



TETON COUNTY, IDAHO

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

September 30, 2015

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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, 2015, 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, 2015, 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.

Emphasis of Matter - Change in Accounting Principle

As described in Note 1 to the financial statements, the County adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the supplemental schedule of employee group benefit plan information and the schedule of pension liabilities and contributions listed 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.

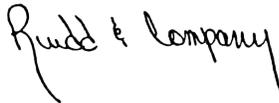
Other Information

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 and agency fund financial statements are presented for purpose of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2016, 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 20, 2016

Teton County, Idaho
Management's Discussion & Analysis
September 30, 2015

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, 2015.

FINANCIAL HIGHLIGHTS

- The assets of Teton County exceeded its liabilities at the close of the most recent fiscal year by \$26,790,733. Of this amount, \$2,627,140 may be used to meet the county's ongoing obligations to citizens and creditors.
- The county's total net assets increased by \$1,931,649 during the most recent fiscal year.
- As of Sept. 30, 2015 Teton County's governmental funds reported combined ending fund balances of \$6,895,439, for a decrease of \$73,566 over the previous fiscal year. (A \$100,000 prior period adjustment was made to the combined fund balance reported for FY 2014.) \$2,627,140 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 \$2,817,134, which equaled 58% of the fund's budget for the coming year. The restricted Road & Bridge Fund balance was \$446,585, which equaled 30% of the fund's budget for the coming year. The restricted Solid Waste Fund balance was \$955,061, which equaled 56% of the fund's budget for the coming year.
- Rehabilitation of the landfill cap was completed in September 2015.
- Teton County has a Net Pension Liability of \$1,364,885, which is being reported for the first time ever this year in compliance with new standards set by the Governmental Accounting Standards Board.

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 second 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 four major funds and 40 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 four major funds (General, Road & Bridge, Solid Waste, Road Special) 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 49-66*).

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 43-46*).

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 67-70.

Notes to the Financial Statements. The notes on pages 20-42 provide additional, detailed information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Note #6 has been expanded significantly in compliance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

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 position during the past five years.

Table 1. Statement of Net Position for Governmental Activities

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
ASSETS					
Current assets <i>(+Deferred Outflows of Resources)</i>	7,219,651	8,644,054	9,250,932	7,937,890	9,590,977
Capital assets, <i>net of related debt & depreciation</i>	16,633,457	16,163,240	19,545,941	21,954,103	23,896,683
Total assets	\$23,853,108	\$24,807,294	\$28,796,873	\$29,891,993	\$33,487,660
LIABILITIES					
Current liabilities	990,599	1,001,770	1,157,103	884,731	2,037,054
Non-current liabilities	3,169,212	2,796,709	2,701,598	2,540,126	2,380,918
Net Pension Liability					1,364,885
Total liabilities	\$4,159,811	\$3,798,479	\$3,858,701	\$3,424,857	\$5,782,857
NET POSITION					
Invested in capital assets, <i>net of related debt</i>	12,979,635	13,023,125	16,633,698	19,159,675	21,099,705
Restricted	2,648,500	3,218,657	4,208,640	3,769,596	3,063,887
Unrestricted	4,065,162	4,767,033	4,095,834	3,537,868	2,627,141
TOTAL NET POSITION	\$19,693,297	\$21,008,815	\$24,938,172	\$26,467,139	\$26,790,733

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. The 2015 increase reflects the new Darby bridge, rehabilitation of the landfill cap and reconstruction of E5000S.

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 2011	FY 2012	FY 2013	FY 2014	FY 2015
REVENUES					
Property Taxes	5,131,123	5,657,950	5,827,083	6,025,828	5,869,680
Property taxes distributed to cities	-	-	-	-	(260,575)
State liquor fund	76,002	75,351	79,086	85,931	96,725
State sales tax	396,807	426,378	454,498	474,329	503,674
State highway users fund	898,736	885,041	888,223	889,519	938,766
Other state revenues	270,002	159,122	280,845	240,549	164,318
Federal funds	106,638	200,622	354,586	1,345,701	493,155
Juvenile justice funds	78,266	57,759	43,608	43,761	39,530
Solid waste fees	1,172,173	1,341,564	1,322,087	1,379,560	1,967,148
Licenses, permits & other fees	798,690	943,186	1,130,366	835,488	908,534
Interest earned	30,207	22,587	21,015	16,061	46,147
Miscellaneous	1,012,265	1,059,409	962,079	888,626	1,131,931
Proceeds from financing sources & capital leases	545,284	0	198,330	254,410	311,575
Total Revenues	\$10,516,193	\$10,828,969	\$11,561,806	12,479,763	12,210,608
EXPENDITURES					
General & Administrative	4,503,836	4,783,154	4,882,797	5,372,490	4,759,077
Road & Bridge	1,432,978	1,616,561	1,705,891	1,694,314	1,116,427
Law enforcement	1,179,205	1,229,370	1,150,218	1,413,542	1,766,335
Solid waste	841,502	767,954	865,021	839,140	1,055,946
Bond payments	225,437	225,692	225,892	220,892	220,892
Capital lease payments	506,994	267,895	175,354	303,441	179,415
Capital improvements	1,114,075	478,587	2,136,802	3,420,077	3,186,082
Total Expenditures	9,804,027	9,369,213	\$11,141,975	13,263,896	12,284,174
Excess (Deficiency) of Revenues	712,166	1,459,756	\$419,831	-784,133	-73,566
Fund balance at beginning of year	5,161,389	5,773,555	7,233,311	7,653,142	6,969,005
Prior period adjustment	-100,000	0	0	0	0
FUND BALANCE AT END OF YEAR	\$5,773,555	\$7,233,311	\$7,653,142	\$6,869,009	\$6,895,439

The 2013 capital improvement expense reflects road construction projects and partial construction of the new law enforcement center. The 2014 capital improvement expense reflects construction of the law enforcement center, using funds carried over from 2013. The 2015 capital expense reflects road equipment and projects, plus rehabilitation of the landfill cap.

During the current year, revenues totaled \$12,210,608 (including capital leases) while expenses totaled \$12,284,174. Charts 1 and 2 illustrate the current year's revenue and expense information.

Chart 1. Government-wide Revenues (\$12,210,608) by Source for FY 2015

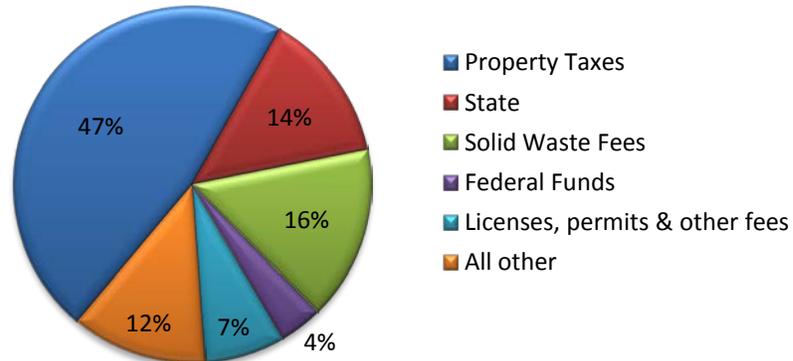
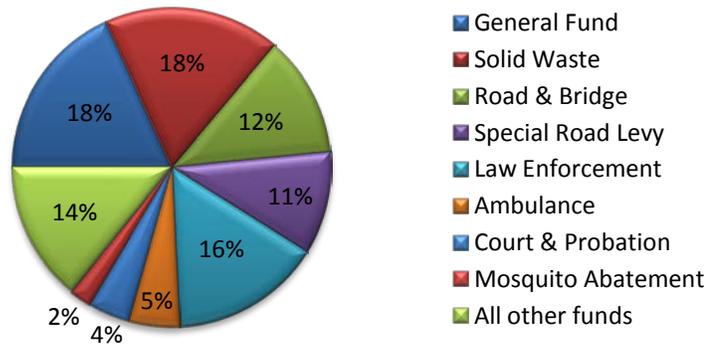


Chart 2. Government-wide Expenses (\$12,284,179 for FY 2015)



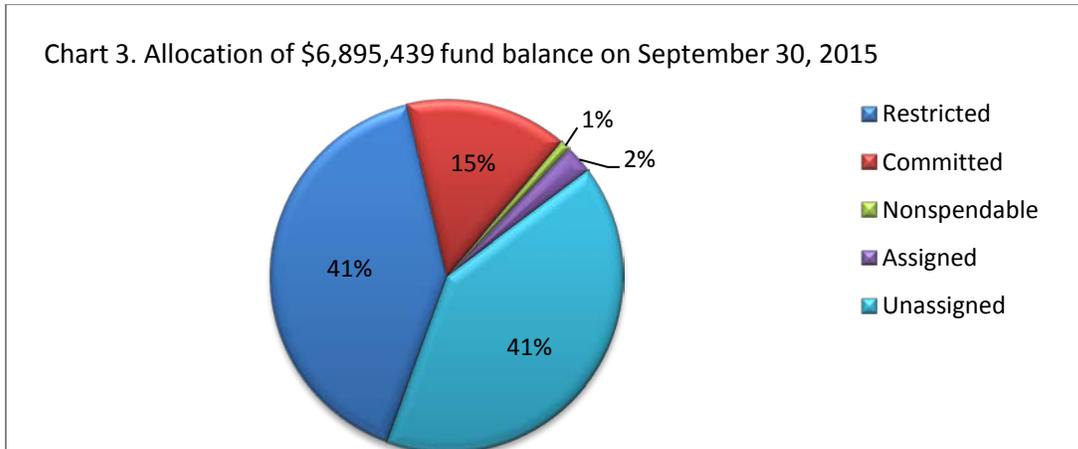
FUND FINANCIAL ANALYSIS

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 \$6,895,439 with \$2,813,141 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 40-41.



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 \$2,817,134, which represents 58% of total General Fund expenditures for the coming year.

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 \$23,896,683.

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

- Rehabilitation of the landfill cap;
- Purchase of a 2014 road grader through a five-year capital lease;
- Construction of a new bridge across Darby Creek on 2000 East;
- Total reconstruction and paving of E5000S (Fox Creek Road); and
- Purchase of three new vehicles for use by Sheriff's deputies.

Long-term debt. Teton County currently maintains long-term debt in the amount of \$4,166,536. This amount includes a Net Pension Liability of \$1,364,885 and \$1,940,000 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 2015	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019
2011 Grader (Road & Bridge)	28,743	160,000	0	0	0	0
2011 Grader (Road & Bridge)	27,766	27,766	160,000	0	0	0
2013 Road Grader (Road & Bridge)	51,286	51,286	0	0	0	0
2014 Road Grader (Road & Bridge)	50,050	23,803	23,803	23,803	23,803	200,000
2014 Dump Truck (Road & Bridge)	41,476	41,476	41,476	1,087	0	0
TOTAL LEASE PAYMENTS	\$199,321	\$304,331	\$225,279	\$24,890	\$23,803	\$200,000

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 and hopefully will be renewed in May 2016. The landfill cap rehabilitation project has been successfully completed within budget and with full approval of the Department of Environmental Quality.

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. Every elected official, department head and employee is encouraged to read, understand and follow the policies.

Economic Factors. Teton Valley is a rural community nestled in the southern Greater Yellowstone Ecosystem. The history of the valley began with seasonal use by Native Americans, followed by white trappers and hunters, then homesteading settlers, and most recently, by settlers desiring the lifestyle and recreational opportunities available in Teton Valley. Teton County was created in January, 1915 and celebrated its Centennial with special events during 2015.

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. Additionally, many residents have been able to relocate to Teton County due to technological improvements that enable them to work from home and live wherever they desire. 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 grew from 5,999 to 10,170. Thousands of new subdivision lots were created and hundreds of spec homes were built. Property values increased dramatically from 2006-2008 and then declined dramatically before bottoming out in 2013. The county's net taxable value has slowly increased since then and is now is 7.5% higher than the 2013 low. Home prices are increasing more rapidly than the price for bare land, most likely due to the large number of vacant lots available. The increase in home prices has caused renewed concern about the lack of affordable housing.

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 2015, the county issued 57 building permits for new homes and school district enrollment increased by 44 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. After several years of study and negotiation, the landfill cap was successfully rehabilitated during the current fiscal year. The \$1.6 million repair project was funded by accumulated cash reserves, Federal PILT dollars and a one-year increase in the Solid Waste Fee. The cost of this project highlighted the insufficiency of the county's \$300,000 Solid Waste Self Assurance Fund, which should be increased even though it meets current DEQ standards. The county is obligated to monitor the landfill for 20 years post-closure and will need to complete additional remediation projects if future problems are identified.

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. That agreement was amended in 2009. 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 2009 and 2014, the loss of state/Federal juveniles and their accompanying payments resulted in budget crises which were resolved by reducing staff levels, increasing the amounts paid by partner counties and increasing efforts to find additional juveniles needing services. If future funding shortfalls occur, 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 with a net value of \$2,682,396 on December 31, 2012. 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 (LATA), also executed December 31, 2012, allows TVHC 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 5% of any net operating profit. TVHC Inc. reported a \$390,749 net profit for FY 2014 and paid 5% (\$19,537) to Teton County in January, 2015. The County deposits LATA payments into a special fund with the intent of saving the money until needed for future hospital expenses. On September 30, there was \$177,037 in the County Hospital Fund.

GASB Public Pension Accounting Standards. The FY 2015 financial statements provide information about the county’s Net Pension Liability (NPL) as required by new public pension accounting rules issued by the Governmental Accounting Standards Board (GASB). 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 may 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 \$1,300,000 greater than the amount needed to provide sufficient liquidity and cash flow into the new fiscal year. This means the amount could be used to pay down the transfer station bond, purchase needed 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, 2015.

Table 4. Teton County elected officials

Title	Office Holder	Term Ends
Commissioner, District #1	Cindy Riegel	Jan 2019
Commissioner, District #2	Bill Leake	Jan 2017
Commissioner, District #3	Kelly Park	Jan 2017
Assessor	Bonnie Beard	Jan 2019
Clerk, Auditor, Recorder	Mary Lou Hansen	Jan 2019
Prosecuting Attorney	Kathy Spitzer	Jan 2017
Sheriff	Tony Liford	Jan 2017
Treasurer	Beverly Palm	Jan 2019
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 20, 2016 -

BASIC FINANCIAL STATEMENTS

TETON COUNTY, IDAHO
Statement of Net Position
September 30, 2015

	Governmental Activities
Assets	
Current Assets	
Cash and investments	\$ 8,412,533
Property taxes receivable	507,321
Other receivables	36,839
Total Current Assets	<u>8,956,693</u>
Capital Assets	
Nondepreciable capital assets	2,494,209
Depreciable capital assets	35,454,726
Accumulated depreciation	(14,052,252)
Net Capital Assets	<u>23,896,683</u>
Total Assets	<u>32,853,376</u>
Deferred Outflow of Resources	
Pension	629,610
Bond discount net of amortization	4,674
Total Deferred Outflows of Resources	<u>634,284</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 33,487,660</u>
Liabilities	
Current Liabilities:	
Warrants outstanding	\$ 1,506,218
Accrued liabilities	110,103
Current portion of long-term obligations	420,733
Total Current Liabilities	<u>2,037,054</u>
Net Pension Liability	1,364,885
Noncurrent Portion of Long-term Obligations	2,380,918
Total Liabilities	<u>5,782,857</u>
Deferred Inflows of Resources	
Pension	<u>914,070</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,696,927</u>
Net Position	
Invested in capital assets, net of related debt	21,099,706
Restricted	3,063,887
Unrestricted	2,627,140
Total Net Position	<u>\$ 26,790,733</u>

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

TETON COUNTY, IDAHO
Statement of Activities
For the Year Ended September 30, 2015

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
Governmental Activities			Contributions	Contributions	Governmental
					Activities
General and administrative	\$ 5,148,027	\$ 757,950	\$ 922,571	\$ -	\$ (3,467,506)
Road and bridge	1,525,065	1,680	1,008,760	-	(514,625)
Law enforcement	1,924,867	148,904	-	-	(1,775,963)
Solid waste	1,344,849	1,976,815	-	-	631,966
Total Governmental Activities	9,942,808	2,885,349	1,931,331	-	(5,126,128)
Total Primary Government	\$ 9,942,808	\$ 2,885,349	\$ 1,931,331	\$ -	(5,126,128)
General Revenues					
Taxes:					
Property taxes levied for general purposes					5,605,916
State and federal payments					887,214
Investment earnings					46,147
Gain on disposal of capital assets					45,239
Gain on Pension					58,707
Miscellaneous					414,554
Total General Revenues					7,057,777
Changes in Net Position					1,931,649
Net Position - beginning (See Note 16)					24,859,084
Net Position - Ending					\$ 26,790,733

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

TETON COUNTY, IDAHO
Balance Sheet
Governmental Funds
September 30, 2015

	General Fund	Road and Bridge Fund	Solid Waste Fund	Road Special Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Investments	\$ 2,997,591	\$ 877,923	\$ 1,434,194	\$ 227,916	\$ 2,874,909	\$ 8,412,533
Receivables						
Property taxes & solid waste user fees	233,314	16,028	54,286	77,319	126,374	507,321
Other receivables	-	-	-	-	36,839	36,839
Due from other funds	3,995	-	-	-	-	3,995
Total Assets	\$ 3,234,900	\$ 893,951	\$ 1,488,480	\$ 305,235	\$ 3,038,122	\$ 8,960,688
Liabilities and Fund Equity						
Liabilities						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 3,995	\$ 3,995
Warrants outstanding	136,211	418,951	480,394	160,915	309,747	1,506,218
Accrued liabilities	75,943	14,269	7,941	2,793	9,157	110,103
Total Liabilities	212,154	433,220	488,335	163,708	322,899	1,620,316
Deferred Inflows of Resources						
Unavailable revenues	205,612	14,146	45,084	68,220	111,871	444,933
Fund Balances						
Nonspendable	-	-	-	-	65,013	65,013
Restricted	-	446,585	955,061	73,307	1,337,930	2,812,883
Committed	-	-	-	-	1,025,501	1,025,501
Assigned	-	-	-	-	178,901	178,901
Unassigned	2,817,134	-	-	-	(3,993)	2,813,141
Total Fund Balances	2,817,134	446,585	955,061	73,307	2,603,352	6,895,439
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,234,900	\$ 893,951	\$ 1,488,480	\$ 305,235	\$ 3,038,122	\$ 8,960,688

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, 2015

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

Total Fund Balance - Governmental Funds	\$ 6,895,439
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is \$37,948,935 and the accumulated depreciation is \$14,052,252.	23,896,683
Certain receivables are not financial resources and are reported as deferred revenues:	
Property tax deferred revenue	444,933
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Long-term debt	(2,801,651)
Bond discount net of amortization	4,674
Pension contributions are reported as expenses in the fund financial statements in the period in which they are paid. The actuarially determined pension liability is recorded on the government-wide statements.	<u>(1,649,345)</u>
Total Net Position - Governmental Activities	<u>\$ 26,790,733</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, 2015

	General Fund	Road and Bridge Fund	Solid Waste Fund	Road Special Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 2,983,030	\$ 365,064	\$ -	\$ 1,018,074	\$ 1,503,512	\$ 5,869,680
Property taxes distributed to cities	-	(38,875)	-	(221,700)	-	(260,575)
State liquor fund	96,725	-	-	-	-	96,725
State sales tax	503,674	-	-	-	-	503,674
State highway users fund	-	938,766	-	-	-	938,766
Other state revenues	24,943	69,994	-	-	69,381	164,318
Federal funds	36,441	-	156,050	-	300,664	493,155
Juvenile justice funds	-	-	-	-	39,530	39,530
Solid waste user fees	-	-	1,967,148	-	-	1,967,148
Licenses, permits and other fees	549,493	1,680	-	-	357,361	908,534
Interest earned	45,592	-	-	-	555	46,147
Miscellaneous	487,622	-	-	61,932	582,377	1,131,931
Total Revenues	4,727,520	1,336,629	2,123,198	858,306	2,853,380	11,899,033
Expenditures						
General and administrative	2,443,477	-	-	-	2,315,600	4,759,077
Road and bridge	-	958,627	-	157,800	-	1,116,427
Law enforcement	1,659,603	-	-	-	106,732	1,766,335
Solid waste	-	-	1,055,946	-	-	1,055,946
Bond payments	-	-	220,892	-	-	220,892
Capital lease payments	-	179,415	-	-	-	179,415
Capital improvements	-	673,165	973,512	1,144,015	395,390	3,186,082
Total Expenditures	4,103,080	1,811,207	2,250,350	1,301,815	2,817,722	12,284,174
Excess (Deficiency) of Revenues						
Over Expenditures	624,440	(474,578)	(127,152)	(443,509)	35,658	(385,141)
Other Financing Sources (Uses):						
Proceeds from capital leases	-	311,575	-	-	-	311,575
Transfers in	-	232,220	-	-	2,166	234,386
Transfers out	(234,386)	-	-	-	-	(234,386)
Total Other Financing Sources	(234,386)	543,795	-	-	2,166	311,575
Net Change in Fund Balances	390,054	69,217	(127,152)	(443,509)	37,824	(73,566)
Fund balance at beginning						
of the year (Note 16)	2,427,080	377,368	1,082,213	516,816	2,565,528	6,969,005
Fund Balance at End of Year	\$ 2,817,134	\$ 446,585	\$ 955,061	\$ 73,307	\$ 2,603,352	\$ 6,895,439

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, 2015

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

Net Changes in Fund Balances - Total Governmental Funds \$ (73,566)

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	3,186,082
Basis of capital assets disposed of	(89,761)
Depreciation expense	(1,153,741)

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

Property taxes	(3,189)
Solid waste user fees	9,667

The government funds report current pension contributions as an expenditure. However, the amount recorded in the statement of activities represents the difference in the actuarially determined pension liability from the previous year to the current year.

58,707

Governmental funds report principal repayment on debt as an expenditures 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	309,415
Proceeds from capital leases	(311,575)
Amortization of bond discount	(390)

Change in Net Position of Governmental Activities \$ 1,931,649

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

TETON COUNTY, IDAHO
Statement of Fiduciary Net Assets
Agency Funds
September 30, 2015

Assets

Cash and Investments	\$ 147,570
Receivables	
Property taxes	<u>710,707</u>
Total Assets	<u>\$ 858,277</u>

Liabilities

Warrants outstanding	\$ 141,598
Due to other agencies	<u>716,679</u>
Total Liabilities	<u>\$ 858,277</u>

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

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

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, 2015

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, 2015

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, 2015

1. Summary of Significant Accounting Policies (continued)

- The Road Special Fund is established to account for the special levy revenues and operations of roads in the County.

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, 2015, 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, 2015

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 has two types of deferred outflows of resources. The first amounts relates to the County's allocable share of the effect of changes of assumptions during the year on the valuation of the net pension liability. 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. These amounts are reportable only in the government-wide financial statements.

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 two types 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. This is reported in the governmental funds. The second type of deferred inflows of resources relates to the effect on the calculation of the net pension liability of the difference between projected and actual investment earnings on the defined benefit pension plan. This is reported in the government-wide financial statements.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

1. Summary of Significant Accounting Policies (continued)

Pensions

For the purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Retirement System of Idaho Based Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

New Accounting Pronouncements

During the year, the County implemented *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*, (GASB No. 68). This Statement addresses accounting and financial reporting for pensions that are provided to the employees, of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics: 1) Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable, 2) Pension plan assets are dedicated to providing pensions to plan members in accordance with benefit terms. 3) Pension plan assets are legally protected from creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members. The Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenditures. This Statement also identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

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, 2015, the carrying amount of the County's deposits was \$2,405,795 and the respective bank balances totaled \$2,189,797. Of the bank balances \$1,204,568 was insured by FDIC and the remaining balances were not insured.
2. Custodial Credit Risk, Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2015, \$985,229 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 \$1,117.
3. Investments – As of September 30, 2015, the County had invested funds in the following:

Investment Type	S&P Rating	Fair Value	Investment Maturity (in Years)			
			Less Than 1	1-5	6-10	More Than 10
State Investment Pool	N/A	\$ 5,337,369	\$ 5,337,369	\$ -	\$ -	\$ -
Government Fixed Income	N/A	815,822	815,822	-	-	-
Total Investments		\$ 6,153,191	\$ 6,153,191	\$ -	\$ -	\$ -

4. Custodial Credit Risk, Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment.
5. Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from changes in interest rates, the County structures its portfolio so that securities mature to meet cash requirements for ongoing operations. Because the State Investment Pool as of September 30, 2015, 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, 2015

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, 2015:

Petty cash	\$ 1,117
Bank deposits and CD's	2,405,795
Investments	<u>6,153,191</u>
 Total	 <u>\$ 8,560,103</u>
 Cash and investments - governmental funds	 \$ 8,412,533
Cash and investments - agency funds	<u>147,570</u>
 Total	 <u>\$ 8,560,103</u>

3. Capital Assets

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

	Balance September 30, 2014	Asset Classification Adjustment	Additions	Dispositions	Balance September 30, 2015
Non depreciable assets – land	<u>\$ 2,494,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,494,209</u>
Buildings	18,689,350	(1,348,929)	-	-	17,340,421
Infrastructure	3,710,771	-	2,837,632	-	6,548,403
Equipment	<u>10,172,472</u>	<u>1,348,929</u>	<u>348,450</u>	<u>303,949</u>	<u>11,565,902</u>
Total buildings and equipment	<u>32,572,593</u>	<u>-</u>	<u>3,186,082</u>	<u>303,949</u>	<u>35,454,726</u>
Total	<u>35,066,802</u>	<u>-</u>	<u>3,186,082</u>	<u>303,949</u>	<u>37,948,935</u>
Accumulated Depreciation	<u>\$ 13,112,699</u>	<u>\$ -</u>	<u>\$ 1,153,741</u>	<u>\$ 214,188</u>	<u>\$ 14,052,252</u>

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

3. Capital Assets (Continued)

Depreciation expense was charged to the government activities as follows:

General and administrative	\$	388,950
Law enforcement		158,532
Road and bridge		408,638
Solid waste		<u>197,621</u>
Total	\$	<u>1,153,741</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.

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

Plan Description

The County contributes to the Base Plan, which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

6. Retirement Plan (Continued)

members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Employee membership data related to the PERSI Base Plan, as of June 30, 2015, was as follows:

Retirees and beneficiaries currently receiving benefits	42,657
Terminated employees entitled to but not yet receiving benefits	11,859
Active plan members	<u>67,008</u>
	<u>121,524</u>

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointment officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2014, the employee contribution rate was 6.79% (8.36%). The employer contribution rate as a percent of covered payroll is set by the

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

6. Retirement Plan (Continued)

Retirement Board and was 11.32% general employees and 11.66% for police and firefighters. The County's contributions required and paid were \$334,968, \$317,863, and \$289,756 for the years ended June 30, 2015, 2014, and 2013, respectively.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employees. At July 1, 2015, the County's proportion was 0.104 percent.

For the year ended September 30, 2015, the County recognized pension expense (revenue) of \$(313,688). At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 163,620
Changes in assumptions or other inputs	49,707	-
Net difference between projected and actual earnings on pension plan investments	502,316	716,750
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	33,700
Employer contributions subsequent to the measurement date	<u>77,587</u>	<u>-</u>
Total	<u>\$ 629,610</u>	<u>\$ 914,070</u>

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

6. Retirement Plan (Continued)

\$77,587 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2015.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2014, the beginning of the measurement period ended June 30, 2015, is 5.5 years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Fiscal Year

2016	\$ (146,135)
2017	(146,135)
2018	(146,135)
2019	95,494
2020	(16,071)
2021	(3,065)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

6. Retirement Plan (Continued)

The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25 - 10.25%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed in 2012 for the period July 1, 2007 through June 30, 2011 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2015 is based on the results of an actuarial valuation date of July 1, 2015.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

6. Retirement Plan (Continued)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2014.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Core Fixed Income	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	6.90%
Developed Foreign Equities	MSCI EAFE	15.00%	7.55%
Assumed Inflation - Mean			3.25%
Assumed Inflation - Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Long-Term Expected Rate of Return			7.50%
Assumed Investment Expenses			<u>0.40%</u>
Long-Term Expected Rate of Return, Net of Investment Expenses			<u>7.10%</u>

*Arithmetic return

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

6. Retirement Plan (Continued)

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 3,324,363	\$ 1,364,885	\$ (264,162)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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:

	Fixed Assets	Capital Lease Payable
Vehicles and equipment	\$ 1,234,299	\$ 721,651

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

7. Obligations under Capital Leases (Continued)

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,	Capital Lease Obligation
2016	\$ 304,331
2017	225,279
2018	24,890
2019	23,803
2020	<u>200,000</u>
Total minimum lease payments	778,303
Less amount representing interest	<u>56,652</u>
Present value of minimum lease payments	721,651
Current portion of present value	<u>280,733</u>
Long-term portion of present value	<u>\$ 440,918</u>

Interest expense on capital leases for the year ended September 30, 2015 was \$19,907. Interest expense was charged to the government activities as follows:

Road and bridge	\$	19,907
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TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

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>140,000</u>
Long-term debt net of current maturities	<u>\$ 1,940,000</u>

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

Year Ending September 30,	Principal	Interest	Total
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
2020	160,000	61,575	221,575
Thereafter	<u>1,330,000</u>	<u>231,319</u>	<u>1,561,319</u>
	<u>\$ 2,080,000</u>	<u>\$ 599,732</u>	<u>\$ 2,679,732</u>

Interest expense on long-term bonds for the year ended September 30, 2015 was \$90,894.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

9. Changes in Long Term Debt

A summary of general long-term debt transactions of the County for the year ended September 30, 2015, is as follows:

	Long-term Obligations September 30, 2014	Obligations Incurred	Obligations Paid	Long-term Obligations September 30, 2015	Current Portion
Obligations under capital lease	\$ 589,491	\$ 311,575	\$ 179,415	\$ 721,651	\$ 280,733
Net pension liability	777,711	587,174	-	1,364,885	-
Revenue bonds	2,210,000	-	130,000	2,080,000	140,000
	<u>\$ 3,577,202</u>	<u>\$ 898,749</u>	<u>\$ 309,415</u>	<u>\$ 4,166,536</u>	<u>\$ 420,733</u>

10. Interfund Transactions

Due to/ due from other funds at September 30, 2015, were as follows:

	Due from Other Funds	Due to Other Funds
Governmental:		
General Fund	\$ 3,995	\$ -
Idaho E911 Grants	-	3,995
	<u>\$ 3,995</u>	<u>\$ 3,995</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.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

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	\$ -	\$ 234,386
Road & bridge fund	232,220	-
Fair Board Fund	2,166	-
	<u>\$ 234,386</u>	<u>\$ 234,386</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	\$ 4,727,520	\$ (5,483)	\$ 4,722,037
Total expenditures	4,103,080	5,158	4,108,238
Road and bridge fund:			
Total revenues	1,336,629	11,956	1,348,585
Total expenditures	1,811,207	(311,995)	1,499,212
Solid waste fund:			
Total revenues	2,123,198	9,667	2,132,865
Total expenditures	2,250,350	422	2,250,772
Road Special Fund			
Total revenues	858,306	(2,238)	856,068
Total expenditures	1,301,815	(549)	1,301,266

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

13. Other Required Individual Fund Disclosures

The following funds exceeded their budgeted amounts:

Road Special Fund.....	\$47,190
Emergency Communication Fund.....	1,417
Fair Board Fund.....	437
Teton Valley Arena Fund.....	265

The following fund had a fund balance deficit at September 30, 2015:

Idaho E911 Grants Fund.....	\$3,995
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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.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

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.

16. Prior Period Adjustment

Below is a summary of the balances affected by the prior period adjustment:

	<u>Previously Reported</u>	<u>Change</u>	<u>Restated</u>
Statement of Net Position:			
Cash and Investments	\$ 7,373,093	\$ 100,000	\$ 7,473,093
Deferred outflow of resources	5,063	140,271	145,334
Deferred inflows of resources	-	1,070,612	1,070,612
Net Pension Liability	-	777,711	777,711
Net Position	26,467,136	(1,608,052)	24,859,084
Balance Sheet - Governmental Funds:			
General Fund:			
Cash and investments	\$ 2,363,495	\$ 100,000	\$ 2,463,495
Fund balances - unassigned	2,327,080	100,000	2,427,080

In the year ended September 30, 2015, the District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures related to defined benefit pension plans. The beginning fund balance for the general fund has been increased by \$100,000 to account for an error in a prior year. Cash has also been increased by the same amount. The government-wide statement of net position have also been restated by the same amount.

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.

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

18. Fund Balances (continued)

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.

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	\$ -	\$ -	\$ -	\$ 65,013	\$ 65,013
Restricted for:					
Road and bridge	-	446,585	-	-	446,585
Solid waste	-	-	955,061	-	955,061
Elections	-	-	-	101,491	101,491
Solid waste	-	-	-	300,307	300,307
Road special	-	-	-	73,307	73,307
Prosecuting attorney	-	-	-	17,843	17,843
Road improvement	-	-	-	103,826	103,826
Emergency comm	-	-	-	60,424	60,424
Ambulance	-	-	-	341,512	341,512
Mosquito	-	-	-	194,987	194,987
Waterways	-	-	-	13,331	13,331
Teton valley arena	-	-	-	-	-
Grants	-	-	-	1,773	1,773
Impact fees - rec	-	-	-	28,057	28,057
Impact fees - sheriff	-	-	-	21,619	21,619
Impact fees - EMS	-	-	-	7,381	7,381
Impact fees - circulation	-	-	-	41,131	41,131
Court restitution	-	-	-	6,541	6,541
Court bonds	-	-	-	46,101	46,101
Interlock	-	-	-	14,862	14,862
Domestic violence	-	-	-	-	-

TETON COUNTY, IDAHO
Notes to Financial Statements
September 30, 2015

18. Fund Balances (continued)

Youth program	-	-	-	2,099	2,099
Drug court	-	-	-	14,049	14,049
Court facility	-	-	-	18,992	18,992
Court fines and fees	-	-	-	1,604	1,604
Dare trust	-	-	-	-	-
Committed to:					
District court and juv				267,829	267,829
Indigent and charity	-	-	-	85,620	85,620
Revaluation	-	-	-	48,379	48,379
Special planning	-	-	-	-	-
Tort	-	-	-	87,626	87,626
Weed	-	-	-	60,186	60,186
Building	-	-	-	72,651	72,651
Housing	-	-	-	-	-
County hospital	-	-	-	177,037	177,037
Fair board	-	-	-	226,173	226,173
Assigned to:					
Road and bridge	-	-	-	3,215	3,215
Solid waste	-	-	-	668	668
Employee benefit	-	-	-	175,018	175,018
Unassigned:	2,817,134	-	-	(3,993)	2,813,141
Total fund balances	<u>\$ 2,817,134</u>	<u>\$ 446,585</u>	<u>\$ 955,061</u>	<u>\$ 2,676,659</u>	<u>\$ 6,895,439</u>

19. Statement of Net Position - Restricted Net position

The following is a classification of the purpose of the restrictions for the net position for in the statement of net position at September 30, 2015:

Restricted for:	
Road and Bridge	\$ 706,084
Solid Waste	1,300,452
Court	87,287
Ambulance	379,765
Mosquito abatement	215,275
Other restrictions	<u>375,024</u>
Total Restricted	<u>\$ 3,063,887</u>

REQUIRED SUPPLEMENTARY INFORMATION

TETON COUNTY, IDAHO
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
General Fund
September 30, 2015

	Original and Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues			
Property taxes	\$ 2,825,605	\$ 2,977,547	\$ 151,942
State liquor fund	84,000	96,725	12,725
State sales tax	470,000	503,674	33,674
Other state revenues	26,000	24,943	(1,057)
Federal funds	21,500	36,441	14,941
Licenses, permits and other fees	497,225	549,493	52,268
Interest earned	4,000	45,592	41,592
Miscellaneous	395,771	487,622	91,851
Total Revenues	4,324,101	4,722,037	397,936
Expenditures			
General and administrative	2,626,490	2,448,635	177,855
Law enforcement	1,697,611	1,659,603	38,008
Total Expenditures	4,324,101	4,108,238	215,863
Excess (Deficiency) of Revenues			
Over Expenditures	-	613,799	613,799
Other Financing Sources (Uses):			
Transfers out	-	(234,386)	(234,386)
Total Other Financing Sources	-	(234,386)	(234,386)
Excess (Deficiency) of Revenues			
and Other Sources Over			
Expenditures and Other Uses	-	379,413	379,413
Fund Balance at Beginning of Year	-	2,417,676	2,417,676
Fund Balance at End of Year	\$ -	\$ 2,797,089	\$ 2,797,089

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, 2015

	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues				
Property taxes	\$ 320,219	\$ 660,119	\$ 377,020	\$ (283,099)
Property taxes distributed to cities	-	-	(38,875)	(38,875)
State highway users fund	890,000	890,000	938,766	48,766
Other state revenues	-	-	69,994	69,994
Federal funds	25,000	25,000	-	(25,000)
Licenses, permits and other fees	1,000	1,000	1,680	680
Miscellaneous	82,047	82,047	-	(82,047)
Total Revenues	1,318,266	1,658,166	1,348,585	(309,581)
Expenditures				
Road and bridge	874,527	1,214,427	958,207	256,220
Capital lease payments	179,415	179,415	179,415	-
Capital improvements	264,324	264,324	361,590	(97,266)
Total Expenditures	1,318,266	1,658,166	1,499,212	158,954
Excess (Deficiency) of Revenues				
Over Expenditures	-	-	(150,627)	(150,627)
Other Financing Sources (Uses):				
Transfers in	-	-	232,220	232,220
Total Other Financing Sources	-	-	232,220	232,220
Excess (Deficiency) of Revenues				
and Other Sources Over				
Expenditures and Other Uses				
	-	-	81,593	81,593
Fund Balance at Beginning of Year	-	-	377,380	377,380
Fund Balance at End of Year	\$ -	\$ -	\$ 458,973	\$ 458,973

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Solid Waste Fund
September 30, 2015

	Original and Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues			
Federal funds	\$ 116,250	\$ 156,050	\$ 39,800
Licenses, permits and other fees	2,640,126	1,976,815	(663,311)
Total Revenues	<u>2,756,376</u>	<u>2,132,865</u>	<u>(623,511)</u>
Expenditures			
Solid waste	983,376	1,056,368	(72,992)
Bond payments	130,000	220,892	(90,892)
Capital lease payments	-	-	-
Capital improvements	1,643,000	973,512	669,488
Total Expenditures	<u>2,756,376</u>	<u>2,250,772</u>	<u>505,604</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(117,907)</u>	<u>(117,907)</u>
Other Financing Sources (Uses):			
Transfers out	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>(117,907)</u>	<u>(117,907)</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>1,071,707</u>	<u>1,071,707</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 953,800</u>	<u>\$ 953,800</u>

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Road Special Fund
September 30, 2015

	Original Budgeted Amount	Final Budgeted Amount	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues				
Property taxes	\$ 822,293	\$ 1,254,076	\$ 1,015,836	\$ (238,240)
Property taxes distributed to cities	-		(221,700)	(221,700)
Miscellaneous	-	-	61,932	61,932
Total Revenues	<u>822,293</u>	<u>1,254,076</u>	<u>856,068</u>	<u>(398,008)</u>
Expenditures				
Road and bridge	40,793	40,793	157,251	(116,458)
Capital improvements	781,500	1,213,283	1,144,015	69,268
Total Expenditures	<u>822,293</u>	<u>1,254,076</u>	<u>1,301,266</u>	<u>(47,190)</u>
Excess (Deficiency) of Revenues				
Over Expenditures	-	-	(445,198)	(445,198)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses				
	<u>-</u>	<u>-</u>	<u>(445,198)</u>	<u>(445,198)</u>
Fund Balance at Beginning of Year				
	<u>-</u>	<u>-</u>	<u>512,199</u>	<u>512,199</u>
Fund Balance at End of Year				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,001</u>	<u>\$ 67,001</u>

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Schedule of Employer's Share of Net Pension Liability
PERSI Base Plan - Last 10 Fiscal Years*

	<u>2015</u>
Employer's Portion of net the pension liability	0.104%
Employer's proportionate share of the net pension liability	\$ 1,364,885
Employer's covered-employee payroll	\$ 2,962,470
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	46.07%
Plan fiduciary net position as a percentage of the total pension liability	91.38%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Data reported is measured as of July 1, 2015. (measurement date)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Schedule of Employer Contributions
PERSI Base Plan - Last 10 Fiscal Years*

	<u>2015</u>
Statutorily required contribution	\$ 339,037
Contributions in relation to the statutorily required contribution	336,786
Contribution (deficiency) excess	(2,251)
Employer's covered-employee payroll	2,962,470
Contributions as a percentage of covered-employee payroll	11.37%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those use for which information is available.

Data reported is measured as of June 30, 2015.

See Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

TETON COUNTY, IDAHO
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

	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	\$ 241,967	\$ 105,340	\$ 87,300
Receivables				
Property taxes	-	28,485	-	23
Other receivables	-	36,839	-	-
Total Assets	<u>\$ 3,215</u>	<u>\$ 307,291</u>	<u>\$ 105,340</u>	<u>\$ 87,323</u>
Liabilities and Fund Equity				
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Warrants outstanding	-	8,985	2,274	451
Accrued liabilities	-	5,351	1,575	1,232
Other liabilities	-	-	-	-
Total Liabilities	<u>-</u>	<u>14,336</u>	<u>3,849</u>	<u>1,683</u>
Deferred Inflows of Resources				
Unavailable revenues	-	25,126	-	20
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	-	-	101,491	-
Committed	-	267,829	-	85,620
Assigned	3,215	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>3,215</u>	<u>267,829</u>	<u>101,491</u>	<u>85,620</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,215</u>	<u>\$ 307,291</u>	<u>\$ 105,340</u>	<u>\$ 87,323</u>

(continued)

See Independent Auditors' Report.

Special Revenue Funds

Revaluation Fund	Solid Waste Self Assurance Fund	Tort Fund	Solid Waste Capital Fund	Weed Fund
\$ 47,256	\$ 300,307	\$ 86,512	\$ 668	\$ 94,904
9,584	-	9,512	-	5,298
-	-	-	-	-
<u>\$ 56,840</u>	<u>\$ 300,307</u>	<u>\$ 96,024</u>	<u>\$ 668</u>	<u>\$ 100,202</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	35,330
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,330</u>
<u>8,461</u>	<u>-</u>	<u>8,398</u>	<u>-</u>	<u>4,686</u>
-	-	-	-	-
-	300,307	-	-	-
48,379	-	87,626	-	60,186
-	-	-	668	-
-	-	-	-	-
<u>48,379</u>	<u>300,307</u>	<u>87,626</u>	<u>668</u>	<u>60,186</u>
<u>\$ 56,840</u>	<u>\$ 300,307</u>	<u>\$ 96,024</u>	<u>\$ 668</u>	<u>\$ 100,202</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2015

	<u>Special Revenue Funds</u>		
	Prosecuting Attorneys Fund	Building Fund	Road Improvement Fund
Assets			
Cash and investments	\$ 17,843	\$ 72,008	\$ 103,826
Receivables			
Property taxes	-	5,449	-
Other receivables	-	-	-
Total Assets	<u>\$ 17,843</u>	<u>\$ 77,457</u>	<u>\$ 103,826</u>
Liabilities and Fund Equity			
Liabilities			
Due to other funds	\$ -	\$ -	\$ -
Warrants outstanding	-	-	-
Accrued liabilities	-	-	-
Other liabilities	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenues	-	4,806	-
Fund Balances (Deficits)			
Nonspendable	-	-	-
Restricted	17,843	-	103,826
Committed	-	72,651	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>17,843</u>	<u>72,651</u>	<u>103,826</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 17,843</u>	<u>\$ 77,457</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
\$ 63,202	\$ 382,145	\$ 152,869	\$ 40,000	\$ 13,651	\$ -
-	43,146	22,811	-	-	-
-	-	-	-	-	-
<u>\$ 63,202</u>	<u>\$ 425,291</u>	<u>\$ 175,680</u>	<u>\$ 40,000</u>	<u>\$ 13,651</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,184	45,526	-	-	320	-
594	-	405	-	-	-
-	-	-	-	-	-
<u>2,778</u>	<u>45,526</u>	<u>405</u>	<u>-</u>	<u>320</u>	<u>-</u>
-	38,253	20,288	-	-	-
-	-	-	-	-	-
60,424	341,512	154,987	40,000	13,331	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>60,424</u>	<u>341,512</u>	<u>154,987</u>	<u>40,000</u>	<u>13,331</u>	<u>-</u>
<u>\$ 63,202</u>	<u>\$ 425,291</u>	<u>\$ 175,680</u>	<u>\$ 40,000</u>	<u>\$ 13,651</u>	<u>\$ -</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2015

	<u>Special Revenue Funds</u>			
	FEMA Teton Creek Restoration	Idaho E911 Grants	County Hospital Fund	Teton Valley Arena Fund
Assets				
Cash and investments	\$ -	\$ -	\$ 177,037	\$ 1,967
Receivables				
Property taxes	-	-	-	-
Other receivables	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,037</u>	<u>\$ 1,967</u>
Liabilities and Fund Equity				
Liabilities				
Due to other funds	\$ -	\$ 3,995	\$ -	\$ -
Warrants outstanding	-	-	-	1,967
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	<u>-</u>	<u>3,995</u>	<u>-</u>	<u>1,967</u>
Deferred Inflows of Resources				
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	177,037	-
Assigned	-	-	-	-
Unassigned	-	(3,995)	-	-
Total Fund Balances (Deficits)	<u>-</u>	<u>(3,995)</u>	<u>177,037</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,037</u>	<u>\$ 1,967</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
\$ 19,473	\$ 28,057	\$ 21,619	\$ 7,381	\$ 41,131	\$ 235,665
-	-	-	-	-	2,066
-	-	-	-	-	-
<u>\$ 19,473</u>	<u>\$ 28,057</u>	<u>\$ 21,619</u>	<u>\$ 7,381</u>	<u>\$ 41,131</u>	<u>\$ 237,731</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,700	-	-	-	-	9,725
-	-	-	-	-	-
-	-	-	-	-	-
<u>17,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,725</u>
-	-	-	-	-	1,833
-	-	-	-	-	-
1,773	28,057	21,619	7,381	41,131	-
-	-	-	-	-	226,173
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,773</u>	<u>28,057</u>	<u>21,619</u>	<u>7,381</u>	<u>41,131</u>	<u>226,173</u>
<u>\$ 19,473</u>	<u>\$ 28,057</u>	<u>\$ 21,619</u>	<u>\$ 7,381</u>	<u>\$ 41,131</u>	<u>\$ 237,731</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2015

	<u>Special Revenue</u>		
	Court Restitution Fund	Court Bonds Fund	Interlock/ Monitoring Fund
Assets			
Cash and investments	\$ 8,598	\$ 56,118	\$ 14,862
Receivables			
Property taxes	-	-	-
Other receivables	-	-	-
Total Assets	<u>\$ 8,598</u>	<u>\$ 56,118</u>	<u>\$ 14,862</u>
Liabilities and Fund Equity			
Liabilities			
Due to other funds	\$ -	\$ -	\$ -
Warrants outstanding	2,057	10,017	-
Accrued liabilities	-	-	-
Other liabilities	-	-	-
Total Liabilities	<u>2,057</u>	<u>10,017</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)			
Nonspendable	-	-	-
Restricted	6,541	46,101	14,862
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>6,541</u>	<u>46,101</u>	<u>14,862</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,598</u>	<u>\$ 56,118</u>	<u>\$ 14,862</u>

(continued)

See Independent Auditors' Report.

Special Revenue		Expendable Trust Funds		
Youth Program Fund	Auditors Trust Fund	Drug Court Trust Fund	Court Facility Trust Fund	Court Fines and Fees Fund
\$ 2,099	\$ 2,058	\$ 14,049	\$ 18,992	\$ 27,708
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,099</u>	<u>\$ 2,058</u>	<u>\$ 14,049</u>	<u>\$ 18,992</u>	<u>\$ 27,708</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	2,058	-	-	26,104
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>2,058</u>	<u>-</u>	<u>-</u>	<u>26,104</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
2,099	-	14,049	18,992	1,604
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,099</u>	<u>-</u>	<u>14,049</u>	<u>18,992</u>	<u>1,604</u>
<u>\$ 2,099</u>	<u>\$ 2,058</u>	<u>\$ 14,049</u>	<u>\$ 18,992</u>	<u>\$ 27,708</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2015

	<u>Expendable Trust Funds</u>			
	Teton County Motor Bonds Fund	Employee Benefit Fund	Planning and Zoning Trust Fund	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 145,051	\$ 175,018	\$ 65,013	\$ 2,874,909
Receivables				
Property taxes	-	-	-	126,374
Other receivables	-	-	-	36,839
Total Assets	<u>\$ 145,051</u>	<u>\$ 175,018</u>	<u>\$ 65,013</u>	<u>\$ 3,038,122</u>
Liabilities and Fund Equity				
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ 3,995
Warrants outstanding	145,049	-	-	309,747
Accrued liabilities	-	-	-	9,157
Other liabilities	-	-	-	-
Total Liabilities	<u>145,049</u>	<u>-</u>	<u>-</u>	<u>322,899</u>
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	111,871
Fund Balances (Deficits)				
Nonspendable	-	-	65,013	65,013
Restricted	-	-	-	1,337,930
Committed	-	-	-	1,025,501
Assigned	-	175,018	-	178,901
Unassigned	2	-	-	(3,993)
Total Fund Balances (Deficits)	<u>2</u>	<u>175,018</u>	<u>65,013</u>	<u>2,603,352</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 145,051</u>	<u>\$ 175,018</u>	<u>\$ 65,013</u>	<u>\$ 3,038,122</u>

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2015

	Special Revenue Funds			
	Road and Bridge Capital Fund	District Court and Juvenile Probation Fund	Elections State Fund	Indigent and Charity Fund
Revenues				
Property taxes	\$ -	\$ 356,031	\$ -	\$ 163
Other state revenues	-	-	64,483	-
Federal funds	-	-	-	-
Juvenile justice funds	-	39,530	-	-
Licenses, permits and other fees	-	89,557	-	-
Interest earned	-	-	-	-
Miscellaneous	-	4,423	-	67,219
Total Revenues	<u>-</u>	<u>489,541</u>	<u>64,483</u>	<u>67,382</u>
Expenditures				
General and administrative	-	526,757	47,544	82,266
Road and bridge	-	-	-	-
Law enforcement	-	-	-	-
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	-
Total Expenditures	<u>-</u>	<u>526,757</u>	<u>47,544</u>	<u>82,266</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(37,216)</u>	<u>16,939</u>	<u>(14,884)</u>
Other Financing Sources (Uses):				
Proceeds from financing sources	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(37,216)</u>	<u>16,939</u>	<u>(14,884)</u>
Fund Balance at Beginning of Year	<u>3,215</u>	<u>305,045</u>	<u>84,552</u>	<u>100,504</u>
Fund Balance at End of Year	<u>\$ 3,215</u>	<u>\$ 267,829</u>	<u>\$ 101,491</u>	<u>\$ 85,620</u>

(continued)

See Independent Auditors' Report.

Special Revenue Funds

Revaluation Fund	Solid Waste Self Assurance Fund	Tort Fund	Solid Waste Capital Fund	Weed Fund
\$ 121,054	\$ -	\$ 124,919	\$ -	\$ 71,136
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	307	-	-	-
-	-	-	-	11,949
<u>121,054</u>	<u>307</u>	<u>124,919</u>	<u>-</u>	<u>83,085</u>
118,961	-	122,095	-	72,772
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>118,961</u>	<u>-</u>	<u>122,095</u>	<u>-</u>	<u>72,772</u>
<u>2,093</u>	<u>307</u>	<u>2,824</u>	<u>-</u>	<u>10,313</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,093</u>	<u>307</u>	<u>2,824</u>	<u>-</u>	<u>10,313</u>
<u>46,286</u>	<u>300,000</u>	<u>84,802</u>	<u>668</u>	<u>49,873</u>
<u>\$ 48,379</u>	<u>\$ 300,307</u>	<u>\$ 87,626</u>	<u>\$ 668</u>	<u>\$ 60,186</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, 2015

	<u>Special Revenue Funds</u>		
	Prosecuting Attorneys Fund	Building Fund	Road Improvement Fund
Revenues			
Property taxes	\$ -	\$ 5,172	\$ -
Other state revenues	-	-	-
Federal funds	-	-	-
Juvenile justice funds	-	-	-
Licenses, permits and other fees	-	-	-
Interest earned	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>-</u>	<u>5,172</u>	<u>-</u>
Expenditures			
General and administrative	-	20	-
Road and bridge	-	-	-
Law enforcement	-	-	-
Capital lease payments	-	-	-
Capital improvements	-	-	-
Total Expenditures	<u>-</u>	<u>20</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>5,152</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>5,152</u>	<u>-</u>
Fund Balance at Beginning of Year	<u>17,843</u>	<u>67,499</u>	<u>103,826</u>
Fund Balance at End of Year	<u>\$ 17,843</u>	<u>\$ 72,651</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
\$ -	\$ 522,076	\$ 273,283	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
115,507	73,844	-	-	-	-
-	-	-	-	-	-
-	13,080	1,452	-	5,429	-
<u>115,507</u>	<u>609,000</u>	<u>274,735</u>	<u>-</u>	<u>5,429</u>	<u>-</u>
-	635,297	284,357	-	1,520	-
-	-	-	-	-	-
102,737	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>102,737</u>	<u>635,297</u>	<u>284,357</u>	<u>-</u>	<u>1,520</u>	<u>-</u>
<u>12,770</u>	<u>(26,297)</u>	<u>(9,622)</u>	<u>-</u>	<u>3,909</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,770</u>	<u>(26,297)</u>	<u>(9,622)</u>	<u>-</u>	<u>3,909</u>	<u>-</u>
<u>47,654</u>	<u>367,809</u>	<u>164,609</u>	<u>40,000</u>	<u>9,422</u>	<u>-</u>
<u>\$ 60,424</u>	<u>\$ 341,512</u>	<u>\$ 154,987</u>	<u>\$ 40,000</u>	<u>\$ 13,331</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, 2015

	Special Revenue Funds			
	FEMA Teton Creek Restoration	Idaho E911 Grants	County Hospital Fund	Teton Valley Arena Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other state revenues	-	-	-	-
Federal funds	100,003	-	-	-
Juvenile justice funds	-	-	-	-
Licenses, permits and other fees	-	-	-	-
Interest earned	-	-	-	-
Miscellaneous	-	-	89,537	-
Total Revenues	100,003	-	89,537	-
Expenditures				
General and administrative	-	-	-	10,034
Road and bridge	-	-	-	-
Law enforcement	-	3,995	-	-
Capital lease payments	-	-	-	-
Capital improvements	56,659	-	-	108,731
Total Expenditures	56,659	3,995	-	118,765
Excess (Deficiency) of Revenues				
Over Expenditures	43,344	(3,995)	89,537	(118,765)
Other Financing Sources (Uses):				
	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	43,344	(3,995)	89,537	(118,765)
Fund Balance at Beginning of Year	(43,344)	-	87,500	118,765
Fund Balance at End of Year	\$ -	\$ (3,995)	\$ 177,037	\$ -

(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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,678
4,898	-	-	-	-	-
200,661	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	37	20	10	181	-
-	8,904	17,788	2,337	83,913	156,165
<u>205,559</u>	<u>8,941</u>	<u>17,808</u>	<u>2,347</u>	<u>84,094</u>	<u>185,843</u>
149,491	-	-	-	-	68,803
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	230,000	-
<u>149,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,000</u>	<u>68,803</u>
<u>56,068</u>	<u>8,941</u>	<u>17,808</u>	<u>2,347</u>	<u>(145,906)</u>	<u>117,040</u>
-	-	-	-	-	-
-	-	-	-	-	2,166
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,166</u>
<u>56,068</u>	<u>8,941</u>	<u>17,808</u>	<u>2,347</u>	<u>(145,906)</u>	<u>119,206</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>\$ 1,773</u>	<u>\$ 28,057</u>	<u>\$ 21,619</u>	<u>\$ 7,381</u>	<u>\$ 41,131</u>	<u>\$ 226,173</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, 2015

	Special Revenue Funds		
	Court Restitution Fund	Court Bonds Fund	Interlock/ Monitoring Fund
Revenues			
Property taxes	\$ -	\$ -	\$ -
Other state revenues	-	-	-
Federal funds	-	-	-
Juvenile justice funds	-	-	-
Licenses, permits and other fees	-	-	-
Interest earned	-	-	-
Miscellaneous	42,018	70,710	1,350
Total Revenues	42,018	70,710	1,350
Expenditures			
General and administrative	40,060	41,618	-
Road and bridge	-	-	-
Law enforcement	-	-	-
Capital lease payments	-	-	-
Capital improvements	-	-	-
Total Expenditures	40,060	41,618	-
Excess (Deficiency) of Revenues Over Expenditures	1,958.00	29,092	1,350
Other Financing Sources (Uses):			
	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources	-	-	-
Net Change in Fund Balances	1,958	29,092	1,350
Fund Balance at Beginning of Year	4,583	17,009	13,512
Fund Balance at End of Year	\$ 6,541	\$ 46,101	\$ 14,862

(continued)

See Independent Auditors' Report.

Special Revenue Funds		Expendable Trust Funds		
Youth Program Fund	Auditors Trust Fund	Drug Court Trust Fund	Court Facility Trust Fund	Court Fines and Fees Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
135	-	-	-	-
-	-	-	-	-
-	-	2,856	2,980	265
<u>135</u>	<u>-</u>	<u>2,856</u>	<u>2,980</u>	<u>265</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>135</u>	<u>-</u>	<u>2,856</u>	<u>2,980</u>	<u>265</u>
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>135</u>	<u>-</u>	<u>2,856</u>	<u>2,980</u>	<u>265</u>
<u>1,964</u>	<u>-</u>	<u>11,193</u>	<u>16,012</u>	<u>1,339</u>
<u>\$ 2,099</u>	<u>\$ -</u>	<u>\$ 14,049</u>	<u>\$ 18,992</u>	<u>\$ 1,604</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, 2015

	<u>Expendable Trust Funds</u>			Total Nonmajor Governmental Funds
	Teton County Motor Vehicle Fund	Employee Benefit Fund	Planning and Zoning Trust Fund	
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 1,503,512
Other state revenues	-	-	-	69,381
Federal funds	-	-	-	300,664
Juvenile justice funds	-	-	-	39,530
Licenses, permits and other fees	-	-	78,318	357,361
Interest earned	-	-	-	555
Miscellaneous	2	-	-	582,377
Total Revenues	<u>2</u>	<u>-</u>	<u>78,318</u>	<u>2,853,380</u>
Expenditures				
General and administrative	-	11,078	102,927	2,315,600
Road and bridge	-	-	-	-
Law enforcement	-	-	-	106,732
Capital lease payments	-	-	-	-
Capital improvements	-	-	-	395,390
Total Expenditures	<u>-</u>	<u>11,078</u>	<u>102,927</u>	<u>2,817,722</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2</u>	<u>(11,078)</u>	<u>(24,609)</u>	<u>35,658</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	2,166
Transfers out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,166</u>
Net Change in Fund Balances	<u>2</u>	<u>(11,078)</u>	<u>(24,609)</u>	<u>37,824</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>186,096</u>	<u>89,622</u>	<u>2,565,528</u>
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 175,018</u>	<u>\$ 65,013</u>	<u>\$ 2,603,352</u>

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Statement of Assets and Liabilities
Agency Funds
September 30, 2015

	State Remittance Account	Dept. of Transporation Fund	Driggs City Fund	Victor City Fund
Assets				
Cash and investments	\$ 31,253	\$ 66,686	\$ 2,556	\$ 2,844
Receivables				
Property taxes	-	-	34,084	32,932
Total Assets	\$ 31,253	\$ 66,686	\$ 36,640	\$ 35,776
Liabilities and Fund Equity				
Liabilities				
Warrants outstanding	\$ 31,253	\$ 66,686	\$ 2,556	\$ 2,844
Due to other agencies	-	-	34,084	32,932
Total Liabilities	\$ 31,253	\$ 66,686	\$ 36,640	\$ 35,776

(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
\$ 1,924	\$ 22,738	\$ 4	\$ 168	\$ 1,478	\$ 155
3,691	412,898	211	1,304	2,146	447
<u>\$ 5,615</u>	<u>\$ 435,636</u>	<u>\$ 215</u>	<u>\$ 1,472</u>	<u>\$ 3,624</u>	<u>\$ 602</u>
\$ 1,924	\$ 22,738	\$ 4	\$ 168	\$ 1,478	\$ 155
3,691	412,898	211	1,304	2,146	447
<u>\$ 5,615</u>	<u>\$ 435,636</u>	<u>\$ 215</u>	<u>\$ 1,472</u>	<u>\$ 3,624</u>	<u>\$ 602</u>

(continued)

See Independent Auditors' Report.

TETON COUNTY, IDAHO
Combining Statement of Assets and Liabilities (continued)
Agency Funds
September 30, 2015

	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	\$ 408	\$ 5,972	\$ 9,018	\$ 29	\$ 1,643
Receivables					
Property taxes	7,205	-	171,220	458	27,205
Total Assets	<u>\$ 7,613</u>	<u>\$ 5,972</u>	<u>\$ 180,238</u>	<u>\$ 487</u>	<u>\$ 28,848</u>
Liabilities and Fund Equity					
Liabilities					
Warrants outstanding	\$ 408	\$ -	\$ 9,018	\$ 29	\$ 1,643
Due to other agencies	7,205	5,972	171,220	458	27,205
Total Liabilities	<u>\$ 7,613</u>	<u>\$ 5,972</u>	<u>\$ 180,238</u>	<u>\$ 487</u>	<u>\$ 28,848</u>

(continued)

See Independent Auditors' Report.

County Hospital Fund	Forest Protection Tax Fund	Driggs Urban Renewal Fund	Water District Fund	Total Agency Funds
\$ -	\$ 326	\$ -	\$ 368	\$ 147,570
10,778	3,777	-	2,351	710,707
<u>\$ 10,778</u>	<u>\$ 4,103</u>	<u>\$ -</u>	<u>\$ 2,719</u>	<u>\$ 858,277</u>
\$ -	\$ 326	\$ -	\$ 368	\$ 141,598
10,778	3,777	-	2,351	716,679
<u>\$ 10,778</u>	<u>\$ 4,103</u>	<u>\$ -</u>	<u>\$ 2,719</u>	<u>\$ 858,277</u>

See Independent Auditors' Report.



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

To the Board of Commissioners
Teton County, 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, each major fund, and the aggregate remaining fund information of Teton County, Idaho, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Teton County, Idaho's basic financial statements, and have issued our report thereon dated January 20, 2016.

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.

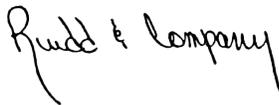
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 20, 2016