)

See Independent Auditors' Report.

Expendable Trust Funds							
Drug Court Trust Fund	Court Facility Trust Fund	Court Fines and Fees Fund	Teton County Motor Vehicle Fund	Employee Benefit Fund	Dare Trust Fund	Planning and Zoning Trust Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,637,647
-	-	-	-	-	-	-	133,094
-	-	-	-	-	-	-	101,915
-	-	-	-	-	-	-	57,759
-	-	-	-	-	-	306,503	527,704
-	-	-	-	-	-	-	3,567
<u>31,425</u>	<u>26,920</u>	<u>-</u>	<u>13,353</u>	<u>11,026</u>	<u>-</u>	<u>-</u>	<u>489,499</u>
<u>31,425</u>	<u>26,920</u>	<u>-</u>	<u>13,353</u>	<u>11,026</u>	<u>-</u>	<u>306,503</u>	<u>3,951,185</u>
28,800	22,500	5,562	-	-	-	320,550	2,550,358
-	-	-	-	-	-	-	759,826
-	-	-	-	-	-	-	167,972
-	-	-	-	-	-	-	15,700
-	-	-	-	-	-	-	157,879
<u>28,800</u>	<u>22,500</u>	<u>5,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,550</u>	<u>3,651,735</u>
<u>2,625</u>	<u>4,420</u>	<u>(5,562)</u>	<u>13,353</u>	<u>11,026</u>	<u>-</u>	<u>(14,047)</u>	<u>299,450</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	948,100
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>948,100</u>
<u>2,625</u>	<u>4,420</u>	<u>(5,562)</u>	<u>13,353</u>	<u>11,026</u>	<u>-</u>	<u>(14,047)</u>	<u>1,247,550</u>
<u>2,718</u>	<u>4,842</u>	<u>7,002</u>	<u>(13,353)</u>	<u>158,320</u>	<u>6,161</u>	<u>364,441</u>	<u>4,124,855</u>
<u>\$ 5,343</u>	<u>\$ 9,262</u>	<u>\$ 1,440</u>	<u>\$ -</u>	<u>\$ 169,346</u>	<u>\$ 6,161</u>	<u>\$ 350,394</u>	<u>\$ 5,372,405</u>

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Statement of Assets and Liabilities
Agency Funds
September 30, 2012

	State Remittance Account	Dept. of Transporation Fund	Driggs City Fund	Victor City Fund
Assets				
Cash and investments	\$ 13,957	\$ 39,121	\$ 11,043	\$ 3,199
Receivables				
Property taxes	-	-	30	3,199
Total Assets	\$ 13,957	\$ 39,121	\$ 11,073	\$ 6,398
Liabilities and Fund Equity				
Liabilities				
Warrants outstanding	\$ 13,957	\$ 39,121	\$ 11,043	\$ 3,199
Deferred revenue	-	-	-	-
Due to other agencies	-	-	30	3,199
Total Liabilities	\$ 13,957	\$ 39,121	\$ 11,073	\$ 6,398

(continued)

See Independent Auditors' Report.

Tetonia City Fund	School District #401 Fund	Bates Cemetery Fund	Cache- Clawson Cemetery Fund	Driggs- Darby Cemetery Fund	Haden Cemetery Fund
\$ 190	\$ 52,105	\$ 29	\$ 153	\$ 536	\$ 264
-	-	-	-	-	-
<u>\$ 190</u>	<u>\$ 52,105</u>	<u>\$ 29</u>	<u>\$ 153</u>	<u>\$ 536</u>	<u>\$ 264</u>
\$ 190	\$ 52,105	\$ 29	\$ 153	\$ 536	\$ 264
-	-	-	-	-	-
<u>\$ 190</u>	<u>\$ 52,105</u>	<u>\$ 29</u>	<u>\$ 153</u>	<u>\$ 536</u>	<u>\$ 264</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Statement of Assets and Liabilities (continued)
Agency Funds
September 30, 2012

	Victor- Cedron Cemetery Fund	Felt Cemetery Fund	Teton County Fire Protection Fund	Forest Practices Admin Fund	Valley of the Teton Library Fund
Assets					
Cash and investments	\$ 1,750	\$ 5,482	\$ 25,107	\$ 10	\$ 2,333
Receivables					
Property taxes	-	-	-	-	-
Total Assets	<u>\$ 1,750</u>	<u>\$ 5,482</u>	<u>\$ 25,107</u>	<u>\$ 10</u>	<u>\$ 2,333</u>
Liabilities and Fund Equity					
Liabilities					
Warrants outstanding	\$ 1,750	\$ -	\$ 25,107	\$ 10	\$ 2,333
Deferred revenue	-	-	-	-	-
Due to other agencies	-	5,482	-	-	-
Total Liabilities	<u>\$ 1,750</u>	<u>\$ 5,482</u>	<u>\$ 25,107</u>	<u>\$ 10</u>	<u>\$ 2,333</u>

See Independent Auditors' Report.

County Hospital Fund	Forest Protection Tax Fund	Driggs Urban Renewal Fund	Water District Fund	Taylor Grazing Fund	Employee Fund	Total Agency Funds
\$ 13,074	\$ 123	\$ 53	\$ 219	\$ 4,451	\$ -	\$ 173,199
-	-	-	-	-	-	3,229
<u>\$ 13,074</u>	<u>\$ 123</u>	<u>\$ 53</u>	<u>\$ 219</u>	<u>\$ 4,451</u>	<u>\$ -</u>	<u>\$ 176,428</u>
\$ 13,074	\$ 123	\$ 53	\$ 219	\$ -	\$ -	\$ 163,266
-	-	-	-	-	-	-
-	-	-	-	4,451	-	13,162
<u>\$ 13,074</u>	<u>\$ 123</u>	<u>\$ 53</u>	<u>\$ 219</u>	<u>\$ 4,451</u>	<u>\$ -</u>	<u>\$ 176,428</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, 2012

Operating Revenues	
Net patient service revenue	\$ 12,906,482
Teton County Ambulance District contract	450,380
Grants	30,252
Other	82,065
Total Operating Revenues	<u>13,469,179</u>
Operating Expenses	
Salaries and wages	6,329,858
Employee benefits	1,541,124
Purchased services	1,823,254
Supplies	1,683,127
Leases and rent	105,013
Repairs and maintenance	195,948
Utilities	169,893
Insurance	54,798
Depreciation and amortization	606,006
Other expenses	284,210
Total Operating Expenses	<u>12,793,231</u>
Operating Income (Loss)	<u>675,948</u>
Non-Operating Revenues (Expenses)	
Interest income	1,463
Contributions	42,218
Taxation for capital purchases	1,067,303
Gain on disposal of capital assets	6,233
Interest expense	(59,848)
Total Non-Operating Revenues	<u>1,057,369</u>
Net Income (Loss)	1,733,317
Capital contributions from Foundation	<u>188,966</u>
Change in Net Assets	1,922,283
Net Assets, Beginning of Year	<u>5,910,350</u>
Net Assets, End of Year	<u>\$ 7,832,633</u>

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Statement of Cash Flows
Component Unit
For the Year Ended September 30, 2012

Cash Flows from Operating Activities	
Receipts from and on behalf of patients	\$ 13,172,482
Payments to employees	(7,862,314)
Payments to suppliers and contractors	(4,671,151)
Other receipts	<u>560,214</u>
Net Cash Used by Operating Activities	<u>1,199,231</u>
Cash Flows from Noncapital Financing Activities	
Taxation for operations	89,924
Receipts of grants and contributions	<u>42,218</u>
Net Cash Provided by Noncapital Financing Activities	<u>132,142</u>
Cash Flows from Capital and Related Financing Activities	
Principal paid on long-term debt	(143,864)
Principal paid on capital lease obligations	(10,682)
Interest on long-term debt	(49,745)
Sale of capital assets	16,943
Cash received from Foundation	277,169
Purchase of property and equipment	(315,422)
Taxation for capital acquisitions	<u>1,035,635</u>
Net Cash Used in Capital and Related Financing Activities	<u>810,034</u>
Cash Flows from Investing Activities	
Interest received	<u>1,463</u>
Net Cash Provided by Investing Activities	<u>1,463</u>
Net Increase in Cash and Cash Equivalents	2,142,870
Cash and Cash Equivalents at the Beginning of the Year	<u>1,861,588</u>
Cash and Cash Equivalents at the End of the Year	<u>\$ 4,004,458</u>

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Statement of Cash Flows (Continued)
Component Unit
For the Year Ended September 30, 2012

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

Income from operations	\$ 675,948
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation and amortization	606,006
Provision for bad debts	995,089
Changes in assets and liabilities:	
Patient accounts receivable	(773,089)
Estimated third-party payor settlements	(61,000)
Other receivables	(41,039)
Inventories	(36,551)
Prepaid expenses	(63,426)
Accounts payable	(216,375)
Accrued payroll and related liabilities	8,668
Estimated third-party payor settlements	<u>105,000</u>
Net Cash Used by Operating Activities	<u>\$ 1,199,231</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, 2012, which collectively comprise the basic financial statements of Teton County, Idaho and have issued our report thereon dated January 28, 2013. 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

Management of Teton County, Idaho, is responsible for establishing and maintaining effective 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.

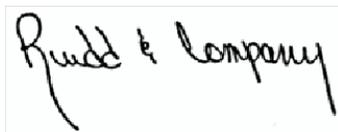
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies 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 28, 2013.

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 28, 2013