



TETON COUNTY, IDAHO

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

September 30, 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Teton County, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Teton County, Idaho as of and for the year ended September 30, 2014, 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 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, each major fund, and the aggregate remaining fund information of Teton County, Idaho as of September 30, 2014, 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.

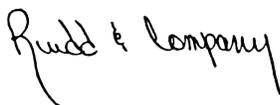
Other Information

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 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 and the schedule of expenditures of federal awards 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 and the schedule of expenditures of federal awards 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 21, 2015, 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.



Rexburg, Idaho
January 21, 2015



Teton County, Idaho
Management's Discussion & Analysis
September 30, 2014

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, 2014.

FINANCIAL HIGHLIGHTS

- The assets of Teton County exceeded its liabilities at the close of the most recent fiscal year by \$26,467,136. Of this amount, \$7,307,464 may be used to meet the county's ongoing obligations to citizens and creditors.
- The county's total net assets increased by \$1,564,831 during the most recent fiscal year.
- As of Sept. 30, 2014 Teton County's governmental funds reported combined ending fund balances of \$6,869,005, a decrease of \$784,137 over the prior year due to completion of the Law Enforcement Center. \$2,283,740 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 \$2,327,084, which equaled 54% of the fund's budget for the coming year. The restricted Road & Bridge Fund balance was \$377,368, which equaled 29% of the fund's budget for the coming year. The restricted Solid Waste Fund balance was \$1,082,213, which equaled 39% of the fund's budget for the coming year.
- Construction of the law enforcement center was completed in May, 2014. The facility cost a total of \$2,667,430.

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 Position* (page13) 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* (page14) 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).

This is the first year that the government-wide financial statements do not include information about Teton Valley Hospital, a former Component Unit of the county. Since December 31, 2013, the hospital facility and assets have been leased to Teton Valley Health Care, Inc., which is responsible for all hospital operations. See “Future Considerations” on pages 11-12 for more details.

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 15*) and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (*page 17*) 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 16 & 18*) which is necessary because the funds are operated on a cash basis while the government-wide reports require accrual accounting.

The information on pages 15 and 17 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 40-57*).

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 37-39*).

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 19; detailed information about specific agency funds is found on pages 58-61.

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 20-36*).

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 2010	FY 2011	FY 2012	FY 2013	FY 2014
ASSETS					
Current assets (+Deferred Outflows of Resources)	6,780,958	7,219,651	8,644,054	9,250,932	7,937,890
Capital assets, net of related debt & depreciation	16,057,129	16,633,457	16,163,240	19,545,941	21,954,103
Total assets	\$22,838,087	\$23,853,108	\$24,807,294	\$28,796,873	\$29,891,993
LIABILITIES					
Current liabilities	1,055,145	990,599	1,001,770	1,157,103	884,731
Non-current liabilities	3,293,113	3,169,212	2,796,709	2,701,598	2,540,126
Total liabilities	\$4,348,258	\$4,159,811	\$3,798,479	\$3,858,701	\$3,424,857
NET ASSETS					
Invested in capital assets, net of related debt	12,382,036	12,979,635	13,023,125	16,633,698	19,159,675
Unrestricted	6,107,793	6,713,662	7,985,690	8,304,474	7,307,461
TOTAL NET ASSETS	\$18,489,829	\$19,693,297	\$21,008,815	\$24,938,172	\$26,467,136

The significant 2013 increase in capital assets was largely due to the return of capital assets from Teton Valley Hospital to Teton County. The 2014 increase reflects construction of the 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 provides a five-year history of revenue and expense information from the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances.

Table 2. Changes in Fund Balance

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
REVENUES					
Property Taxes	5,246,729	5,131,123	5,657,950	5,827,083	6,025,824
State liquor fund	81,982	76,002	75,351	79,086	85,931
State sales tax	375,474	396,807	426,378	454,498	474,329
State highway users fund	890,578	898,736	885,041	888,223	889,519
Other state revenues	25,671	270,002	159,122	280,845	240,549
Federal funds	316,278	106,638	200,622	354,586	1,350,330
Juvenile justice funds	23,885	78,266	57,759	43,608	43,761
Solid waste fees	1,341,375	1,172,173	1,341,564	1,322,087	1,379,560
Licenses, permits & other fees	588,353	798,690	943,186	1,130,366	835,488
Interest earned	36,545	30,207	22,587	21,015	16,061
Miscellaneous	569,581	1,012,265	1,059,409	962,079	888,626
Proceeds from financing sources & capital leases	187,240	545,284	0	198,330	254,410
Total Revenues	\$9,683,691	\$10,516,193	\$10,828,969	11,561,806	12,484,388
EXPENDITURES					
General & Administrative	3,693,205	4,503,836	4,783,154	4,882,797	5,326,883
Health Care	1,212,335	0	0	0	0
Road & Bridge	792,328	1,432,978	1,616,561	1,705,891	1,694,314
Law enforcement	1,103,285	1,179,205	1,229,370	1,150,218	1,413,542
Solid waste	820,421	841,502	767,954	865,021	839,140
Bond payments	224,954	225,437	225,692	225,892	220,892
Capital lease payments	352,115	506,994	267,895	175,354	303,441
Capital improvements	1,010,130	1,114,075	478,587	2,136,802	3,470,313
Total Expenditures	9,208,773	9,804,027	\$9,369,213	11,141,975	13,268,525
Excess (Deficiency) of Revenues	287,678	712,166	\$1,459,756	419,831	-784,137
Fund balance at beginning of year	4,687,030	5,161,389	5,773,555	7,233,311	7,653,142
Prior period adjustment	0	-100,000	0	0	0
FUND BALANCE AT END OF YEAR	\$5,161,948	\$5,773,555	\$7,233,311	\$7,653,142	\$6,869,005

The 2010 Health Care expenditure represents payments made to transfer 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 2013 capital improvement expense reflects road construction projects and partial construction of the new law enforcement center. The large 2014 capital improvement expense reflects construction of the law enforcement center, using funds carried over from 2013.

During the current year, revenues totaled \$12,484,388 (including capital leases) while expenses totaled \$13,268,525. Charts 1 and 2 illustrate the current year's revenue and expense information.

Chart 1. Government-wide Revenues (\$12,479,763) by Source for FY 2014

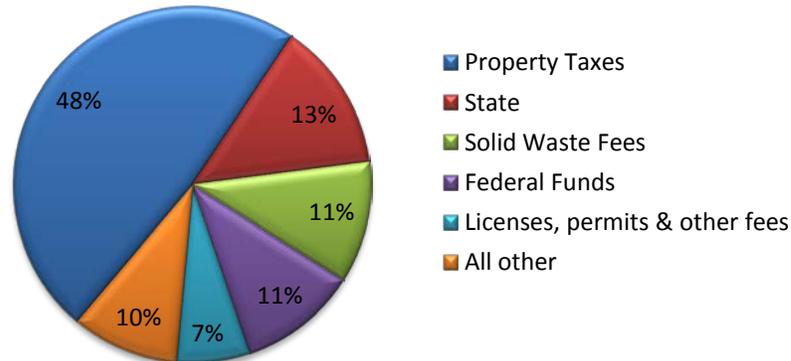
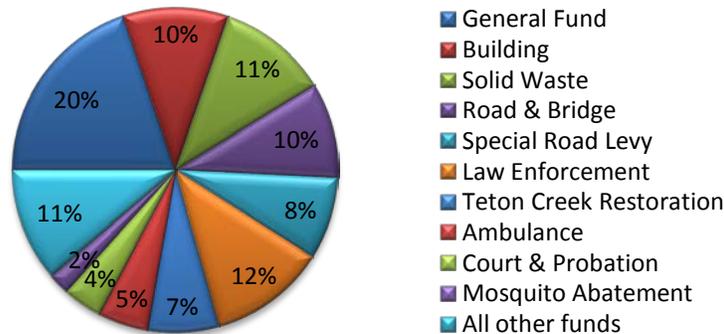


Chart 2. Government-wide Expenses for FY 2014



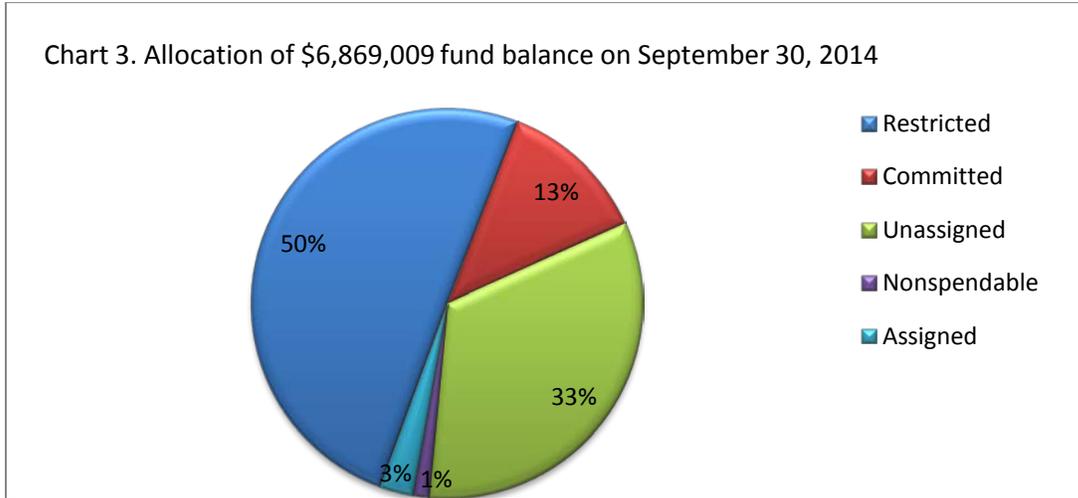
FUND FINANCIAL ANALYSIS

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 15*) shows the government-wide fund balances while Note #18 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 \$6,869,005 with \$2,229,441 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 35-36.



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.

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 \$2,327,080, which represents 54% 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 \$21,954,103.

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

- Construction of the new law enforcement facility was 100% completed.
- A 2013 grader was purchased through a three-year capital lease.
- Three new vehicles were purchased for use by the Sheriff's deputies.

Long-term debt. Teton County currently maintains long-term debt in the amount of \$2,799,491. This amount includes \$2,210,000 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 3. Additional information on Teton County’s long-term debt can be found in Notes 7-9.

Table 3. Capital Lease Payments

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2018
2011 Grader (Road & Bridge)	28,743	28,743	160,000	0	0	0
2011 Grader (Road & Bridge)	27,766	27,766	27,766	160,000	0	0
2013 Road Grader (Road & Bridge)	156,788	51,286	51,286	0	0	0
2014 Dump Truck (Road & Bridge)	41,476	41,476	41,476	41,476	1,087	1,087
TOTAL LEASE PAYMENTS	\$254,773	\$149,271	\$280,528	\$201,476	\$1,087	\$1,087

CONCLUSION

Current Status. Teton County is financially healthy. The voter-approved supplemental road levy is paying for much-needed improvements to the county’s transportation system. The new law enforcement center has been completed and provides 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 are also located there. The new law enforcement center replaced 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 personnel and financial practices (e.g. Hiring New Employees, Appropriate Use of County Funds, Cash Receipts, Petty Cash, etc.). These policies are discussed during the annual employee meeting, with particular emphasis given to the Ethics and Safety policies. However, the policies are only helpful if read and followed. Every elected official, department head and employee should understand the policies and the importance of adhering to them.

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 2014 net taxable value is \$1,315,144,603, down from a peak of \$2,184,781,504 in 2008, but up slightly for the first time in six years. Although the 0.5% increase was very small, it may indicate that the decline in property values is over, despite the large number of unsold vacant lots that remain on the market.

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 2014, the county issued 25 building permits for new homes and the school district enrollment increased by 61 new students.

Future Considerations.

Landfill. 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 was undertaken to determine the extent of the problem and propose specific corrective measures. The report was completed during FY 2014 and a remediation plan has been approved by the Idaho Department of Environmental Quality. The FY 2015 budget includes \$1,643,000 for repair of the landfill cap, which is sufficient funding to pay for the worst-case scenario as estimated by the engineer.

Five County Juvenile Detention. 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 operating 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, recruiting additional Federal juveniles and increasing the amounts paid by partner counties. During 2014 the number of Federal juveniles decreased significantly and staff layoffs were made in order to maintain a balanced budget. Future Federal budget cuts or reductions in juvenile populations may threaten the solvency of the facility. Partner counties will be required to make up any shortfall.

Hospital. The hospital ceased being a Component Unit of the county on December 31, 2012. All hospital facilities and assets remain county-owned, but are now leased to Teton Valley Health Care Inc., a non-profit corporation responsible for hospital operations. The 99-year Hospital Lease Agreement pertains to capital assets which had a net value of \$2,682,396 on December 31, 2012. This value was previously included in the Component Unit financial statements but is now included in the county's financial statements. The lease requires TVHC Inc. to re-invest into the hospital's capital assets at a rate equal to their rate of depreciation. It also requires TVHC Inc. to manage and operate the assets in a manner that will protect the interests of the county and carry out the original mission of the hospital. Finally, the lease specifies that TVHC Inc. must comply with numerous protective covenants or face default of the agreement. Should such a default occur in the future, the lease will be terminated, TVHC Inc. will dissolve and the County will take back possession of the assets and responsibility for hospital operations.

The Liquid Asset Transfer Agreement, also executed December 31, 2012, allows Teton Valley Health Care Inc. to use the \$4,927,909 working capital owned by the hospital (county) on that date in exchange for an annual payment of \$70,000, plus a percentage of the annual net operating profits. The County intends to hold these annual payments in the County’s Hospital Fund until they are needed for hospital purposes. During 2014, Teton Valley Health Care Inc. reported no net operating profit so paid the county just \$70,000 pursuant to this Agreement.

GASB Public Pension Accounting Standards. The Governmental Accounting Standards Board (GASB) has issued new public pension accounting rules that will be reflected on next year’s financial statements. As a result, the FY 2015 balance sheet will include information about the county’s Net Pension Liability (NPL). Previously the financial statements showed only the annual contributions paid to the Public Employee Retirement System of Idaho (PERSI) to pay down the NPL. The presence of a large NPL number next year could give the incorrect impression that the county has an immense debt that must be paid immediately, but this is not the case because pension costs are paid off over long periods.

Unassigned General Fund Balance. The unassigned balance in the General Fund is about \$1,000,000 greater than the amount necessary to provide sufficient liquidity and cash flow into the new fiscal year, which means this amount could be used to purchase necessary property or equipment, or else reserved for future projects. The Commissioners should discuss the best possible use of these funds during the county’s annual budget process.

Elected Officials. Table 5 provides the names and titles of Teton County elected officials who held office on September 30, 2014.

Table 4. 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	Jason Walker	Jan 2017
District Judge	Greg Moeller	June 2018

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

- Mary Lou Hansen, Teton County Auditor, January 21, 2015 -

BASIC FINANCIAL STATEMENTS

TETON COUNTY, IDAHO
Statement of Net Position
September 30, 2014

	Governmental Activities
Assets	
Current Assets	
Cash and investments	\$ 7,373,093
Property taxes receivable	529,078
Other receivables	30,656
Total Current Assets	<u>7,932,827</u>
Deferred Outflows of Resources	
Bond discount net of amortization	5,063
Total Deferred Outflows of Resources	<u>5,063</u>
Capital Assets	
Nondepreciable capital assets	2,494,209
Depreciable capital assets	32,572,593
Accumulated depreciation	(13,112,699)
Total Capital Assets	<u>21,954,103</u>
Total Assets	<u>\$ 29,891,993</u>
Liabilities	
Current Liabilities:	
Warrants outstanding	\$ 522,506
Accrued liabilities	102,860
Current portion of long-term obligations	259,365
Total Current Liabilities	<u>884,731</u>
Noncurrent Portion of Long-term Obligations	<u>2,540,126</u>
Total Liabilities	<u>\$ 3,424,857</u>
Net Position	
Invested in capital assets, net of related debt	19,159,675
Unrestricted	7,307,461
Total Net Position	<u>\$ 26,467,136</u>

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

TETON COUNTY, IDAHO
Statement of Activities
For the Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and
		Charges for	Operating	Capital	Changes in Net Assets
Primary Government		Services	Grants and	Grants and	Primary Government
			Contributions	Contributions	Governmental
					Activities
Governmental Activities					
General and administrative	\$ 5,718,313	\$ 749,516	\$ 1,614,758	\$ -	\$ (3,354,039)
Road and bridge	2,058,717	1,740	1,023,887	-	(1,033,090)
Law enforcement	1,521,897	84,232	-	-	(1,437,665)
Solid waste	1,137,617	1,356,605	-	-	218,988
Total Governmental Activities	10,436,544	2,192,093	2,638,645	-	(5,605,806)
Total Primary Government	\$ 10,436,544	\$ 2,192,093	\$ 2,638,645	\$ -	(5,605,806)
General Revenues					
Taxes:					
Property taxes levied for general purposes					5,835,902
State and federal payments					914,271
Investment earnings					16,061
Loss on disposal of capital assets					(15,726)
Miscellaneous					420,129
Total General Revenues					7,170,637
Changes in Net Position					1,564,831
Net Position - beginning (See Note16)					24,902,305
Net Position - Ending					\$ 26,467,136

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

TETON COUNTY, IDAHO
Balance Sheet
Governmental Funds
September 30, 2014

	General Fund	Road and Bridge Fund	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Investments	\$ 2,363,495	\$ 405,942	\$ 1,137,997	\$ 3,465,658	\$ 7,373,092
Receivables					
Property taxes & solid waste user fees	253,777	2,630	45,200	227,471	529,078
Other receivables	-	-	-	30,656	30,656
Due from other funds	61,277	-	-	-	61,277
Total Assets	<u>\$ 2,678,549</u>	<u>\$ 408,572</u>	<u>\$ 1,183,197</u>	<u>\$ 3,723,785</u>	<u>\$ 7,994,103</u>
Liabilities and Fund Equity					
Liabilities					
Due to other funds	\$ -	\$ -	\$ -	\$ 61,277	\$ 61,277
Warrants outstanding	69,589	15,165	57,408	380,344	522,506
Accrued liabilities	70,785	13,849	8,159	10,067	102,860
Total Liabilities	<u>140,374</u>	<u>29,014</u>	<u>65,567</u>	<u>451,688</u>	<u>686,643</u>
Deferred Inflows of Resources					
Unavailable revenues	211,095	2,190	35,417	189,753	438,455
Fund Balances					
Nonspendable	-	-	-	89,622	89,622
Restricted	-	377,368	1,082,213	2,051,906	3,511,487
Committed	-	-	-	848,476	848,476
Assigned	-	-	-	189,979	189,979
Unassigned	2,327,080	-	-	(97,639)	2,229,441
Total Fund Balances	<u>2,327,080</u>	<u>377,368</u>	<u>1,082,213</u>	<u>3,082,344</u>	<u>6,869,005</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,678,549</u>	<u>\$ 408,572</u>	<u>\$ 1,183,197</u>	<u>\$ 3,723,785</u>	<u>\$ 7,994,103</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, 2014

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

Total Fund Balance - Governmental Funds	\$ 6,869,006
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is \$35,066,802 and the accumulated depreciation is \$13,112,699.	21,954,103
Certain receivables are not financial resources and are reported as deferred revenues:	
Property tax deferred revenue	438,455
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Long-term debt	(2,799,491)
Bond discount net of amortization	<u>5,063</u>
Total Net Position - Governmental Activities	<u>\$ 26,467,136</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, 2014

	General Fund	Road and Bridge Fund	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 3,292,783	\$ 4,351	\$ -	\$ 2,728,690	\$ 6,025,824
State liquor fund	85,931	-	-	-	85,931
State sales tax	474,329	-	-	-	474,329
State highway users fund	-	889,519	-	-	889,519
Other state revenues	26,212	78,525	-	135,812	240,549
Federal funds	36,959	-	155,028	1,158,343	1,350,330
Juvenile justice funds	-	-	-	43,761	43,761
Solid waste user fees	-	-	1,379,560	-	1,379,560
Licenses, permits and other fees	512,371	1,740	-	321,377	835,488
Interest earned	16,035	-	-	26	16,061
Miscellaneous	420,129	55,843	-	412,654	888,626
Total Revenues	4,864,749	1,029,978	1,534,588	4,800,663	12,229,978
Expenditures					
General and administrative	2,533,358	-	-	2,793,525	5,326,883
Road and bridge	-	857,236	-	837,078	1,694,314
Law enforcement	1,292,843	-	-	120,699	1,413,542
Solid waste	-	-	839,140	-	839,140
Bond payments	-	-	220,892	-	220,892
Capital lease payments	-	254,773	48,668	-	303,441
Capital improvements	90,356	265,015	162,246	2,952,696	3,470,313
Total Expenditures	3,916,557	1,377,024	1,270,946	6,703,998	13,268,525
Excess (Deficiency) of Revenues Over Expenditures	948,192	(347,046)	263,642	(1,903,335)	(1,038,547)
Other Financing Sources (Uses):					
Proceeds from capital leases	-	254,410	-	-	254,410
Transfers in	2,875	84,000	-	66,313	153,188
Transfers out	-	(48,951)	-	(104,237)	(153,188)
Total Other Financing Sources	2,875	289,459	-	(37,924)	254,410
Net Change in Fund Balances	951,067	(57,587)	263,642	(1,941,259)	(784,137)
Fund balance at beginning of the year	1,376,013	434,955	818,571	5,023,603	7,653,142
Fund Balance at End of Year	\$ 2,327,080	\$ 377,368	\$ 1,082,213	\$ 3,082,344	\$ 6,869,005

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, 2014

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

Net Changes in Fund Balances - Total Governmental Funds \$ (784,137)

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	3,470,313
Loss on disposal of capital assets	(15,726)
Depreciation expense	(1,046,425)

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

Property taxes	(189,922)
Solid waste user fees	(22,955)

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	408,483
Proceeds from capital leases	(254,410)
Amortization of bond discount	<u>(390)</u>

Change in Net Position of Governmental Activities \$ 1,564,831

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

TETON COUNTY, IDAHO
Statement of Fiduciary Net Assets
Agency Funds
September 30, 2014

Assets

Cash and Investments	\$ 147,529
Receivables	
Property taxes	<u>743,716</u>
Total Assets	<u>\$ 891,245</u>

Liabilities

Warrants outstanding	\$ 143,023
Due to other agencies	<u>748,222</u>
Total Liabilities	<u>\$ 891,245</u>

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

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2014

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 no discretely presented component unit.

The County has four 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 COUNTY, IDAHO
Notes to Financial Statements
September 30, 2014

1. Summary of Significant Accounting Policies (continued)

Component Units (Continued)

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, 2014

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, 2014

1. Summary of Significant Accounting Policies (continued)

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

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, 2014, 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, 2014

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. The County also has a deferred discount on bond issuance resulting in the difference in the carrying value of the bonds and their acquisition price. The amount is deferred and amortized over the life of the bonds.

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, 2014

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, 2014, the carrying amount of the County's deposits was \$5,788,562
2. and the respective bank balances totaled \$5,771,320. Of the bank balances \$962,905 was insured by FDIC and the remaining balances were not insured.
3. 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, 2014, \$4,808,415 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.
4. Investments – As of September 30, 2014, 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, 2014 was \$1,731,138.
5. 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.
6. 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, 2014, 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, 2014

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, 2014:

Petty cash	\$ 921
Bank deposits and CD's	5,788,562
State treasurer's pool	<u>1,731,138</u>
 Total	 <u>\$ 7,520,621</u>
 Cash and investments - governmental funds	 \$ 7,373,092
Cash and investments - agency funds	<u>147,529</u>
 Total	 <u>\$ 7,520,621</u>

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2014

3. Capital Assets

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

	Balance September 30, 2,013	Additions	Dispositions	Balance September 30, 2,014
Non depreciable assets – land	\$ 2,494,209	\$ -	\$ -	\$ 2,494,209
Buildings	17,230,174	1,459,176	-	18,689,350
Infrastructure	2,374,006	1,336,765	-	3,710,771
Equipment	9,599,878	674,372	101,778	10,172,472
Total buildings and equipment	29,204,058	3,470,313	101,778	32,572,593
Total	31,698,267	3,470,313	101,778	35,066,802
Accumulated Depreciation	\$ 12,152,326	\$ 1,046,425	\$ 86,052	\$ 13,112,699

Depreciation expense was charged to the government activities as follows:

General and administrative	\$ 391,430
Law enforcement	108,355
Road and bridge	344,445
Solid waste	202,195
Total	<u>\$ 1,046,425</u>

4. Taxes Receivable

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

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

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2014

5. Accrued Compensated Absences

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

6. Retirement Plan

Public Employee Retirement System of Idaho

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

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

The actuarially determined contribution requirements of the Teton County, Idaho and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2014, the required contribution rate as a percentage of covered payrolls for members was 6.79% for general members and 8.36% for police/firefighters. The employer rate as a percentage of covered payroll was 11.32% for general members and 11.66% for police/firefighter members. Teton County, Idaho employer contributions required and paid were \$323,077, \$289,756, and \$276,684 for the three years ended September 30, 2014, 2013, and 2012, respectively.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2014

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	\$ 782,290	\$ 632,269

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, 2014:

Year Ending September 30,	<u>Capital Lease Obligation</u>
2015	\$ 149,271
2016	280,435
2017	201,476
2018	1,088
2019	<u>-</u>
Total minimum lease payments	632,270
Less amount representing interest	<u>42,779</u>
Present value of minimum lease payments	589,491
Current portion of present value	<u>129,365</u>
Long-term portion of present value	<u>\$ 460,126</u>

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2014

7. Obligations under Capital Leases (continued)

Interest expense on capital leases for the year ended September 30, 2014 was \$21,290. Interest expense was charged to the government activities as follows:

Road and bridge	\$ 19,137
Solid waste	<u>2,153</u>
Total	<u>\$ 21,290</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	\$ 2,080,000
Less current maturities of long-term debt	<u>130,000</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
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
2019	155,000	67,775	222,775
Thereafter	<u>1,490,000</u>	<u>292,894</u>	<u>1,782,894</u>
	<u>\$ 2,210,000</u>	<u>\$ 690,625</u>	<u>\$ 2,900,625</u>

Interest expense on long-term bonds for the year ended September 30, 2014 was \$95,892.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2014

9. Changes in Long Term Debt

A summary of general long-term debt transactions of the County for the year ended September 30, 2014, is as follows:

	Long-term Obligations September 30, 2013	Obligations Incurred	Obligations Paid	Long-term Obligations September 30, 2014	Current Portion
Obligations under capital lease	\$ 618,563	\$ 254,411	\$ 283,483	\$ 589,491	\$ 129,365
Revenue bonds	2,335,000	-	125,000	2,210,000	130,000
	<u>\$ 2,953,563</u>	<u>\$ 254,411</u>	<u>\$ 408,483</u>	<u>\$ 2,799,491</u>	<u>\$ 259,365</u>

10. Interfund Transactions

Due to/ due from other funds at September 30, 2014 were as follows:

	Due from Other Funds	Due to Other Funds
Governmental:		
General Fund	\$ 61,277	\$ -
FEMA Teton Creek Restoration	-	42,028
Idaho E911 Grants	-	19,249
	<u>\$ 61,277</u>	<u>\$ 61,277</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 \$111,732 for the fiscal year.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2014

10. Interfund Transactions (continued)

Operating transfers between funds during the year were as follows:

Governmental:	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General fund	\$ -	\$ 2,875
Road & bridge fund	48,951	-
Road & bridge fund	84,000	-
Road & bridge capital fund	-	84,000
Court-Restitution General Fo	2,349	-
Court Bonds General Trust Fu	15,013	-
Special Projects	-	48,951
Special Projects	2,875	-
Court-Restitution Trust Fund	-	2,349
Court Bonds Trust Fund	-	15,013
	<u>\$ 153,188</u>	<u>\$ 153,188</u>

12. Budgetary Basis

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

	<u>GAAP Basis</u>	<u>Non-cash Adjustments</u>	<u>Budgetary Basis</u>
General fund:			
Total revenues	\$ 4,864,749	\$ (78,278)	\$ 4,786,471
Total expenditures	3,916,557	7,867	3,924,424
Road and bridge fund:			
Total revenues	1,029,978	8,736	1,038,714
Total expenditures	1,377,024	(247)	1,376,777
Solid waste fund:			
Total revenues	1,534,588	(29,236)	1,505,352
Total expenditures	1,270,946	640	1,271,586

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2014

13. Other Required Individual Fund Disclosures

The following funds had a fund balance deficit at September 30, 2014:

FEMA Teton Creek Restoration.....	\$43,344
Grants Fund.....	\$54,295

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, 2014

16. Prior Period Adjustment

The County implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, during the fiscal year. As a result, unamortized bond issue costs were deleted in the solid waste fund and at the government wide level. The total adjustment to all prior periods affect was \$35,867.

17. Subsequent Event

The County has been required by DEQ to make additional closure expenses for the landfill. The engineer estimates these cost to be \$1,577,000. The County expects these costs to be incurred in the coming year.

18. 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.

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.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2014

18. Fund Balances (continued)

Details of constraints on fund balances of governmental funds:

	<u>General</u> <u>Fund</u>	<u>Road and</u> <u>Bridge</u> <u>Fund</u>	<u>Solid</u> <u>Waste</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
Fund Balances:					
 Nonspendable:					
Planning and zoning	\$ -	\$ -	\$ -	\$ 89,622	\$ 89,622
 Restricted for:					
Road and bridge	-	377,368	-	-	377,368
Solid waste	-	-	1,082,213	-	1,082,213
Elections	-	-	-	84,552	84,552
Solid waste	-	-	-	300,000	300,000
Road special	-	-	-	516,816	516,816
Prosecuting attorney	-	-	-	17,843	17,843
Road improvement	-	-	-	103,826	103,826
Emergency comm	-	-	-	47,654	47,654
Ambulance	-	-	-	367,809	367,809
Mosquito	-	-	-	204,609	204,609
Waterways	-	-	-	9,422	9,422
Teton valley arena	-	-	-	118,765	118,765
Grants	-	-	-	-	-
Impact fees - rec	-	-	-	19,116	19,116
Impact fees - sheriff	-	-	-	3,811	3,811
Impact fees - EMS	-	-	-	5,034	5,034
Impact fees - circulation	-	-	-	187,037	187,037
Court restitution	-	-	-	4,583	4,583
Court bonds	-	-	-	17,009	17,009
Interlock	-	-	-	13,512	13,512
Domestic violence	-	-	-	-	-

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2014

18. Fund Balances (continued)

Youth program	-	-	-	1,964	1,964
Drug court	-	-	-	11,193	11,193
Court facility	-	-	-	16,012	16,012
Court fines and fees	-	-	-	1,339	1,339
Dare trust	-	-	-	-	-
Committed to:					
District court and juv				305,045	305,045
Indigent and charity	-	-	-	100,504	100,504
Revaluation	-	-	-	46,286	46,286
Special planning	-	-	-	-	-
Tort	-	-	-	84,802	84,802
Weed	-	-	-	49,873	49,873
Building	-	-	-	67,499	67,499
Housing	-	-	-	-	-
County hospital	-	-	-	87,500	87,500
Fair board	-	-	-	106,967	106,967
Assigned to:					
Road and bridge	-	-	-	3,215	3,215
Solid waste	-	-	-	668	668
Employee benefit	-	-	-	186,096	186,096
Unassigned:	2,327,080	-	-	(97,639)	2,229,441
Total fund balances	<u>\$ 2,327,080</u>	<u>\$ 377,368</u>	<u>\$ 1,082,213</u>	<u>\$ 3,082,344</u>	<u>\$ 6,869,005</u>

REQUIRED SUPPLEMENTARY INFORMATION

TETON COUNTY, IDAHO
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
General Fund
September 30, 2014

	Original and Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues			
Property taxes	\$ 2,611,862	\$ 3,214,505	\$ 602,643
State liquor fund	75,000	85,931	10,931
State sales tax	435,000	474,329	39,329
Other state revenues	25,000	26,212	1,212
Federal funds	12,000	36,959	24,959
Licenses, permits and other fees	483,772	512,371	28,599
Interest earned	4,000	16,035	12,035
Miscellaneous	320,895	420,129	99,234
Total Revenues	3,967,529	4,786,471	818,942
Expenditures			
General and administrative	2,419,499	2,541,225	(121,726)
Law enforcement	1,341,562	1,292,843	48,719
Capital lease payments	-	-	-
Capital improvements	206,468	90,356	116,112
Total Expenditures	3,967,529	3,924,424	43,105
Excess (Deficiency) of Revenues Over Expenditures			
	-	862,047	862,047
Other Financing Sources (Uses):			
Transfers out	-	-	-
Total Other Financing Sources	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses			
	-	862,047	862,047
Fund Balance at Beginning of Year			
	-	1,357,057	1,357,057
Fund Balance at End of Year			
	\$ -	\$ 2,219,104	\$ 2,219,104

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, 2014

	Original and Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues			
Property taxes	\$ -	\$ 13,087	\$ 13,087
State highway users fund	900,000	889,519	(10,481)
Other state revenues	-	78,525	78,525
Federal funds	25,000	-	(25,000)
Licenses, permits and other fees	1,000	1,740	740
Budget carryover	314,045	-	(314,045)
Miscellaneous	25,000	55,843	30,843
Total Revenues	<u>1,265,045</u>	<u>1,038,714</u>	<u>(226,331)</u>
Expenditures			
Road and bridge	971,312	856,989	114,323
Capital lease payments	254,773	254,773	-
Capital improvements	38,960	265,015	(226,055)
Total Expenditures	<u>1,265,045</u>	<u>1,376,777</u>	<u>(111,732)</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>-</u>	<u>(338,063)</u>	<u>(338,063)</u>
Other Financing Sources (Uses):			
Transfers in	-	84,000	84,000
Transfers out	-	(48,951)	(48,951)
Total Other Financing Sources	<u>-</u>	<u>35,049</u>	<u>35,049</u>
Excess (Deficiency) of Revenues			
and Other Sources Over			
Expenditures and Other Uses	<u>-</u>	<u>(303,014)</u>	<u>(303,014)</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>\$ 80,270</u>	<u>\$ 80,270</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, 2014**

	Original and Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues			
Federal funds	\$ -	\$ 155,028	\$ 155,028
Licenses, permits and other fees	1,459,703	1,350,324	(109,379)
Total Revenues	1,459,703	1,505,352	45,649
Expenditures			
Solid waste	831,046	839,780	(8,734)
Bond payments	225,700	220,892	4,808
Capital lease payments	50,000	48,668	1,332
Capital improvements	352,957	162,246	190,711
Total Expenditures	1,459,703	1,271,586	188,117
Excess (Deficiency) of Revenues Over Expenditures	-	233,766	233,766
Other Financing Sources (Uses):			
Transfers out	-	-	-
Total Other Financing Sources	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	233,766	233,766
Fund Balance at Beginning of Year	-	389,489	389,489
Fund Balance at End of Year	\$ -	\$ 623,255	\$ 623,255

See Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

TETON COUNTY, IDAHO
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014

	Special Revenue Funds			
	Road and Bridge Capital Fund	District Court and Juvenile Probation Fund	Elections State Fund	Indigent and Charity Fund
Assets				
Cash and investments	\$ 3,215	\$ 285,491	\$ 85,761	\$ 100,478
Receivables				
Property taxes	-	31,478	-	162
Other receivables	-	30,656	-	-
Total Assets	<u>\$ 3,215</u>	<u>\$ 347,625</u>	<u>\$ 85,761</u>	<u>\$ 100,640</u>
Liabilities and Fund Equity				
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Warrants outstanding	-	10,199	724	-
Accrued liabilities	-	6,171	485	-
Other liabilities	-	-	-	-
Total Liabilities	<u>-</u>	<u>16,370</u>	<u>1,209</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenues	-	26,210	-	136
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	-	-	84,552	-
Committed	-	305,045	-	100,504
Assigned	3,215	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>3,215</u>	<u>305,045</u>	<u>84,552</u>	<u>100,504</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,215</u>	<u>\$ 347,625</u>	<u>\$ 85,761</u>	<u>\$ 100,640</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
\$ 54,045	\$ -	\$ 300,000	\$ 83,088	\$ 668	\$ 91,656
10,455	-	-	10,284	-	5,759
-	-	-	-	-	-
<u>\$ 64,500</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 93,372</u>	<u>\$ 668</u>	<u>\$ 97,415</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,500	-	-	-	-	42,320
-	-	-	-	-	415
-	-	-	-	-	-
<u>9,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,735</u>
8,714	-	-	8,570	-	4,807
-	-	-	-	-	-
-	-	300,000	-	-	-
46,286	-	-	84,802	-	49,873
-	-	-	-	668	-
-	-	-	-	-	-
<u>46,286</u>	<u>-</u>	<u>300,000</u>	<u>84,802</u>	<u>668</u>	<u>49,873</u>
<u>\$ 64,500</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 93,372</u>	<u>\$ 668</u>	<u>\$ 97,415</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2014

	<u>Special Revenue Funds</u>			
	Road Special Fund	Prosecuting Attorneys Fund	Building Fund	Road Improvement Fund
Assets				
Cash and investments	\$ 626,533	\$ 17,843	\$ 67,188	\$ 103,826
Receivables				
Property taxes	84,602	-	10,452	-
Other receivables	-	-	-	-
Total Assets	<u>\$ 711,135</u>	<u>\$ 17,843</u>	<u>\$ 77,640</u>	<u>\$ 103,826</u>
Liabilities and Fund Equity				
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Warrants outstanding	121,617	-	1,439	-
Accrued liabilities	2,244	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	<u>123,861</u>	<u>-</u>	<u>1,439</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenues	<u>70,458</u>	<u>-</u>	<u>8,702</u>	<u>-</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	516,816	17,843	-	103,826
Committed	-	-	67,499	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>516,816</u>	<u>17,843</u>	<u>67,499</u>	<u>103,826</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 711,135</u>	<u>\$ 17,843</u>	<u>\$ 77,640</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
\$ 48,258	\$ 363,690	\$ 160,819	\$ 40,000	\$ 20,018	\$ -
-	46,864	25,345	-	-	-
-	-	-	-	-	-
<u>\$ 48,258</u>	<u>\$ 410,554</u>	<u>\$ 186,164</u>	<u>\$ 40,000</u>	<u>\$ 20,018</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,656	74	-	10,596	-
604	-	148	-	-	-
-	-	-	-	-	-
<u>604</u>	<u>3,656</u>	<u>222</u>	<u>-</u>	<u>10,596</u>	<u>-</u>
-	39,089	21,333	-	-	-
-	-	-	-	-	-
47,654	367,809	164,609	40,000	9,422	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>47,654</u>	<u>367,809</u>	<u>164,609</u>	<u>40,000</u>	<u>9,422</u>	<u>-</u>
<u>\$ 48,258</u>	<u>\$ 410,554</u>	<u>\$ 186,164</u>	<u>\$ 40,000</u>	<u>\$ 20,018</u>	<u>\$ -</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2014

	Special Revenue Funds			
	FEMA Teton Creek Restoration	Idaho E911 Grants	County Hospital Fund	Teton Valley Arena Fund
Assets				
Cash and investments	\$ -	\$ -	\$ 87,500	\$ 118,765
Receivables				
Property taxes	-	-	-	-
Other receivables	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,500</u>	<u>\$ 118,765</u>
Liabilities and Fund Equity				
Liabilities				
Due to other funds	\$ 42,028	\$ -	\$ -	\$ -
Warrants outstanding	1,316	-	-	-
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	<u>43,344</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	-	-	-	118,765
Committed	-	-	87,500	-
Assigned	-	-	-	-
Unassigned	(43,344)	-	-	-
Total Fund Balances (Deficits)	<u>(43,344)</u>	<u>-</u>	<u>87,500</u>	<u>118,765</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,500</u>	<u>\$ 118,765</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
\$ -	\$ 19,116	\$ 3,811	\$ 5,034	\$ 187,037	\$ 109,865
-	-	-	-	-	2,070
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 19,116</u>	<u>\$ 3,811</u>	<u>\$ 5,034</u>	<u>\$ 187,037</u>	<u>\$ 111,935</u>
\$ 19,249	\$ -	\$ -	\$ -	\$ -	\$ -
35,046	-	-	-	-	3,234
-	-	-	-	-	-
-	-	-	-	-	-
<u>54,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,234</u>
-	-	-	-	-	1,734
-	-	-	-	-	-
-	19,116	3,811	5,034	187,037	-
-	-	-	-	-	106,967
-	-	-	-	-	-
<u>(54,295)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(54,295)</u>	<u>19,116</u>	<u>3,811</u>	<u>5,034</u>	<u>187,037</u>	<u>106,967</u>
<u>\$ -</u>	<u>\$ 19,116</u>	<u>\$ 3,811</u>	<u>\$ 5,034</u>	<u>\$ 187,037</u>	<u>\$ 111,935</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2014

	Special Revenue			
	Court Restitution Fund	Court Bonds Fund	Interlock/ Monitoring Fund	Domestic Violence Eval Fund
Assets				
Cash and investments	\$ 5,138	\$ 21,709	\$ 13,512	\$ -
Receivables				
Property taxes	-	-	-	-
Other receivables	-	-	-	-
Total Assets	<u>\$ 5,138</u>	<u>\$ 21,709</u>	<u>\$ 13,512</u>	<u>\$ -</u>
Liabilities and Fund Equity				
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Warrants outstanding	555	4,700	-	-
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	<u>555</u>	<u>4,700</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	4,583	17,009	13,512	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>4,583</u>	<u>17,009</u>	<u>13,512</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,138</u>	<u>\$ 21,709</u>	<u>\$ 13,512</u>	<u>\$ -</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>
\$ 1,964	\$ 197	\$ 11,193	\$ 16,012	\$ 27,356
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,964</u>	<u>\$ 197</u>	<u>\$ 11,193</u>	<u>\$ 16,012</u>	<u>\$ 27,356</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	197	-	-	26,017
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>197</u>	<u>-</u>	<u>-</u>	<u>26,017</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
1,964	-	11,193	16,012	1,339
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,964</u>	<u>-</u>	<u>11,193</u>	<u>16,012</u>	<u>1,339</u>
<u>\$ 1,964</u>	<u>\$ 197</u>	<u>\$ 11,193</u>	<u>\$ 16,012</u>	<u>\$ 27,356</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2014

	Expendable Trust Funds				
	Teton County Motor Bonds Fund	Employee Benefit Fund	Dare Trust Fund	Planning and Zoning Trust Fund	Total Nonmajor Governmental Funds
Assets					
Cash and investments	\$ 109,154	\$ 186,096	\$ -	\$ 89,622	\$ 3,465,658
Receivables					
Property taxes	-	-	-	-	227,471
Other receivables	-	-	-	-	30,656
Total Assets	<u>\$ 109,154</u>	<u>\$ 186,096</u>	<u>\$ -</u>	<u>\$ 89,622</u>	<u>\$ 3,723,785</u>
Liabilities and Fund Equity					
Liabilities					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 61,277
Warrants outstanding	109,154	-	-	-	380,344
Accrued liabilities	-	-	-	-	10,067
Other liabilities	-	-	-	-	-
Total Liabilities	<u>109,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451,688</u>
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	189,753
Fund Balances (Deficits)					
Nonspendable	-	-	-	89,622	89,622
Restricted	-	-	-	-	2,051,906
Committed	-	-	-	-	848,476
Assigned	-	186,096	-	-	189,979
Unassigned	-	-	-	-	(97,639)
Total Fund Balances (Deficits)	<u>-</u>	<u>186,096</u>	<u>-</u>	<u>89,622</u>	<u>3,082,344</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 109,154</u>	<u>\$ 186,096</u>	<u>\$ -</u>	<u>\$ 89,622</u>	<u>\$ 3,723,785</u>

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2014

	Special Revenue Funds			
	Road and Bridge Capital Fund	District Court and Juvenile Probation Fund	Elections State Fund	Indigent and Charity Fund
Revenues				
Property taxes	\$ -	\$ 402,470	\$ -	\$ 268
Other state revenues	-	-	63,896	-
Federal funds	-	3,001	-	-
Juvenile justice funds	-	43,761	-	-
Licenses, permits and other fees	-	81,846	-	-
Interest earned	-	-	-	-
Miscellaneous	-	9,239	-	19,995
Total Revenues	<u>-</u>	<u>540,317</u>	<u>63,896</u>	<u>20,263</u>
Expenditures				
General and administrative	-	520,975	41,388	30,484
Road and bridge	-	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	-
Total Expenditures	<u>-</u>	<u>520,975</u>	<u>41,388</u>	<u>30,484</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>19,342</u>	<u>22,508</u>	<u>(10,221)</u>
Other Financing Sources (Uses):				
Proceeds from financing sources	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(84,000)	-	-	-
Total Other Financing Sources	<u>(84,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(84,000)</u>	<u>19,342</u>	<u>22,508</u>	<u>(10,221)</u>
Fund Balance at Beginning of Year	<u>87,215</u>	<u>285,703</u>	<u>62,044</u>	<u>110,725</u>
Fund Balance at End of Year	<u>\$ 3,215</u>	<u>\$ 305,045</u>	<u>\$ 84,552</u>	<u>\$ 100,504</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
\$ 125,762	\$ -	\$ -	\$ 125,868	\$ -	\$ 65,273
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4,671
<u>125,762</u>	<u>-</u>	<u>-</u>	<u>125,868</u>	<u>-</u>	<u>69,944</u>
119,029	119,077	-	120,006	-	80,033
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>119,029</u>	<u>119,077</u>	<u>-</u>	<u>120,006</u>	<u>-</u>	<u>80,033</u>
<u>6,733</u>	<u>(119,077)</u>	<u>-</u>	<u>5,862</u>	<u>-</u>	<u>(10,089)</u>
-	-	-	-	-	-
-	48,951	-	-	-	-
-	(2,875)	-	-	-	-
<u>-</u>	<u>46,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,733</u>	<u>(73,001)</u>	<u>-</u>	<u>5,862</u>	<u>-</u>	<u>(10,089)</u>
<u>39,553</u>	<u>73,001</u>	<u>300,000</u>	<u>78,940</u>	<u>668</u>	<u>59,962</u>
<u>\$ 46,286</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 84,802</u>	<u>\$ 668</u>	<u>\$ 49,873</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, 2014

	<u>Special Revenue Funds</u>			
	Road Special Fund	Prosecuting Attorneys Fund	Building Fund	Road Improvement Fund
Revenues				
Property taxes	\$ 1,056,728	\$ -	\$ 18,958	\$ -
Other state revenues	-	-	-	-
Federal funds	-	-	109,075	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	-
Interest earned	-	-	-	-
Miscellaneous	18,468	-	2,856	-
Total Revenues	<u>1,075,196</u>	<u>-</u>	<u>130,889</u>	<u>-</u>
Expenditures				
General and administrative	-	2,517	166,745	-
Road and bridge	813,965	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	270,536	-	1,232,110	-
Total Expenditures	<u>1,084,501</u>	<u>2,517</u>	<u>1,398,855</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,305)</u>	<u>(2,517)</u>	<u>(1,267,966)</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(9,305)</u>	<u>(2,517)</u>	<u>(1,267,966)</u>	<u>-</u>
Fund Balance at Beginning of Year	<u>526,121</u>	<u>20,360</u>	<u>1,335,465</u>	<u>103,826</u>
Fund Balance at End of Year	<u>\$ 516,816</u>	<u>\$ 17,843</u>	<u>\$ 67,499</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
\$ -	\$ 541,915	\$ 286,219	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
121,290	72,340	-	-	-	-
-	-	-	-	-	-
-	10,366	1,451	-	5,369	-
<u>121,290</u>	<u>624,621</u>	<u>287,670</u>	<u>-</u>	<u>5,369</u>	<u>-</u>
-	627,365	279,094	-	11,320	10,750
-	-	-	-	-	-
104,291	-	-	-	-	-
-	-	-	-	-	-
86,672	31,194	-	-	-	-
<u>190,963</u>	<u>658,559</u>	<u>279,094</u>	<u>-</u>	<u>11,320</u>	<u>10,750</u>
<u>(69,673)</u>	<u>(33,938)</u>	<u>8,576</u>	<u>-</u>	<u>(5,951)</u>	<u>(10,750)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(69,673)</u>	<u>(33,938)</u>	<u>8,576</u>	<u>-</u>	<u>(5,951)</u>	<u>(10,750)</u>
<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>\$ 47,654</u>	<u>\$ 367,809</u>	<u>\$ 164,609</u>	<u>\$ 40,000</u>	<u>\$ 9,422</u>	<u>\$ -</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, 2014

	Special Revenue Funds			
	FEMA Teton Creek Restoration	Idaho E911 Grants	County Hospital Fund	Teton Valley Arena Fund
Revenues				
Property taxes	\$ -	\$ -	\$ 70,000	\$ -
Other state revenues	-	16,990	-	-
Federal funds	865,858	-	-	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	-
Interest earned	-	-	-	-
Miscellaneous	75,621	-	-	-
Total Revenues	941,479	16,990	70,000	-
Expenditures				
General and administrative	-	-	-	20,634
Road and bridge	23,113	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	923,482	-	-	107,990
Total Expenditures	946,595	-	-	128,624
Excess (Deficiency) of Revenues				
Over Expenditures	(5,116)	16,990	70,000	(128,624)
Other Financing Sources (Uses):				
	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	(5,116)	16,990	70,000	(128,624)
Fund Balance at Beginning of Year	(38,228)	(16,990)	17,500	247,389
Fund Balance at End of Year	\$ (43,344)	\$ -	\$ 87,500	\$ 118,765

(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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,229
54,926	-	-	-	-	-
180,409	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10	13	3	-	-
-	4,451	8,970	1,178	42,672	86,412
<u>235,335</u>	<u>4,461</u>	<u>8,983</u>	<u>1,181</u>	<u>42,672</u>	<u>121,641</u>
133,853	-	-	-	-	65,960
-	-	-	-	-	-
16,408	-	-	-	-	-
-	-	-	-	-	-
189,450	-	34,564	-	-	76,698
<u>339,711</u>	<u>-</u>	<u>34,564</u>	<u>-</u>	<u>-</u>	<u>142,658</u>
<u>(104,376)</u>	<u>4,461</u>	<u>(25,581)</u>	<u>1,181</u>	<u>42,672</u>	<u>(21,017)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(104,376)</u>	<u>4,461</u>	<u>(25,581)</u>	<u>1,181</u>	<u>42,672</u>	<u>(21,017)</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>
<u>\$ (54,295)</u>	<u>\$ 19,116</u>	<u>\$ 3,811</u>	<u>\$ 5,034</u>	<u>\$ 187,037</u>	<u>\$ 106,967</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, 2014

	Special Revenue Funds			
	Court Restitution Fund	Court Bonds Fund	Interlock/ Monitoring Fund	Domestic Violence Evaluation Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other state revenues	-	-	-	-
Federal funds	-	-	-	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	-
Interest earned	-	-	-	-
Miscellaneous	23,765	15,013	975	-
Total Revenues	<u>23,765</u>	<u>15,013</u>	<u>975</u>	<u>-</u>
Expenditures				
General and administrative	28,974	10,025	-	3,070
Road and bridge	-	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	-
Total Expenditures	<u>28,974</u>	<u>10,025</u>	<u>-</u>	<u>3,070</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,209.00)</u>	<u>4,988</u>	<u>975</u>	<u>(3,070)</u>
Other Financing Sources (Uses):				
	-	-	-	-
Transfers in	2,349	15,013	-	-
Transfers out	(2,349)	(15,013)	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(5,209)</u>	<u>4,988</u>	<u>975</u>	<u>(3,070)</u>
Fund Balance at Beginning of Year	<u>9,792</u>	<u>12,021</u>	<u>12,537</u>	<u>3,070</u>
Fund Balance at End of Year	<u>\$ 4,583</u>	<u>\$ 17,009</u>	<u>\$ 13,512</u>	<u>\$ -</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>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
170	-	-	-	-
-	-	-	-	-
-	-	30,851	25,380	-
<u>170</u>	<u>-</u>	<u>30,851</u>	<u>25,380</u>	<u>-</u>
-	-	28,800	22,500	104
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>28,800</u>	<u>22,500</u>	<u>104</u>
<u>170</u>	<u>-</u>	<u>2,051</u>	<u>2,880</u>	<u>(104)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>170</u>	<u>-</u>	<u>2,051</u>	<u>2,880</u>	<u>(104)</u>
<u>1,794</u>	<u>-</u>	<u>9,142</u>	<u>13,132</u>	<u>1,443</u>
<u>\$ 1,964</u>	<u>\$ -</u>	<u>\$ 11,193</u>	<u>\$ 16,012</u>	<u>\$ 1,339</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, 2014

	<u>Expendable Trust Funds</u>				Total Nonmajor Governmental Funds
	Teton County Motor Vehicle Fund	Employee Benefit Fund	Dare Trust Fund	Planning and Zoning Trust Fund	
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,728,690
Other state revenues	-	-	-	-	135,812
Federal funds	-	-	-	-	1,158,343
Juvenile justice funds	-	-	-	-	43,761
Licenses, permits and other fees	-	-	-	45,731	321,377
Interest earned	-	-	-	-	26
Miscellaneous	-	24,951	-	-	412,654
Total Revenues	<u>-</u>	<u>24,951</u>	<u>-</u>	<u>45,731</u>	<u>4,800,663</u>
Expenditures					
General and administrative	-	-	6,161	344,661	2,793,525
Road and bridge	-	-	-	-	837,078
Law enforcement	-	-	-	-	120,699
Capital lease payments	-	-	-	-	-
Capital improvements	-	-	-	-	2,952,696
Total Expenditures	<u>-</u>	<u>-</u>	<u>6,161</u>	<u>344,661</u>	<u>6,703,998</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>24,951</u>	<u>(6,161)</u>	<u>(298,930)</u>	<u>(1,903,335)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	66,313
Transfers out	-	-	-	-	(104,237)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,924)</u>
Net Change in Fund Balances	<u>-</u>	<u>24,951</u>	<u>(6,161)</u>	<u>(298,930)</u>	<u>(1,941,259)</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>161,145</u>	<u>6,161</u>	<u>388,552</u>	<u>5,023,603</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 186,096</u>	<u>\$ -</u>	<u>\$ 89,622</u>	<u>\$ 3,082,344</u>

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Statement of Assets and Liabilities
Agency Funds
September 30, 2014

	State Remittance Account	Dept. of Transporation Fund	Driggs City Fund	Victor City Fund
Assets				
Cash and investments	\$ 18,029	\$ 48,855	\$ (1,773)	\$ 7,960
Receivables				
Property taxes	-	-	41,248	25,165
Total Assets	<u>\$ 18,029</u>	<u>\$ 48,855</u>	<u>\$ 39,475</u>	<u>\$ 33,125</u>
Liabilities and Fund Equity				
Liabilities				
Warrants outstanding	\$ 18,065	\$ 48,855	\$ -	\$ 7,960
Due to other agencies	(36)	-	39,475	25,165
Total Liabilities	<u>\$ 18,029</u>	<u>\$ 48,855</u>	<u>\$ 39,475</u>	<u>\$ 33,125</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
\$ 292	\$ 33,453	\$ 145	\$ 116	\$ 1,703	\$ 60
4,415	431,206	227	1,536	2,558	400
<u>\$ 4,707</u>	<u>\$ 464,659</u>	<u>\$ 372</u>	<u>\$ 1,652</u>	<u>\$ 4,261</u>	<u>\$ 460</u>
\$ 292	\$ 33,453	\$ 145	\$ 116	\$ 1,703	\$ 60
4,415	431,206	227	1,536	2,558	400
<u>\$ 4,707</u>	<u>\$ 464,659</u>	<u>\$ 372</u>	<u>\$ 1,652</u>	<u>\$ 4,261</u>	<u>\$ 460</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Statement of Assets and Liabilities (continued)
Agency Funds
September 30, 2014

	Victor- Cedron Cemetery Fund	Felt Cemetery Fund	Teton County Fire Protection Fund	Forest Practices Admin Fund	Valley of the Teton Library Fund
Assets					
Cash and investments	\$ 887	\$ 5,808	\$ 12,564	\$ 11	\$ 1,283
Receivables					
Property taxes	6,875	-	182,840	400	18,988
Total Assets	<u>\$ 7,762</u>	<u>\$ 5,808</u>	<u>\$ 195,404</u>	<u>\$ 411</u>	<u>\$ 20,271</u>
Liabilities and Fund Equity					
Liabilities					
Warrants outstanding	\$ 887	\$ -	\$ 12,564	\$ 11	\$ 1,283
Due to other agencies	6,875	5,808	182,840	400	18,988
Total Liabilities	<u>\$ 7,762</u>	<u>\$ 5,808</u>	<u>\$ 195,404</u>	<u>\$ 411</u>	<u>\$ 20,271</u>

(continued)

See Independent Auditors' Report.

County Hospital Fund	Forest Protection Tax Fund	Driggs Urban Renewal Fund	Water District Fund	Total Agency Funds
\$ 2,064	\$ 162	\$ 15,403	\$ 507	\$ 147,529
<u>22,473</u>	<u>3,394</u>	<u>-</u>	<u>1,991</u>	<u>743,716</u>
<u>\$ 24,537</u>	<u>\$ 3,556</u>	<u>\$ 15,403</u>	<u>\$ 2,498</u>	<u>\$ 891,245</u>
\$ 2,064	\$ 162	\$ 15,403	\$ -	\$ 143,023
<u>22,473</u>	<u>3,394</u>	<u>-</u>	<u>2,498</u>	<u>748,222</u>
<u>\$ 24,537</u>	<u>\$ 3,556</u>	<u>\$ 15,403</u>	<u>\$ 2,498</u>	<u>\$ 891,245</u>

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2014

		Federal CFDA Number	Expenditures	Revenues Cash Basis
U.S. Department of Juvenile Corrections				
Juvenile Accountability Incentive Block Grants	**	16.523	\$ 3,001	\$ 3,001
Total Department of Juvenile Corrections			3,001	3,001
U.S. Department of Agriculture				
Schools and Roads - Grants to Counties		10.666	\$ 155,028	\$ 155,028
Total Department of Agriculture			155,028	155,028
U.S. Department of Transportation				
Highway Safety Cluster				
State and Community Highway Safety	**	20.600	5,703	5,703
Alcohol Traffic Safety & Drunk Driving Prevention	**	20.601	8,476	8,476
Total Highway Safety Cluster			14,179	14,179
Highway Planning and Construction	**	20.205	6,186	6,186
National Priority Safety Programs	**	20.616	4,232	4,232
Total Department of Transportation			24,597	24,597
U.S. Military Division (Homeland Security)				
* Flood Mitigation Assistance	**	97.029	865,858	865,858
Hazard Mitigation Grant	**	97.039	156,090	156,090
Emergency Management Performance Grants	**	97.042	12,765	12,765
Homeland Security Grant Program	**	97.067	132,991	132,991
Total Military Division			1,167,704	1,167,704
TOTAL FEDERAL ASSISTANCE			\$ 1,350,330	\$ 1,350,330

* Major Funds

** Passed-through from Idaho

See Independent Auditors' Report and Notes to the Schedule of Expenditures of Federal Awards.

TETON COUNTY, IDAHO

Notes to the Schedule of Expenditures of Federal Awards

Year Ended September 30, 2014

1. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Teton County, Idaho and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general-purpose financial statements.

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, Idaho
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, 2014, 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 21, 2015.

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.

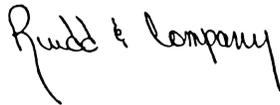
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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



Rexburg, Idaho
January 21, 2015



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Commissioners
Teton County, Idaho
Driggs, Idaho

Report on Compliance for Each Major Federal Program

We have audited Teton County, Idaho's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Teton County, Idaho's major federal programs for the year ended September 30, 2014. Teton County, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Teton County, Idaho's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Teton County, Idaho's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Teton County, Idaho's compliance.

Opinion on Each Major Federal Program

In our opinion, Teton County, Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

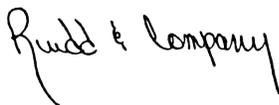
Report on Internal Control over Compliance

Management of Teton County, Idaho, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Teton County, Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Teton County, Idaho's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Rexburg, Idaho
January 21, 2014

TETON IDAHO, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Section I - Summary of Auditors' Results

(i) Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Reportable conditions identified
that are not considered to be
material weaknesses? No

Noncompliance material to financial
statements noted? No

(ii) Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Reportable conditions identified
that are not considered to be
material weaknesses? No

Type of auditors' report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with section 510(a)
of Circular A-133? No

Identification of major programs:

CFDA Number(s)

Name of Federal Program

97.029

Flood Mitigation Grant

Dollar threshold used to distinguish
between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

No

Section II – Financial Statement Finding

None

Section III – Federal Award Findings and Questioned Costs

None