



# **TETON COUNTY, IDAHO**

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

**September 30, 2013**

**TETON COUNTY, IDAHO**  
**Table of Contents**  
**September 30, 2013**

---

**Independent Auditors' Report**..... 1-3

**Management's Discussion and Analysis** ..... 4-11

**Basic Financial Statements**

Statement of Net Position.....12

Statement of Activities .....13

Balance Sheet – Governmental Funds.....14

Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Position .....15

Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Governmental Funds .....16

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities.....17

Statement of Fiduciary Net Position – Agency Fund.....18

Notes to Financial Statements ..... 19-35

**Required Supplementary Information**

Statement of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual – General Fund .....36

Statement of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual – Road and Bridge Fund.....37

Statement of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual – Solid Waste Fund.....38

**TETON COUNTY, IDAHO**  
**Table of Contents (Continued)**  
**September 30, 2013**

---

**Other Supplementary Information**

Combining Balance Sheet – Nonmajor Governmental Funds ..... 39-47

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances – Nonmajor Governmental Funds ..... 48-56

Combining Statement of Assets and Liabilities – Agency Funds ..... 57-60

Component Unit Statements..... 61-63

**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* ..... 64-65**



## 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

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, 2013, 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.

## **Other Matters**

### *Required Supplementary Information*

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.

### *Other Information*

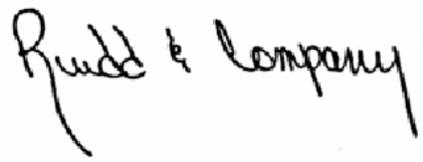
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Teton County, Idaho's basic financial statements. The combining and individual non-major fund financial statements and other supplementary information are presented for purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2014, 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* in considering Teton County, Idaho's internal control over financial reporting and compliance.

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

January 20, 2014



Teton County, Idaho  
**Management's Discussion & Analysis**  
September 30, 2013

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, 2013.

### **FINANCIAL HIGHLIGHTS**

- The assets of Teton County exceeded its liabilities at the close of the most recent fiscal year by \$24,938,172. Of this amount, \$8,304,474 may be used to meet the county's ongoing obligations to citizens and creditors.
- The county's total net assets increased by \$3,929,357 during the most recent fiscal year, in large part due to the inclusion of hospital assets formerly reported within the Component Unit financial statements.
- As of Sept. 30, 2013 Teton County's governmental funds reported combined ending fund balances of \$7,653,142, an increase of \$419,831 over the prior year. \$1,320,795 of this amount is available for spending at the county's discretion.
- At the end of the current fiscal year, the unassigned General Fund balance was \$1,376,013, which equaled 34% of the fund's budget for the coming year. The restricted Road & Bridge Fund balance was \$434,955, which equaled 35% of the fund's budget for the coming year. The restricted Solid Waste Fund balance was \$818,571, which equaled 56% of the fund's budget for the coming year.
- Construction of the law enforcement center began in FY 2013 when the county contracted with Ormond Builders for a guaranteed maximum price of \$2,593,835. The project will be complete the spring of 2014.
- Teton Valley Hospital ceased being a Component Unit of the county on December 31, 2012. The hospital facilities remain county-owned, but are now leased to a new non-profit corporation, Teton Valley Health Care Inc., which is responsible for all hospital operations. The transition took place after three years of research and planning by the Hospital Trustees and Board of County Commissioners.

### **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* (page12) 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* (page13) 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 43 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 14) and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (page 16) 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 15 & 17) which is necessary because the funds are operated on a cash basis while the government-wide reports require accrual accounting.

The information on pages 14 and 16 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 39-56).

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 36-38).

*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 18; detailed information about specific agency funds is found on pages 57-60.

**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 19-35).

## 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 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>ASSETS</b>					
Current assets	6,561,071	6,780,958	7,219,651	8,644,054	9,250,932
Capital assets, <i>net of related debt &amp; depreciation</i>	15,705,125	16,057,129	16,633,457	16,163,240	19,545,941
Total assets	\$22,266,196	\$22,838,087	\$23,853,108	\$24,807,294	\$28,796,873
<b>LIABILITIES</b>					
Current liabilities	1,450,522	1,055,145	990,599	1,001,770	1,157,103
Non-current liabilities	3,553,003	3,293,113	3,169,212	2,796,709	2,701,598
Total liabilities	\$5,003,525	\$4,348,258	\$4,159,811	\$3,798,479	\$3,858,701
<b>NET POSITION</b>					
Invested in capital assets, <i>net of related debt</i>	11,803,710	12,382,036	12,979,635	13,023,125	16,633,698
Restricted for capital acquisition	0	0	0	0	0
Unrestricted	5,458,961	6,107,793	6,713,662	7,985,690	8,304,474
<b>TOTAL NET POSITION</b>	<b>\$17,262,671</b>	<b>\$18,489,829</b>	<b>\$19,693,297</b>	<b>\$21,008,815</b>	<b>\$24,938,172</b>

The significant 2013 increase in capital assets is due to the return of \$2,682,396 worth of capital assets from Teton Valley Hospital to Teton County and construction progress on the county's new Law Enforcement Center.

Two-thirds of Teton County's net assets are 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 illustrates the improvement and stabilization of the Hospital's financial position.

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 (thru 12-31-12)
<b>ASSETS</b>					
Current assets	\$3,843,754	\$4,587,845	\$5,154,834	6,120,764	6,078,284
Capital assets, <i>net of related debt &amp; depreciation</i>	2,632,792	2,390,617	3,122,806	3,827,520	3,663,313
Total assets	\$6,476,546	\$6,978,462	\$8,277,640	\$9,948,284	\$9,741,597
<b>LIABILITIES</b>					
Current liabilities	2,014,615	1,700,977	1,536,548	1,440,764	2,080,907
Non-current liabilities	1,053,538	1,000,738	830,742	674,887	50,385
Total liabilities	\$3,068,153	\$2,701,715	\$2,367,290	\$2,115,651	\$2,131,292
<b>NET POSITION</b>					
Invested in capital assets, <i>net of related debt</i>	1,435,276	1,412,669	2,287,774	2,130,923	1,938,201
Restricted for capital acquisition	0	73,080	102,829	989,173	980,917
Unrestricted	1,973,117	2,790,998	3,519,747	4,712,537	4,691,187
<b>TOTAL NET POSITION</b>	<b>\$3,408,393</b>	<b>\$4,276,747</b>	<b>\$5,910,350</b>	<b>\$7,832,633</b>	<b>\$7,610,305</b>

The hospital ceased being a Component Unit of the county on December 31, 2012. All hospital facilities and assets remain county-owned, but have been leased to a new non-profit corporation, Teton Valley Health Care Inc., which is now responsible for all hospital operations. This transition took place after three years of research and planning by the Hospital Trustees and Board of County Commissioners. The new relationship was formalized by two agreements approved by the Commissioners September 24, 2012.

The 99-year Hospital Lease Agreement pertains to the capital assets with a net value of \$2,682,396 on Dec. 31, 2012. The lease requires the non-profit to invest in the hospital facility and operating assets at a rate at least equal to the depreciation of those assets. The value of the hospital capital assets owned by the county was previously included in the Component Unit financial statements, but is now included in the county's financial statement.

The Liquid Asset Transfer Agreement allows the non-profit to use the \$4,927,909 working capital owned by the hospital (county) on December 31, 2012 in exchange for an annual payment of \$70,000 plus a percentage of the annual net operating profits. The Board of County Commissioners intends to hold these annual payments in the County's Hospital Fund until they are needed for hospital purposes.

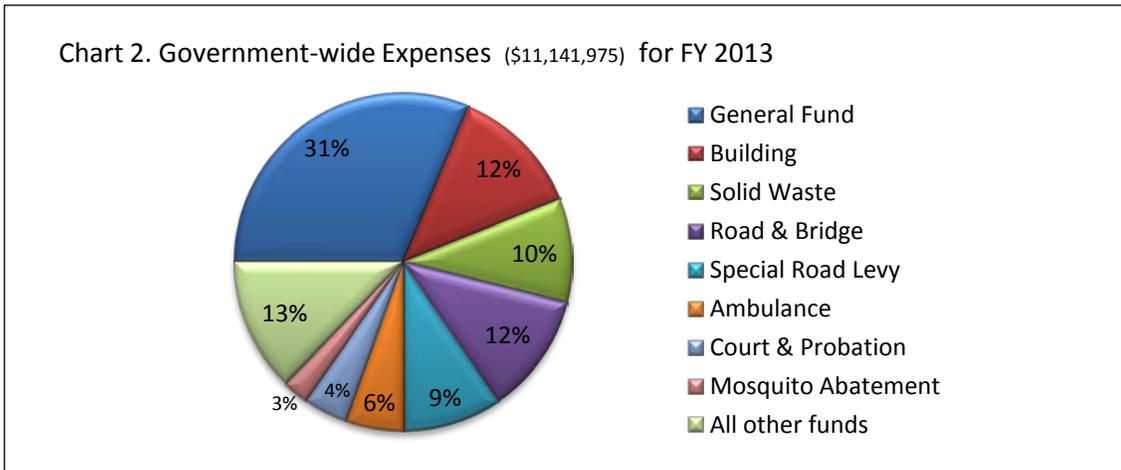
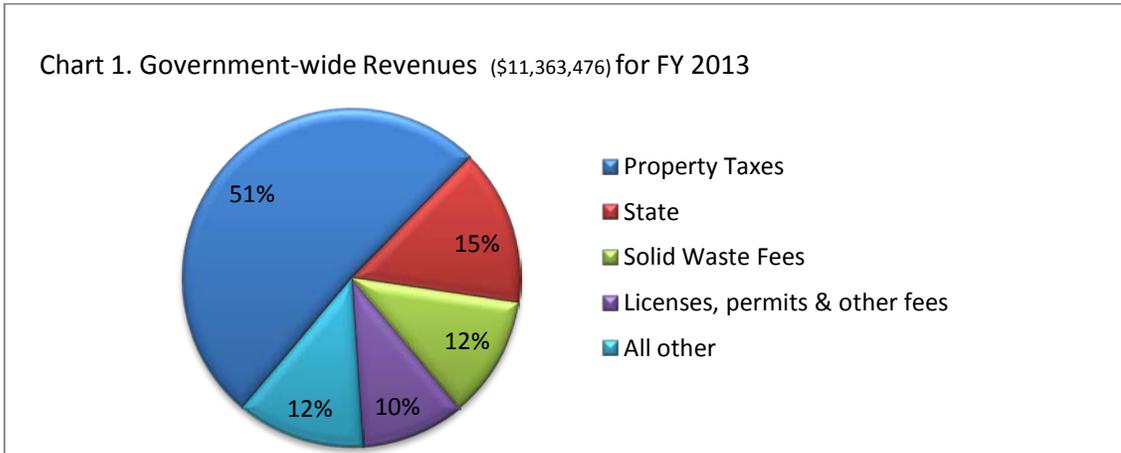
Table 3 provides a five-year history of revenue and expense information from the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances.

Table 3. Changes in Fund Balance

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>REVENUES</b>					
Property Taxes	4,407,556	5,246,729	5,131,123	5,657,950	5,827,083
State liquor fund	91,178	81,982	76,002	75,351	79,086
State sales tax	388,261	375,474	396,807	426,378	454,498
State highway users fund	906,344	890,578	898,736	885,041	888,223
Other state revenues	25,558	25,671	270,002	159,122	280,845
Federal funds	690,558	316,278	106,638	200,622	354,586
Juvenile justice funds	48,440	23,885	78,266	57,759	43,608
Solid waste fees	1,248,366	1,341,375	1,172,173	1,341,564	1,322,087
Licenses, permits & other fees	833,665	588,353	798,690	943,186	1,130,366
Interest earned	84,587	36,545	30,207	22,587	21,015
Miscellaneous	4,931,892	569,581	1,012,265	1,059,409	962,079
Proceeds from financing sources & capital leases	151,000	187,240	545,284	0	198,330
<b>Total Revenues</b>	<b>\$13,807,405</b>	<b>\$9,683,691</b>	<b>\$10,516,193</b>	<b>10,828,969</b>	<b>11,561,806</b>
<b>EXPENDITURES</b>					
General & Administrative	4,079,041	3,693,205	4,503,836	4,783,154	4,882,797
Health Care	1,140,339	1,212,335	0	0	0
Road & Bridge	755,731	792,328	1,432,978	1,616,561	1,705,891
Law enforcement	1,206,433	1,103,285	1,179,205	1,229,370	1,150,218
Solid waste	1,128,541	820,421	841,502	767,954	865,021
Bond payments	224,306	224,954	225,437	225,692	225,892
Capital lease payments	302,464	352,115	506,994	267,895	175,354
Capital improvements	7,354,731	1,010,130	1,114,075	478,587	2,136,802
<b>Total Expenditures</b>	<b>16,191,586</b>	<b>9,208,773</b>	<b>\$9,804,027</b>	<b>9,369,213</b>	<b>11,141,975</b>
Excess (Deficiency) of Revenues	-2,384,181	287,678	\$712,166	1,459,756	419,831
Fund balance at beginning of year	7,071,211	4,687,030	5,161,389	5,773,555	7,233,311
Prior period adjustment	0	0	-100,000	0	0
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$4,687,030</b>	<b>\$5,161,948</b>	<b>\$5,773,555</b>	<b>\$7,233,311</b>	<b>\$7,653,142</b>

The Health Care expenses for 2009 and 2010 represent payments made to transfer the voter-approved property taxes to the hospital. The increase in Road & Bridge expenses since 2011 is due to the voter-approved special road levy. The large 2009 capital improvement expense reflects construction of the transfer station and the new courthouse. The large 2013 capital improvement expense reflects road construction projects and partial construction of the new law enforcement center.

During the current year, revenues totaled \$11,363,476 while expenses totaled \$11,141,975. Charts 1 and 2 illustrate the current year’s revenue and expense information.



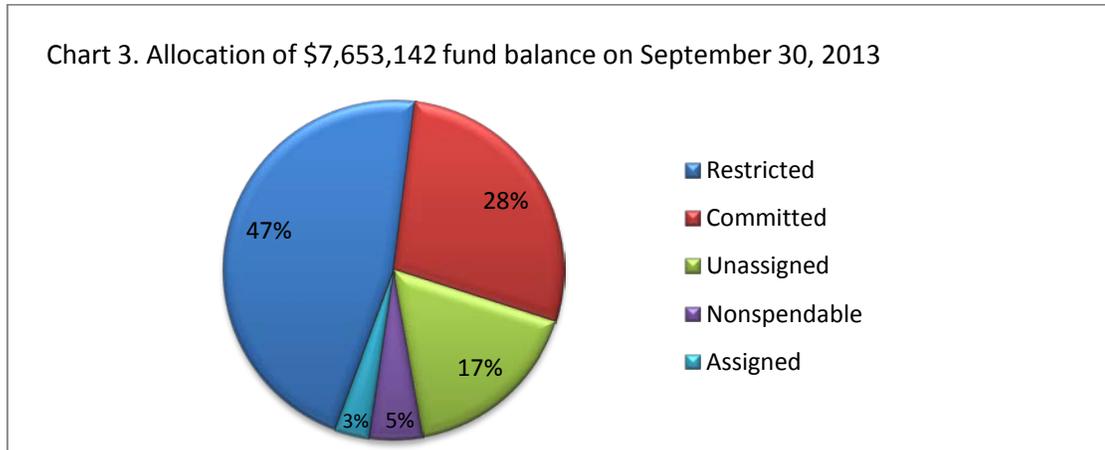
## FUND FINANCIAL ANALYSIS

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 14*) shows the government-wide fund balances while Note #17 (*pages 33-35*) 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 \$7,653,142 with \$1,320,795 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 allocation of the county's current fund balance. More detailed information can be found on pages 33-35.



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 sometimes maintained at a lower level because the first quarterly payment from the Highway Users Fund is received in October. About 60% of the committed balance represents the funds needed to complete 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 \$1,376,013, which represents 34% 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 \$16,863,545. In addition, Teton County owns \$2,682,396 in depreciated hospital capital assets, which have been leased to Teton Valley Health Care Inc.

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

- Construction on the new law enforcement facility was approximately 60% completed.
- A 2009 grader was returned to the vendor in lieu making the final \$159,716 payment. A replacement grader was leased for one year.
- A five-year lease was executed to purchase a 2014 dump truck at a cost of \$198,330.
- The final \$15,700 payment was made for E-force software used by the Sheriff's office.
- Three new vehicles were purchased for the Sheriff's office and paid in full.
- The final \$37,500 payment was made to the School District for purchase of property.

**Long-term debt.** Teton County currently maintains long-term debt in the amount of \$2,953,563. This amount includes \$2,335,000 outstanding from the 20-year bond issued in November 2007 to fund construction of the solid waste transfer station. 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 28-30).

Table 4. Capital Lease Payments

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
2011 Grader (Road & Bridge)	28,743	28,743	28,743	160,000	0	0
2011 Grader (Road & Bridge)	27,766	27,766	27,766	27,766	160,000	0
2014 Dump Truck (Road & Bridge)		41,476	41,476	41,476	41,476	1,087
Eforce Software (Sheriff)	15,700	0	0	0	0	0
2009 Loader (Solid Waste)	24,169	50,000	0	0	0	0
<b>TOTAL LEASE PAYMENTS</b>	<b>\$96,378</b>	<b>\$147,985</b>	<b>\$97,985</b>	<b>\$229,242</b>	<b>\$201,476</b>	<b>\$1,087</b>

## CONCLUSION

**Current Status.** Teton County is financially healthy. The voter-approved supplemental levy is paying for much-needed improvements to the county’s transportation system. The new law enforcement center will be completed in the spring of 2014 and will provide permanent offices for the Sheriff’s staff, Prosecutor’s office, juvenile and adult probation departments, and the county’s emergency management coordinator. The dispatch center and three short-term prisoner holding cells will also be located in the law enforcement center. All these facilities are currently located in an 88-year-old leased building.

**Administrative Policies.** 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 reviewed annually and updated as needed. These 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.). These policies are referenced during the annual all-employee meeting, with particular emphasis given to the Ethics and Safety policies.

**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. The county’s 2013 taxable value is \$1,308,185,937, down from a peak of \$2,184,781,504 in 2007. Large numbers of unsold vacant lots have depressed land prices. However, the worst of the decline in property values may be over. There were “just” 89 Notices of Default recorded during 2013, down from 183 in 2012.

Meanwhile the overall taxable value for 2013 was “just” 5% lower than 2012, compared to a 10% year-over-year decline the previous year and a 20% decline the year before that.

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 lifestyle amenities, plus the job opportunities in nearby Jackson Hole, continue to attract and retain residents. During 2013, the county issued 23 building permits for new homes compared to only 12 the previous year. Nonetheless, Teton County’s economy will not be recovered until property values stabilize and vacant commercial spaces are occupied by successful business enterprises.

**Future Considerations.** 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. A comprehensive engineering study has been undertaken to determine the extent of the problem and propose specific corrective measures. After the report is completed, the results will be forwarded to the Idaho Department of Environmental Quality, who will determine what specific repairs will be required. Depending upon the measures required, the repair of the landfill cap will cost anywhere from \$100,000 to \$2,000,000. The County’s 2014 budget includes \$276,000 for the repairs; paying for more expensive repairs will 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, 2013.

Table 5. Teton County elected officials

Title	Office Holder	Term Ends
Commissioner, District #1	Sid Kunz	Jan 2015
Commissioner, District #2	Kathy Rinaldi	Jan 2015
Commissioner, District #3	Kelly Park	Jan 2017
Assessor	Bonnie Beard	Jan 2015
Clerk, Auditor, Recorder	Mary Lou Hansen	Jan 2015
Prosecuting Attorney	Kathy Spitzer	Jan 2017
Sheriff	Tony Liford	Jan 2017
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](mailto:clerk@co.teton.id.us).

- Mary Lou Hansen, Teton County Auditor, January 20, 2014 -

## **BASIC FINANCIAL STATEMENTS**

**TETON COUNTY, IDAHO**  
**Statement of Net Position**  
**September 30, 2013**

	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>Assets</b>		
Current Assets		
Cash and investments	\$ 8,413,092	\$ -
Property taxes receivable	768,443	-
Other receivables	28,077	-
Bond discount (net of amortization of \$2,340)	5,453	-
Bond issuance costs (net of amortization of \$15,372)	35,867	-
Total Current Assets	<u>9,250,932</u>	<u>-</u>
Capital Assets		
Nondepreciable capital assets	2,494,209	-
Depreciable capital assets	29,204,058	-
Accumulated depreciation	<u>(12,152,326)</u>	<u>-</u>
Total Capital Assets	<u>19,545,941</u>	<u>-</u>
Total Assets	<u>\$ 28,796,873</u>	<u>\$ -</u>
<b>Liabilities</b>		
Current Liabilities:		
Warrants outstanding	\$ 807,165	\$ -
Accrued liabilities	97,973	-
Current portion of long-term obligations	<u>251,965</u>	<u>-</u>
Total Current Liabilities	1,157,103	-
Noncurrent Portion of Long-term Obligations	<u>2,701,598</u>	<u>-</u>
Total Liabilities	<u>\$ 3,858,701</u>	<u>\$ -</u>
<b>Net Position</b>		
Invested in capital assets, net of related debt	16,633,698	-
Unrestricted	<u>8,304,474</u>	<u>-</u>
Total Net Position	<u>\$ 24,938,172</u>	<u>\$ -</u>

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

**TETON COUNTY, IDAHO**  
**Statement of Activities**  
**For the Year Ended September 30, 2013**

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
<b>Primary Government</b>						
Governmental Activities						
General and administrative	\$ 5,508,234	\$ 1,045,144	\$ 807,166	\$ -	\$ (3,655,924)	\$ -
Road and bridge	2,040,282	990	1,006,937	-	(1,032,355)	-
Law enforcement	1,260,259	84,232	-	-	(1,176,027)	-
Solid waste	1,173,698	1,322,087	-	-	148,389	-
Total Governmental Activities	9,982,473	2,452,453	1,814,103	-	(5,715,917)	-
Total Primary Government	\$ 9,982,473	\$ 2,452,453	\$ 1,814,103	\$ -	(5,715,917)	-
<b>Component Unit (three months ended December 31, 2012)</b>						
General and administrative	\$ 3,407,536	\$ 3,215,922	\$ -	\$ 6,906	-	(184,708)
Interest on long-term debt	13,042	-	-	-	-	(13,042)
Total Component Unit	\$ 3,420,578	\$ 3,215,922	\$ -	\$ 6,906	-	(197,750)
General Revenues						
Taxes:						
Property taxes levied for general purposes					5,726,036	-
Property taxes levied for capital purchases					-	15,892
State and federal payments					827,158	-
Investment earnings					21,015	94
Gain/(Loss) on disposal of capital assets					(32,995)	-
Miscellaneous					421,664	(40,564)
Total General Revenues					6,962,878	(24,578)
Changes in Net Position					1,246,961	(222,328)
Net Position - beginning					21,008,815	7,832,633
Transfer liquid assets from TVH to not-for-profit					-	(4,927,909)
Return capital assets from TVH to County					2,682,396	(2,682,396)
Net Position - Ending					\$ 24,938,172	\$ -

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

**TETON COUNTY, IDAHO**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2013**

	General Fund	Road and Bridge Fund	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Investments	\$ 1,393,356	\$ 454,494	\$ 853,738	\$ 5,711,504	\$ 8,413,092
Receivables					
Property taxes	338,645	6,463	75,084	348,251	768,443
Other receivables	-	-	-	28,077	28,077
Due from other funds	50,868	-	-	-	50,868
Total Assets	<u>\$ 1,782,869</u>	<u>\$ 460,957</u>	<u>\$ 928,822</u>	<u>\$ 6,087,832</u>	<u>\$ 9,260,480</u>
<b>Liabilities and Fund Equity</b>					
<b>Liabilities</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ 50,868	\$ 50,868
Warrants outstanding	54,565	6,501	44,113	701,986	807,165
Accrued liabilities	62,918	13,971	7,766	13,318	97,973
Total Liabilities	<u>117,483</u>	<u>20,472</u>	<u>51,879</u>	<u>766,172</u>	<u>956,006</u>
Deferred Inflows of Resources					
Unavailable revenues	289,373	5,530	58,372	298,057	651,332
<b>Fund Balances</b>					
Nonspendable	-	-	-	388,552	388,552
Restricted	-	434,955	818,571	2,301,658	3,555,184
Committed	-	-	-	2,139,583	2,139,583
Assigned	-	-	-	249,028	249,028
Unassigned	1,376,013	-	-	(55,218)	1,320,795
Total Fund Balances	<u>1,376,013</u>	<u>434,955</u>	<u>818,571</u>	<u>5,023,603</u>	<u>7,653,142</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,782,869</u>	<u>\$ 460,957</u>	<u>\$ 928,822</u>	<u>\$ 6,087,832</u>	<u>\$ 9,260,480</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 Position**  
**For the Year Ended September 30, 2013**

---

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

Total Fund Balance - Governmental Funds	\$ 7,653,142
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is \$31,698,267 and the accumulated depreciation is \$12,152,326.	19,545,941
Certain receivables are not financial resources and are reported as deferred revenues:	
Property tax deferred revenue	651,332
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Long-term debt	(2,953,563)
Bond discount (net of amortization of \$2,340)	5,453
Bond issuance costs (net of amortization of \$15,372)	<u>35,867</u>
Total Net Position - Governmental Activities	<u>\$ 24,938,172</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, 2013**

	General Fund	Road and Bridge Fund	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 2,820,182	\$ 7,822	\$ -	\$ 2,999,079	\$ 5,827,083
State liquor fund	79,086	-	-	-	79,086
State sales tax	454,498	-	-	-	454,498
State highway users fund	-	888,223	-	-	888,223
Other state revenues	26,092	-	-	254,753	280,845
Federal funds	12,729	93,687	-	248,170	354,586
Juvenile justice funds	-	-	-	43,608	43,608
Solid waste user fees	-	-	1,322,087	-	1,322,087
Licenses, permits and other fees	522,252	990	-	607,124	1,130,366
Interest earned	21,015	-	-	-	21,015
Miscellaneous	419,431	25,027	2,233	515,388	962,079
<b>Total Revenues</b>	<b>4,355,285</b>	<b>1,015,749</b>	<b>1,324,320</b>	<b>4,668,122</b>	<b>11,363,476</b>
<b>Expenditures</b>					
General and administrative	2,454,871	-	-	2,427,926	4,882,797
Road and bridge	-	914,293	-	791,598	1,705,891
Law enforcement	939,388	-	-	210,830	1,150,218
Solid waste	-	-	865,021	-	865,021
Bond payments	-	-	225,892	-	225,892
Building note payments	37,500	-	-	-	37,500
Capital lease payments	-	97,985	24,169	15,700	137,854
Capital improvements	62,661	277,706	-	1,796,435	2,136,802
<b>Total Expenditures</b>	<b>3,494,420</b>	<b>1,289,984</b>	<b>1,115,082</b>	<b>5,242,489</b>	<b>11,141,975</b>
<b>Excess (Deficiency) of Revenues</b>					
Over Expenditures	860,865	(274,235)	209,238	(574,367)	221,501
<b>Other Financing Sources (Uses):</b>					
Proceeds from capital leases	-	198,330	-	-	198,330
Transfers in	-	287,000	240,000	505,565	1,032,565
Transfers out	(704,315)	(48,250)	-	(280,000)	(1,032,565)
<b>Total Other Financing Sources</b>	<b>(704,315)</b>	<b>437,080</b>	<b>240,000</b>	<b>225,565</b>	<b>198,330</b>
<b>Net Change in Fund Balances</b>	<b>156,550</b>	<b>162,845</b>	<b>449,238</b>	<b>(348,802)</b>	<b>419,831</b>
<b>Fund balance at beginning of the year</b>	<b>1,219,463</b>	<b>272,110</b>	<b>369,333</b>	<b>5,372,405</b>	<b>7,233,311</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,376,013</b>	<b>\$ 434,955</b>	<b>\$ 818,571</b>	<b>\$ 5,023,603</b>	<b>\$ 7,653,142</b>

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, 2013**

---

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

Net Changes in Fund Balances - Total Governmental Funds \$ 419,831

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	2,136,802
Loss on disposal of capital assets	(32,995)
Depreciation expense	(1,243,786)

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

Property taxes	(101,047)
----------------	-----------

Governmental funds report principal repayment on debt as an expenditure and debt proceeds as revenues. 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	269,441
Proceeds from capital leases	(198,330)
Amortization of bond discount	(390)
Amortization of bond issuance costs	<u>(2,565)</u>

Change in Net Position of Governmental Activities	<u>\$ 1,246,961</u>
---	---------------------

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

**TETON COUNTY, IDAHO**  
**Statement of Fiduciary Net Assets**  
**Agency Funds**  
**September 30, 2013**

---

**Assets**

Cash and Investments	\$ 130,320
Receivables	
Property taxes	<u>1,108,701</u>
Total Assets	<u>\$ 1,239,021</u>

**Liabilities**

Warrants outstanding	\$ 120,630
Due to other agencies	<u>1,118,391</u>
Total Liabilities	<u>\$ 1,239,021</u>

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

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

**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. As of January 1, 2013, the Hospital formed a not-for-profit organization and transferred its liquid assets to that entity and is no longer a part of the County.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

**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, 2013**

---

**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.

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, 2013**

---

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

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

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, Road Special Fund, and Building 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.

**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, 2013, the County amended its budgets.

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

**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.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

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

**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

**Deferred Outflows/Inflows of Resources**

In addition to assets the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The County has one type of item in this area. One item, which arises only under a modified accrual basis of accounting, unavailable revenue, is reported only in the governmental funds balance sheet and represents unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**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.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

**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, 2013, the carrying amount of the County's deposits was \$6,813,269 and the respective bank balances totaled \$6,785,917. Of the bank balances \$986,579 was insured by FDIC and the remaining balances were not insured.
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, 2013, \$5,799,338 of the bank balances were not 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, 2013, the County had invested funds in the Idaho State Pooling Fund. The fund has a weighted average maturity of 143 days. The amount with the Idaho State Pooling Fund on September 30, 2013 was \$1,729,222.
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, 2013, had a weighted average maturity less than one year, it was presented as an investment with a maturity of less than one year.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

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

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, 2013:

Petty cash	\$ 921
Bank deposits and CD's	6,813,269
State treasurer's pool	<u>1,729,222</u>
 Total	 <u>\$ 8,543,412</u>
 Cash and investments - governmental funds	 \$ 8,413,092
Cash and investments - agency funds	<u>130,320</u>
 Total	 <u>\$ 8,543,412</u>

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

**3. Capital Assets**

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

	Balance September 30, 2,012	Transfer From TVH	Additions	Dispositions	Balance September 30, 2,012
Non depreciable assets – land	\$ 2,401,538	\$ 92,671	\$ -	\$ -	\$ 2,494,209
Buildings	11,198,723	4,696,781	1,334,670	-	17,230,174
Infrastructure	1,907,232	-	466,774	-	2,374,006
Equipment	4,976,611	4,550,697	335,358	262,788	9,599,878
Total buildings and equipment	18,082,566	9,247,478	2,136,802	262,788	29,204,058
Total	20,484,104	9,340,149	2,136,802	262,788	31,698,267
Accumulated Depreciation	\$ 4,320,864	\$ 6,657,753	\$ 1,243,786	\$ 70,077	\$ 12,152,326

Teton Valley Hospital (a component unit) transferred its capital assets back to the County on January 1, 2013. The County leases those assets back to the not-for-profit entity that now operates Teton Valley Hospital for ten dollars per year.

Depreciation expense was charged to the government activities as follows:

General and administrative	\$ 625,437
Law enforcement	110,041
Road and bridge	306,578
Solid waste	201,730
Total	\$ 1,243,786

**4. Taxes Receivable**

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

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

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

**5. Accrued Compensated Absences**

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

**6. Retirement Plan**

**Public Employee Retirement System of Idaho**

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

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

The actuarially determined contribution requirements of the Teton County, Idaho and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2013, 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 \$289,756, \$276,684, and \$272,864 for the three years ended September 30, 2013, 2012, and 2011, respectively.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

**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	\$ 969,814	\$ 677,775

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, 2013:

Year Ending September 30,	<u>Capital Lease Obligation</u>
2014	\$ 147,985
2015	97,985
2016	229,242
2017	201,476
2018	<u>1,087</u>
Total minimum lease payments	677,775
Less amount representing interest	<u>59,212</u>
Present value of minimum lease payments	618,563
Current portion of present value	<u>126,695</u>
Long-term portion of present value	<u>\$ 491,868</u>

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

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

Interest expense on capital leases for the year ended September 30, 2013 was \$30,914. Interest expense was charged to the government activities as follows:

Road and bridge	\$ 27,813
Solid waste	<u>3,101</u>
Total	<u>\$ 30,914</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	\$ 2,335,000
Less current maturities of long-term debt	<u>125,000</u>
Long-term debt net of current maturities	<u>\$ 2,210,000</u>

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

Year Ending September 30,	Principal	Interest	Total
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
2018	150,000	73,775	223,775
Thereafter	<u>1,645,000</u>	<u>360,669</u>	<u>2,005,669</u>
	<u>\$ 2,335,000</u>	<u>\$ 786,519</u>	<u>\$ 3,121,519</u>

Interest expense on long-term bonds for the year ended September 30, 2013 was \$110,438.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

**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. The note was paid off in 2013.

**10. Changes in Long Term Debt**

A summary of general long-term debt transactions of the County for the year ended September 30, 2013, is as follows:

	Long-term Obligations September 30, 2012	Obligations Incurred	Obligations Paid	Long-term Obligations September 30, 2013	Current Portion
Obligations under capital lease	\$ 686,890	\$ 198,330	\$ 266,657	\$ 618,563	\$ 126,965
Building note	37,500	-	37,500	-	-
Revenue bonds	2,460,000	-	125,000	2,335,000	125,000
	<u>\$ 3,184,390</u>	<u>\$ 198,330</u>	<u>\$ 429,157</u>	<u>\$ 2,953,563</u>	<u>\$ 251,965</u>

A road grader was returned to a leasing company for the remaining year of the lease and the amount due was reduced \$159,716.

**11. Interfund Transactions**

Due to/ due from other funds at September 30, 2013 were as follows:

	Due from Other Funds	Due to Other Funds
Governmental:		
General Fund	\$ 50,868	\$ -
FEMA Teton Creek Restoration	-	33,878
Idaho E911 Grants	-	16,990
	<u>\$ 50,868</u>	<u>\$ 50,868</u>

The funds incurred expenditures during the current year and the revenues for these funds are expected to come in after the end of the year and are expected to be paid off in the next fiscal year. The Road and Bridge exceeded its budget by \$163,350 for the fiscal year.

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

**11. Interfund Transactions (continued)**

Operating transfers between funds during the year were as follows:

Governmental:	Operating Transfers In	Operating Transfers Out
General fund	\$ -	\$ 704,315
Road & bridge fund	287,000	48,250
Road reserve fund	51,000	-
Indigent and Charity fund	21,985	-
Special projects fund	75,177	-
Solid waste fund	240,000	-
Solid waste reserve fund	-	240,000
Building fund	317,403	-
Mosquito abatement fund	-	40,000
Mosquito abatement reserve	40,000	-
	<u>\$ 1,032,565</u>	<u>\$ 1,032,565</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:

	GAAP Basis	Non-cash Adjustments	Budgetary Basis
General fund:			
Total revenues	\$ 4,355,285	\$ (65,522)	\$ 4,289,763
Total expenditures	3,494,420	(8,565)	3,485,855
Road and bridge fund:			
Total revenues	1,015,749	8,736	1,024,485
Total expenditures	1,289,984	(198,699)	1,091,285
Solid waste fund:			
Total revenues	1,324,320	(8,514)	1,315,806
Total expenditures	1,115,082	247	1,115,329

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

**13. Other Required Individual Fund Disclosures**

The following funds had a fund balance deficit at September 30, 2013:

FEMA Teton Creek Restoration.....	\$38,228
Idaho E911 Grants.....	\$16,990

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, 2013**

---

**16. Teton Valley Hospital**

The Hospital ceased being a Component Unit of the county on December 31, 2012. All Hospital facilities and assets remain county-owned, but have been leased to a new non-profit corporation, Teton Valley Health Care Inc., which is now responsible for all hospital operations. The new relationship was formalized by two agreements approved by the Commissioners September 24, 2012. The 99-year Hospital Lease Agreement for one dollar per year requires the non-profit to invest in the hospital facility and operating assets at a rate at least equal to the depreciation of those assets. The Liquid Asset Transfer Agreement allows the non-profit to use the working capital owned by the Hospital (county) on December 31, 2013 in exchange for an annual payment of \$70,000 plus 5% of the net operating profits. The value of the hospital facilities and equipment owned by the County was previously included in the Component Unit financial statements, but will now be included in the County's financial statement.

**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 decision 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, 2013**

---

**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:

	<b>General Fund</b>	<b>Road and Bridge Fund</b>	<b>Solid Waste Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Planning and zoning	\$ -	\$ -	\$ -	\$ 388,552	\$ 388,552
<b>Restricted for:</b>					
Road and bridge	-	434,955	-	-	434,955
Solid waste	-	-	818,571	-	818,571
Elections	-	-	-	62,044	62,044
Solid waste	-	-	-	300,000	300,000
Road special	-	-	-	526,121	526,121
Prosecuting attorney	-	-	-	20,360	20,360
Road improvement	-	-	-	103,826	103,826
Emergency comm	-	-	-	117,327	117,327
Ambulance	-	-	-	401,747	401,747
Mosquito	-	-	-	196,033	196,033
Waterways	-	-	-	15,373	15,373
Teton valley arena	-	-	-	247,389	247,389
Grants	-	-	-	50,081	50,081
Impact fees - rec	-	-	-	14,655	14,655
Impact fees - sheriff	-	-	-	29,392	29,392
Impact fees - EMS	-	-	-	3,853	3,853
Impact fees - circulation	-	-	-	144,365	144,365
Court restitution	-	-	-	9,792	9,792
Court bonds	-	-	-	12,021	12,021
Interlock	-	-	-	12,537	12,537
Domestic violence	-	-	-	3,070	3,070

**TETON COUNTY, IDAHO**  
**Notes to Financial Statements**  
**September 30, 2013**

---

**17. Fund Balances (continued)**

Youth program	-	-	-	1,794	1,794
Drug court	-	-	-	9,142	9,142
Court facility	-	-	-	13,132	13,132
Court fines and fees	-	-	-	1,443	1,443
Dare trust	-	-	-	6,161	6,161
<b>Committed to:</b>					
District court and juv				285,703	285,703
Indigent and charity	-	-	-	110,725	110,725
Revaluation	-	-	-	39,553	39,553
Special planning	-	-	-	73,001	73,001
Tort	-	-	-	78,940	78,940
Weed	-	-	-	59,962	59,962
Building	-	-	-	1,335,465	1,335,465
Housing	-	-	-	10,750	10,750
County hospital	-	-	-	17,500	17,500
Fair board	-	-	-	127,984	127,984
<b>Assigned to:</b>					
Road and bridge	-	-	-	87,215	87,215
Solid waste	-	-	-	668	668
Employee benefit	-	-	-	161,145	161,145
<b>Unassigned:</b>	1,376,013	-	-	(55,218)	1,320,795
Total fund balances	<u>\$ 1,376,013</u>	<u>\$ 434,955</u>	<u>\$ 818,571</u>	<u>\$ 5,023,603</u>	<u>\$ 7,653,142</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**TETON COUNTY, IDAHO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**General Fund**  
**September 30, 2013**

	Original and Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Property taxes	\$ 2,305,709	\$ 2,754,660	\$ 448,951
State liquor fund	75,000	79,086	4,086
State sales tax	410,000	454,498	44,498
Other state revenues	25,000	26,092	1,092
Federal funds	12,000	12,729	729
Licenses, permits and other fees	473,845	522,252	48,407
Interest earned	5,000	21,015	16,015
Miscellaneous	340,214	419,431	79,217
Total Revenues	<u>3,646,768</u>	<u>4,289,763</u>	<u>642,995</u>
<b>Expenditures</b>			
General and administrative	2,483,750	2,446,306	37,444
Law enforcement	1,035,867	939,388	96,479
Building note payments	37,500	37,500	
Capital lease payments	-	-	-
Capital improvements	89,651	62,661	26,990
Total Expenditures	<u>3,646,768</u>	<u>3,485,855</u>	<u>160,913</u>
<b>Excess (Deficiency) of Revenues</b>			
Over Expenditures	<u>-</u>	<u>803,908</u>	<u>803,908</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>-</u>	<u>(704,315)</u>	<u>(704,315)</u>
Total Other Financing Sources	<u>-</u>	<u>(704,315)</u>	<u>(704,315)</u>
<b>Excess (Deficiency) of Revenues</b>			
and Other Sources Over			
Expenditures and Other Uses	<u>-</u>	<u>99,593</u>	<u>99,593</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>1,357,057</u>	<u>1,357,057</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 1,456,650</u>	<u>\$ 1,456,650</u>

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Road and Bridge Fund**  
**September 30, 2013**

	Original and Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Property taxes	\$ -	\$ 16,558	\$ 16,558
State highway users fund	900,000	888,223	(11,777)
Other state revenues	-	-	-
Federal funds	80,000	93,687	13,687
Licenses, permits and other fees	1,000	990	(10)
Budget carryover	114,265	-	(114,265)
Miscellaneous	31,000	25,027	(5,973)
Total Revenues	<u>1,126,265</u>	<u>1,024,485</u>	<u>(101,780)</u>
<b>Expenditures</b>			
Road and bridge	770,614	913,924	(143,310)
Capital lease payments	122,851	97,985	24,866
Capital improvements	232,800	79,376	153,424
Total Expenditures	<u>1,126,265</u>	<u>1,091,285</u>	<u>34,980</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>			
	<u>-</u>	<u>(66,800)</u>	<u>(66,800)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	287,000	287,000
Transfers out	-	(48,250)	(48,250)
Total Other Financing Sources	<u>-</u>	<u>238,750</u>	<u>238,750</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>			
	<u>-</u>	<u>171,950</u>	<u>171,950</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>383,284</u>	<u>383,284</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 555,234</u>	<u>\$ 555,234</u>

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Solid Waste Fund**  
**September 30, 2013**

	Original and Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues			
Licenses, permits and other fees	\$ 1,163,589	\$ 1,315,806	\$ 152,217
Total Revenues	<u>1,163,589</u>	<u>1,315,806</u>	<u>152,217</u>
Expenditures			
Solid waste	806,550	865,268	(58,718)
Bond payments	225,700	225,892	(192)
Capital lease payments	25,000	24,169	831
Capital improvements	106,339	-	106,339
Total Expenditures	<u>1,163,589</u>	<u>1,115,329</u>	<u>48,260</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>200,477</u>	<u>200,477</u>
Other Financing Sources (Uses):			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>200,477</u>	<u>200,477</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>389,489</u>	<u>389,489</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 589,966</u>	<u>\$ 589,966</u>

See Independent Auditors' Report.

**OTHER SUPPLEMENTARY INFORMATION**

**TETON COUNTY, IDAHO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	<b>Special Revenue Funds</b>			
	Road and Bridge Capital Fund	District Court and Juvenile Probation Fund	Elections State Fund	Indigent and Charity Fund
<b>Assets</b>				
Cash and investments	\$ 87,215	\$ 260,253	\$ 64,899	\$ 111,801
Receivables				
Property taxes	-	43,301	-	396
Other receivables	-	28,077	-	-
Total Assets	<u>\$ 87,215</u>	<u>\$ 331,631</u>	<u>\$ 64,899</u>	<u>\$ 112,197</u>
<b>Liabilities and Fund Equity</b>				
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Warrants outstanding	-	3,558	1,403	-
Accrued liabilities	-	5,331	1,452	1,129
Other liabilities	-	-	-	-
Total Liabilities	<u>-</u>	<u>8,889</u>	<u>2,855</u>	<u>1,129</u>
Deferred Inflows of Resources				
Unavailable revenues	-	37,039	-	343
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	-	-	62,044	-
Committed	-	285,703	-	110,725
Assigned	87,215	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>87,215</u>	<u>285,703</u>	<u>62,044</u>	<u>110,725</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 87,215</u>	<u>\$ 331,631</u>	<u>\$ 64,899</u>	<u>\$ 112,197</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
\$ 45,622	\$ 73,001	\$ 300,000	\$ 76,736	\$ 668	\$ 93,662
15,234	-	-	15,317	-	8,856
-	-	-	-	-	-
<u>\$ 60,856</u>	<u>\$ 73,001</u>	<u>\$ 300,000</u>	<u>\$ 92,053</u>	<u>\$ 668</u>	<u>\$ 102,518</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,260	-	-	-	-	34,550
-	-	-	-	-	415
-	-	-	-	-	-
<u>8,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,965</u>
13,043	-	-	13,113	-	7,591
-	-	-	-	-	-
-	-	300,000	-	-	-
39,553	73,001	-	78,940	-	59,962
-	-	-	-	668	-
-	-	-	-	-	-
<u>39,553</u>	<u>73,001</u>	<u>300,000</u>	<u>78,940</u>	<u>668</u>	<u>59,962</u>
<u>\$ 60,856</u>	<u>\$ 73,001</u>	<u>\$ 300,000</u>	<u>\$ 92,053</u>	<u>\$ 668</u>	<u>\$ 102,518</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	<u>Special Revenue Funds</u>			
	Road Special Fund	Prosecuting Attorneys Fund	Building Fund	Road Improvement Fund
<b>Assets</b>				
Cash and investments	\$ 553,086	\$ 20,360	\$ 1,764,001	\$ 103,826
Receivables				
Property taxes	125,224	-	28,748	-
Other receivables	-	-	-	-
Total Assets	<u>\$ 678,310</u>	<u>\$ 20,360</u>	<u>\$ 1,792,749</u>	<u>\$ 103,826</u>
<b>Liabilities and Fund Equity</b>				
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Warrants outstanding	42,647	-	432,693	-
Accrued liabilities	2,406	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	<u>45,053</u>	<u>-</u>	<u>432,693</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenues	<u>107,136</u>	<u>-</u>	<u>24,591</u>	<u>-</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	526,121	20,360	-	103,826
Committed	-	-	1,335,465	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>526,121</u>	<u>20,360</u>	<u>1,335,465</u>	<u>103,826</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 678,310</u>	<u>\$ 20,360</u>	<u>\$ 1,792,749</u>	<u>\$ 103,826</u>

(continued)

See Independent Auditors' Report.

**Special Revenue Funds**

Emergency Communica- tion Fund	Teton County Ambulance Service District	Mosquito Abatement District Fund	Mosquito Abatement Reserve Fund	Waterways Fund	Housing Authority Fund
\$ 120,658	\$ 394,528	\$ 150,935	\$ 40,000	\$ 15,373	\$ 10,750
-	69,753	39,878	-	-	-
-	-	-	-	-	-
<u>\$ 120,658</u>	<u>\$ 464,281</u>	<u>\$ 190,813</u>	<u>\$ 40,000</u>	<u>\$ 15,373</u>	<u>\$ 10,750</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,727	3,028	-	-	-	-
604	-	420	-	-	-
-	-	-	-	-	-
<u>3,331</u>	<u>3,028</u>	<u>420</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	59,506	34,360	-	-	-
-	-	-	-	-	-
117,327	401,747	156,033	40,000	15,373	-
-	-	-	-	-	10,750
-	-	-	-	-	-
-	-	-	-	-	-
<u>117,327</u>	<u>401,747</u>	<u>156,033</u>	<u>40,000</u>	<u>15,373</u>	<u>10,750</u>
<u>\$ 120,658</u>	<u>\$ 464,281</u>	<u>\$ 190,813</u>	<u>\$ 40,000</u>	<u>\$ 15,373</u>	<u>\$ 10,750</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	<u>Special Revenue Funds</u>			
	FEMA Teton Creek Restoration	Idaho E911 Grants	County Hospital Fund	Teton Valley Arena Fund
<b>Assets</b>				
Cash and investments	\$ -	\$ -	\$ 17,500	\$ 247,780
Receivables				
Property taxes	-	-	-	-
Other receivables	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$ 247,780</u>
<b>Liabilities and Fund Equity</b>				
Liabilities				
Due to other funds	\$ 33,878	\$ 16,990	\$ -	\$ -
Warrants outstanding	4,350	-	-	391
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	<u>38,228</u>	<u>16,990</u>	<u>-</u>	<u>391</u>
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	-	-	-	247,389
Committed	-	-	17,500	-
Assigned	-	-	-	-
Unassigned	(38,228)	(16,990)	-	-
Total Fund Balances (Deficits)	<u>(38,228)</u>	<u>(16,990)</u>	<u>17,500</u>	<u>247,389</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$ 247,780</u>

(continued)

See Independent Auditors' Report.

**Special Revenue Funds**

Grants Fund	Impact Fees - Recreation Facilities	Impact Fees - Sheriff Facilities	Impact Fees - EMS Facilities	Impact Fees - Circulation Facilities	Fair Board Fund
\$ 51,884	\$ 14,655	\$ 29,392	\$ 3,853	\$ 144,365	\$ 132,319
-	-	-	-	-	1,544
-	-	-	-	-	-
<u>\$ 51,884</u>	<u>\$ 14,655</u>	<u>\$ 29,392</u>	<u>\$ 3,853</u>	<u>\$ 144,365</u>	<u>\$ 133,863</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
242	-	-	-	-	4,544
1,561	-	-	-	-	-
-	-	-	-	-	-
<u>1,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,544</u>
-	-	-	-	-	1,335
-	-	-	-	-	-
50,081	14,655	29,392	3,853	144,365	-
-	-	-	-	-	127,984
-	-	-	-	-	-
-	-	-	-	-	-
<u>50,081</u>	<u>14,655</u>	<u>29,392</u>	<u>3,853</u>	<u>144,365</u>	<u>127,984</u>
<u>\$ 51,884</u>	<u>\$ 14,655</u>	<u>\$ 29,392</u>	<u>\$ 3,853</u>	<u>\$ 144,365</u>	<u>\$ 133,863</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	<b>Special Revenue</b>			
	Court Restitution Fund	Court Bonds Fund	Interlock/ Monitoring Fund	Domestic Violence Eval Fund
<b>Assets</b>				
Cash and investments	\$ 11,317	\$ 12,021	\$ 12,537	\$ 3,070
Receivables				
Property taxes	-	-	-	-
Other receivables	-	-	-	-
Total Assets	<u>\$ 11,317</u>	<u>\$ 12,021</u>	<u>\$ 12,537</u>	<u>\$ 3,070</u>
<b>Liabilities and Fund Equity</b>				
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Warrants outstanding	1,525	-	-	-
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	<u>1,525</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	9,792	12,021	12,537	3,070
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>9,792</u>	<u>12,021</u>	<u>12,537</u>	<u>3,070</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,317</u>	<u>\$ 12,021</u>	<u>\$ 12,537</u>	<u>\$ 3,070</u>

(continued)

See Independent Auditors' Report.

<u>Special Revenue</u>		<u>Expendable Trust Funds</u>		
<u>Youth Program Fund</u>	<u>Auditors Trust Fund</u>	<u>Drug Court Trust Fund</u>	<u>Court Facility Trust Fund</u>	<u>Court Fines and Fees Fund</u>
\$ 1,794	\$ 28,949	\$ 9,142	\$ 13,132	\$ 23,108
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,794</u>	<u>\$ 28,949</u>	<u>\$ 9,142</u>	<u>\$ 13,132</u>	<u>\$ 23,108</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	28,949	-	-	21,665
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>28,949</u>	<u>-</u>	<u>-</u>	<u>21,665</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
1,794	-	9,142	13,132	1,443
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,794</u>	<u>-</u>	<u>9,142</u>	<u>13,132</u>	<u>1,443</u>
<u>\$ 1,794</u>	<u>\$ 28,949</u>	<u>\$ 9,142</u>	<u>\$ 13,132</u>	<u>\$ 23,108</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	<b>Expendable Trust Funds</b>				
	Teton County Motor Bonds Fund	Employee Benefit Fund	Dare Trust Fund	Planning and Zoning Trust Fund	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 111,454	\$ 161,145	\$ 6,161	\$ 388,552	\$ 5,711,504
Receivables					
Property taxes	-	-	-	-	348,251
Other receivables	-	-	-	-	28,077
Total Assets	<u>\$ 111,454</u>	<u>\$ 161,145</u>	<u>\$ 6,161</u>	<u>\$ 388,552</u>	<u>\$ 6,087,832</u>
<b>Liabilities and Fund Equity</b>					
Liabilities					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 50,868
Warrants outstanding	111,454	-	-	-	701,986
Accrued liabilities	-	-	-	-	13,318
Other liabilities	-	-	-	-	-
Total Liabilities	<u>111,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>766,172</u>
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	298,057
Fund Balances (Deficits)					
Nonspendable	-	-	-	388,552	388,552
Restricted	-	-	6,161	-	2,301,658
Committed	-	-	-	-	2,139,583
Assigned	-	161,145	-	-	249,028
Unassigned	-	-	-	-	(55,218)
Total Fund Balances (Deficits)	<u>-</u>	<u>161,145</u>	<u>6,161</u>	<u>388,552</u>	<u>5,023,603</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 111,454</u>	<u>\$ 161,145</u>	<u>\$ 6,161</u>	<u>\$ 388,552</u>	<u>\$ 6,087,832</u>

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	<b>Special Revenue Funds</b>			
	Road and Bridge Capital Fund	District Court and Juvenile Probation Fund	Elections State Fund	Indigent and Charity Fund
Revenues				
Property taxes	\$ -	\$ 378,283	\$ -	\$ 500
Other state revenues	-	-	63,253	-
Federal funds	-	578	-	-
Juvenile justice funds	-	43,608	-	-
Licenses, permits and other fees	-	93,043	-	-
Interest earned	-	-	-	-
Miscellaneous	-	9,575	-	1,935
Total Revenues	<u>-</u>	<u>525,087</u>	<u>63,253</u>	<u>2,435</u>
Expenditures				
General and administrative	-	471,105	46,267	45,568
Road and bridge	-	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	-
Total Expenditures	<u>-</u>	<u>471,105</u>	<u>46,267</u>	<u>45,568</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>53,982</u>	<u>16,986</u>	<u>(43,133)</u>
Other Financing Sources (Uses):				
Proceeds from financing sources	-	-	-	-
Transfers in	51,000	-	-	21,985
Transfers out	-	-	-	-
Total Other Financing Sources	<u>51,000</u>	<u>-</u>	<u>-</u>	<u>21,985</u>
Net Change in Fund Balances	<u>51,000</u>	<u>53,982</u>	<u>16,986</u>	<u>(21,148)</u>
Fund Balance at Beginning of Year	<u>36,215</u>	<u>231,721</u>	<u>45,058</u>	<u>131,873</u>
Fund Balance at End of Year	<u>\$ 87,215</u>	<u>\$ 285,703</u>	<u>\$ 62,044</u>	<u>\$ 110,725</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
\$ 126,037	\$ -	\$ -	\$ 118,929	\$ -	\$ 67,918
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,269
<u>126,037</u>	<u>-</u>	<u>-</u>	<u>118,929</u>	<u>-</u>	<u>71,187</u>
119,252	5,500	-	110,865	-	73,471
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>119,252</u>	<u>5,500</u>	<u>-</u>	<u>110,865</u>	<u>-</u>	<u>73,471</u>
<u>6,785</u>	<u>(5,500)</u>	<u>-</u>	<u>8,064</u>	<u>-</u>	<u>(2,284)</u>
-	-	-	-	-	-
-	75,177	-	-	-	-
-	-	-	-	(240,000)	-
-	<u>75,177</u>	<u>-</u>	<u>-</u>	<u>(240,000)</u>	<u>-</u>
<u>6,785</u>	<u>69,677</u>	<u>-</u>	<u>8,064</u>	<u>(240,000)</u>	<u>(2,284)</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>
\$ <u>39,553</u>	\$ <u>73,001</u>	\$ <u>300,000</u>	\$ <u>78,940</u>	\$ <u>668</u>	\$ <u>59,962</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, 2013**

	<b>Special Revenue Funds</b>			
	Road Special Fund	Prosecuting Attorneys Fund	Building Fund	Road Improvement Fund
<b>Revenues</b>				
Property taxes	\$ 1,017,547	\$ -	\$ 385,071	\$ -
Other state revenues	-	-	-	-
Federal funds	-	-	152,334	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	-
Interest earned	-	-	-	-
Miscellaneous	20,466	2,046	-	-
Total Revenues	<u>1,038,013</u>	<u>2,046</u>	<u>537,405</u>	<u>-</u>
<b>Expenditures</b>				
General and administrative	-	-	58,881	-
Road and bridge	716,322	-	-	16,901
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	340,326	-	1,334,670	-
Total Expenditures	<u>1,056,648</u>	<u>-</u>	<u>1,393,551</u>	<u>16,901</u>
<b>Excess (Deficiency) of Revenues</b>				
Over Expenditures	<u>(18,635)</u>	<u>2,046</u>	<u>(856,146)</u>	<u>(16,901)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	317,403	-
Transfers out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>317,403</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(18,635)</u>	<u>2,046</u>	<u>(538,743)</u>	<u>(16,901)</u>
<b>Fund Balance at Beginning of Year</b>	<u>544,756</u>	<u>18,314</u>	<u>1,874,208</u>	<u>120,727</u>
<b>Fund Balance at End of Year</b>	<u>\$ 526,121</u>	<u>\$ 20,360</u>	<u>\$ 1,335,465</u>	<u>\$ 103,826</u>

(continued)

See Independent Auditors' Report.

**Special Revenue Funds**

Emergency Communi- cation Fund	Teton County Ambulance Service District	Mosquito Abatement District Fund	Mosquito Abatement Reserve Fund	Waterways Fund	Housing Authority Fund
\$ -	\$ 573,542	\$ 305,412	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
110,865	58,470	-	-	-	-
-	-	-	-	-	-
-	28,971	-	-	5,999	-
<u>110,865</u>	<u>660,983</u>	<u>305,412</u>	<u>-</u>	<u>5,999</u>	<u>-</u>
-	601,103	281,768	-	6,875	-
-	-	-	-	-	-
89,181	-	-	-	-	-
15,700	-	-	-	-	-
-	12,577	-	-	-	-
<u>104,881</u>	<u>613,680</u>	<u>281,768</u>	<u>-</u>	<u>6,875</u>	<u>-</u>
5,984	47,303	23,644	-	(876)	-
-	-	-	-	-	-
-	-	-	40,000	-	-
-	-	(40,000)	-	-	-
-	-	(40,000)	40,000	-	-
<u>5,984</u>	<u>47,303</u>	<u>(16,356)</u>	<u>40,000</u>	<u>(876)</u>	<u>-</u>
111,343	354,444	172,389	-	16,249	10,750
<u>\$ 117,327</u>	<u>\$ 401,747</u>	<u>\$ 156,033</u>	<u>\$ 40,000</u>	<u>\$ 15,373</u>	<u>\$ 10,750</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, 2013**

	<b>Special Revenue Funds</b>			
	FEMA Teton Creek Restoration	Idaho E911 Grants	County Hospital Fund	Teton Valley Arena Fund
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 17,500	\$ -
Other state revenues	-	-	-	-
Federal funds	34,139	-	-	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	-
Interest earned	-	-	-	-
Miscellaneous	33,080	-	-	747
<b>Total Revenues</b>	<u>67,219</u>	<u>-</u>	<u>17,500</u>	<u>747</u>
<b>Expenditures</b>				
General and administrative	-	-	78	565
Road and bridge	58,375	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	47,072	16,990	-	-
<b>Total Expenditures</b>	<u>105,447</u>	<u>16,990</u>	<u>78</u>	<u>565</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(38,228)</u>	<u>(16,990)</u>	<u>17,422</u>	<u>182</u>
<b>Other Financing Sources (Uses):</b>				
	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(38,228)</u>	<u>(16,990)</u>	<u>17,422</u>	<u>182</u>
<b>Fund Balance at Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>78</u>	<u>247,207</u>
<b>Fund Balance at End of Year</b>	<u>\$ (38,228)</u>	<u>\$ (16,990)</u>	<u>\$ 17,500</u>	<u>\$ 247,389</u>

(continued)

See Independent Auditors' Report.

**Special Revenue**

Grants Fund	Impact Fees - Recreation Facilities	Impact Fees - Sheriff Facilities	Impact Fees - EMS Facilities	Impact Fees - Circulation Facilities	Fair Board Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,340
191,500	-	-	-	-	-
61,119	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,498	6,963	915	32,755	123,032
<u>252,619</u>	<u>3,498</u>	<u>6,963</u>	<u>915</u>	<u>32,755</u>	<u>131,372</u>
36,139	-	-	-	-	31,658
-	-	-	-	-	-
121,649	-	-	-	-	-
-	-	-	-	-	-
44,800	-	-	-	-	-
<u>202,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,658</u>
<u>50,031</u>	<u>3,498</u>	<u>6,963</u>	<u>915</u>	<u>32,755</u>	<u>99,714</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>50,031</u>	<u>3,498</u>	<u>6,963</u>	<u>915</u>	<u>32,755</u>	<u>99,714</u>
<u>50</u>	<u>11,157</u>	<u>22,429</u>	<u>2,938</u>	<u>111,610</u>	<u>28,270</u>
<u>\$ 50,081</u>	<u>\$ 14,655</u>	<u>\$ 29,392</u>	<u>\$ 3,853</u>	<u>\$ 144,365</u>	<u>\$ 127,984</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, 2013**

	<b>Special Revenue Funds</b>			
	Court Restitution Fund	Court Bonds Fund	Interlock/ Monitoring Fund	Domestic Violence Evaluation Fund
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other state revenues	-	-	-	-
Federal funds	-	-	-	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	-
Interest earned	-	-	-	-
Miscellaneous	132,848	38,513	1,185	245
<b>Total Revenues</b>	<u>132,848</u>	<u>38,513</u>	<u>1,185</u>	<u>245</u>
<b>Expenditures</b>				
General and administrative	129,541	34,013	-	-
Road and bridge	-	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	-
<b>Total Expenditures</b>	<u>129,541</u>	<u>34,013</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>3,307.00</u>	<u>4,500</u>	<u>1,185</u>	<u>245</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>3,307</u>	<u>4,500</u>	<u>1,185</u>	<u>245</u>
<b>Fund Balance at Beginning of Year</b>	<u>6,485</u>	<u>7,521</u>	<u>11,352</u>	<u>2,825</u>
<b>Fund Balance at End of Year</b>	<u>\$ 9,792</u>	<u>\$ 12,021</u>	<u>\$ 12,537</u>	<u>\$ 3,070</u>

(continued)

See Independent Auditors' Report.

<u>Special Revenue Funds</u>		<u>Expendable Trust Funds</u>		
<u>Youth Program Fund</u>	<u>Auditors Trust Fund</u>	<u>Drug Court Trust Fund</u>	<u>Court Facility Trust Fund</u>	<u>Court Fines and Fees Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
85	-	-	-	-
-	-	-	-	-
-	10,374	32,599	26,370	3
<u>85</u>	<u>10,374</u>	<u>32,599</u>	<u>26,370</u>	<u>3</u>
-	9,273	28,800	22,500	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>9,273</u>	<u>28,800</u>	<u>22,500</u>	<u>-</u>
<u>85</u>	<u>1,101</u>	<u>3,799</u>	<u>3,870</u>	<u>3</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>85</u>	<u>1,101</u>	<u>3,799</u>	<u>3,870</u>	<u>3</u>
<u>1,709</u>	<u>(1,101)</u>	<u>5,343</u>	<u>9,262</u>	<u>1,440</u>
<u>\$ 1,794</u>	<u>\$ -</u>	<u>\$ 9,142</u>	<u>\$ 13,132</u>	<u>\$ 1,443</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, 2013**

	<b>Expendable Trust Funds</b>				Total Nonmajor Governmental Funds
	Teton County Motor Vehicle Fund	Employee Benefit Fund	Dare Trust Fund	Planning and Zoning Trust Fund	
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,999,079
Other state revenues	-	-	-	-	254,753
Federal funds	-	-	-	-	248,170
Juvenile justice funds	-	-	-	-	43,608
Licenses, permits and other fees	-	-	-	344,661	607,124
Interest earned	-	-	-	-	-
Miscellaneous	-	-	-	-	515,388
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,661</u>	<u>4,668,122</u>
Expenditures					
General and administrative	-	8,201	-	306,503	2,427,926
Road and bridge	-	-	-	-	791,598
Law enforcement	-	-	-	-	210,830
Capital lease payments	-	-	-	-	15,700
Capital improvements	-	-	-	-	1,796,435
Total Expenditures	<u>-</u>	<u>8,201</u>	<u>-</u>	<u>306,503</u>	<u>5,242,489</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(8,201)</u>	<u>-</u>	<u>38,158</u>	<u>(574,367)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	505,565
Transfers out	-	-	-	-	(280,000)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,565</u>
Net Change in Fund Balances	<u>-</u>	<u>(8,201)</u>	<u>-</u>	<u>38,158</u>	<u>(348,802)</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>169,346</u>	<u>6,161</u>	<u>350,394</u>	<u>5,372,405</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 161,145</u>	<u>\$ 6,161</u>	<u>\$ 388,552</u>	<u>\$ 5,023,603</u>

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**September 30, 2013**

---

	State Remittance Account	Dept. of Transporation Fund	Driggs City Fund	Victor City Fund
<b>Assets</b>				
Cash and investments	\$ 11,981	\$ 44,035	\$ 2,566	\$ 6,810
Receivables				
Property taxes	-	-	55,061	73,292
Total Assets	<u>\$ 11,981</u>	<u>\$ 44,035</u>	<u>\$ 57,627</u>	<u>\$ 80,102</u>
<b>Liabilities and Fund Equity</b>				
Liabilities				
Warrants outstanding	\$ 11,981	\$ 44,035	\$ 2,566	\$ 6,810
Due to other agencies	-	-	55,061	73,292
Total Liabilities	<u>\$ 11,981</u>	<u>\$ 44,035</u>	<u>\$ 57,627</u>	<u>\$ 80,102</u>

(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
\$ 162	\$ 34,073	\$ 7	\$ 163	\$ 207	\$ 158
9,279	579,867	142	2,530	3,138	411
<u>\$ 9,441</u>	<u>\$ 613,940</u>	<u>\$ 149</u>	<u>\$ 2,693</u>	<u>\$ 3,345</u>	<u>\$ 569</u>
\$ 162	\$ 34,073	\$ 7	\$ 163	\$ 207	\$ 158
9,279	579,867	142	2,530	3,138	411
<u>\$ 9,441</u>	<u>\$ 613,940</u>	<u>\$ 149</u>	<u>\$ 2,693</u>	<u>\$ 3,345</u>	<u>\$ 569</u>

(continued)

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Combining Statement of Assets and Liabilities (continued)**  
**Agency Funds**  
**September 30, 2013**

	Victor- Cedron Cemetery Fund	Felt Cemetery Fund	Teton County Fire Protection Fund	Forest Practices Admin Fund	Valley of the Teton Library Fund
<b>Assets</b>					
Cash and investments	\$ 770	\$ 5,645	\$ 15,713	\$ 28	\$ 1,573
Receivables					
Property taxes	11,054	-	273,562	443	26,612
<b>Total Assets</b>	<u>\$ 11,824</u>	<u>\$ 5,645</u>	<u>\$ 289,275</u>	<u>\$ 471</u>	<u>\$ 28,185</u>
<b>Liabilities and Fund Equity</b>					
<b>Liabilities</b>					
Warrants outstanding	\$ 770	\$ -	\$ 15,713	\$ 28	\$ 1,573
Due to other agencies	11,054	5,645	273,562	443	26,612
<b>Total Liabilities</b>	<u>\$ 11,824</u>	<u>\$ 5,645</u>	<u>\$ 289,275</u>	<u>\$ 471</u>	<u>\$ 28,185</u>

(continued)

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
\$ 2,106	\$ 212	\$ 33	\$ 33	\$ 4,045	\$ -	\$ 130,320
66,780	3,990	-	1,879	661	-	1,108,701
<u>\$ 68,886</u>	<u>\$ 4,202</u>	<u>\$ 33</u>	<u>\$ 1,912</u>	<u>\$ 4,706</u>	<u>\$ -</u>	<u>\$ 1,239,021</u>
\$ 2,106	\$ 212	\$ 33	\$ 33	\$ -	\$ -	\$ 120,630
66,780	3,990	-	1,879	4,706	-	1,118,391
<u>\$ 68,886</u>	<u>\$ 4,202</u>	<u>\$ 33</u>	<u>\$ 1,912</u>	<u>\$ 4,706</u>	<u>\$ -</u>	<u>\$ 1,239,021</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, 2013**

---

Operating Revenues	
Net patient service revenue	\$ 3,088,316
Teton County Ambulance District contract	111,327
Other	16,279
Total Operating Revenues	<u>3,215,922</u>
Operating Expenses	
Salaries and wages	1,671,166
Employee benefits	397,033
Purchased services	497,948
Supplies	436,207
Leases and rent	30,188
Repairs and maintenance	56,460
Utilities	37,580
Insurance	28,023
Depreciation and amortization	139,116
Other expenses	113,815
Total Operating Expenses	<u>3,407,536</u>
Operating Income (Loss)	<u>(191,614)</u>
Non-Operating Revenues (Expenses)	
Interest income	94
Contributions	6,906
Taxation for capital purchases	15,892
Interest expense	(13,042)
Total Non-Operating Revenues	<u>9,850</u>
Change in net position before extraordinary item	(181,764)
<i>Extraordinary loss on bond extinguishment</i>	<u>(40,564)</u>
Change in net position	(222,328)
Net Assets, Beginning of Year	<u>7,832,633</u>
Net Assets, December 31, 2012	<u>\$ 7,610,305</u>

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Statement of Cash Flows**  
**Component Unit**  
**For the Year Ended September 30, 2013**

---

**Cash Flows from Operating Activities**

Receipts from and on behalf of patients	\$ 2,748,335
Payments to employees	(1,968,945)
Payments to suppliers and contractors	(1,246,904)
Other receipts	<u>127,606</u>

Net Cash Used by Operating Activities (339,908)

**Cash Flows from Noncapital Financing Activities**

Taxation for operations	12,703
Receipts of grants and contributions	<u>6,906</u>

Net Cash Provided by Noncapital Financing Activities 19,609

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

Cash received from Foundation	12,394
Taxation for capital acquisitions	<u>33,613</u>

Net Cash Used in Capital and Related Financing Activities 46,007

**Cash Flows from Investing Activities**

Interest received	<u>94</u>
-------------------	-----------

Net Cash Provided by Investing Activities 94

Net Increase in Cash and Cash Equivalents (274,198)

Cash and Cash Equivalents at the Beginning of the Year 4,004,458

Cash and Cash Equivalents at the End of the Year \$ 3,730,260

**Reconciliation of Cash and Cash Equivalents  
to the Balance Sheet**

Cash and cash equivalents	\$ 2,865,507
Cash and cash equivalents restricted for capital additions	<u>864,753</u>

Total cash and cash equivalents \$ 3,730,260

See Independent Auditors' Report.

**TETON COUNTY, IDAHO**  
**Statement of Cash Flows (Continued)**  
**Component Unit**  
**For the Year Ended September 30, 2013**

---

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

Income from operations	\$ (191,614)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation and amortization	139,116
Provision for bad debts	373,528
Changes in assets and liabilities:	
Patient accounts receivable	(579,376)
Estimated third-party payor settlements	(75,000)
Other receivables	46,420
Inventories	46,180
Prepaid expenses	(78,032)
Accounts payable	(53,387)
Accrued payroll and related liabilities	23,059
Estimated third-party payor settlements	(59,133)
Net pension obligation	<u>68,331</u>
Net Cash Used by Operating Activities	<u>\$ (339,908)</u>

See Independent Auditors' Report.



**INDEPENDENT AUDITOR'S 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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise Teton County, Idaho's basic financial statements, and have issued our report thereon dated January 20, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Teton County, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Teton County, Idaho's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

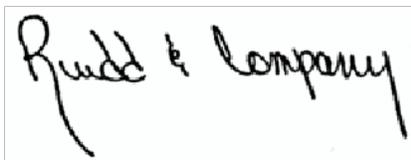
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Teton County, Idaho's financial statements are free from 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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 20, 2014