BLAINE COUNTY

BASIC FINANCIAL STATEMENTS
AND
SELECTED OTHER FINANCIAL INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2012

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Independent Auditor's Report

To The Board of County Commissioners
Blaine County
Hailey, Idaho 83333

We have audited the accompanying financial statements of governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Blaine County, Idaho as of and for the year ending September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Blaine Manor, which statements represent 100% of the assets and revenues of the Proprietary Fund as of September 30, 2012. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Proprietary Fund is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Blaine County, Idaho as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 11, 2013 on our consideration of Blaine County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of the audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7 through 12 and 40 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Blaine County, Idaho's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Condie, Stoker & Associates
February 11, 2013

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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 County Commissioners
Blaine County
Hailey, ID 83333

We have audited the financial statements of governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Blaine County, Idaho as of and for the year ending September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 11, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Other auditors audited the financial statements of Blaine Manor, as described in our report on Blaine County, Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of Blaine County, Idaho, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Blaine County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Blaine County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Blaine County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Blaine County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Blaine County in a separate letter dated February 11, 2013.

This report is intended for the information of the Commissioners, audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Condie, Stoker & Associates
February 11, 2013

Management's Discussion and Analysis

The following discussion and analysis provides an overview of Blaine County's Financial Activities for the fiscal year ending September 30, 2012, and does not include the Blaine Manor component.

Financial Highlights

- The assets of Blaine County exceeded its liabilities at the close of the most recent fiscal year by $48,740,346 (*net assets).* Of this amount $15,694,257 (*Unrestricted net assets)* may be used to meet the government's ongoing obligations to citizens and creditors.
- Blaine County's total net assets decreased by $678,978.
- Blaine County allocated all of the Payment In Lieu of Taxes in the amount of $1,818,087 to General fund to meet expenditures needed in excess of county levy limits.
- The economic downturn resulted in decreased interest rates in recent years and have contributed to a decrease in interest earnings in the General Fund from $202,643 in fiscal year 2011 to $193,719 in the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is the introduction to Blaine County's basic financial statements. Blaine County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains supplementary information in addition to the basic financial statements.

1. Government-wide financial statements

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

The *statement of net assets* presents information on all of Blaine County's assets and liabilities, with the difference reported as net assets, which is one method to measure the county's financial condition. An increase or decrease in the County's net assets from one year to the next indicates whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report functions of the County that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, road and bridge, solid waste. The business-type activities of Blaine County include Blaine Manor.

2. 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. Blaine County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Blaine County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds

a. **Governmental funds.** ***Governmental funds*** are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, unlike the governmental-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows spendable resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term

financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Blaine County maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund. The General, Ambulance and Land Water and Wildlife funds are considered to be major funds. Other governmental funds include Public Health, Charity and Indigent, Road and Bridge, Noxious Weed, Revaluation, Solid Waste, District Court, County Fair, Historical Society, Waterways, Snowmobile, Junior College, Liability Insurance, E911, and Bond Redemption. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Blaine County adopts annual budgets for most of its governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-21.

b. **Proprietary funds**. Blaine County maintains only one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Blaine County uses enterprise funds to account for Blaine Manor's operation. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Blaine Manor.

c. **Fiduciary funds**. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government -wide financial statement because the resources of those funds are not available to support Blaine County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

3. **Notes to the financial statements and other information**
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Blaine County's budgetary reporting. Required supplementary information can be found on pages 40-42.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indication of government's financial position. In the case of Blaine County, assets exceeded liabilities by $48,740,346 at the close of the most recent fiscal year. Unrestricted net assets were $15,694,257 at the end of fiscal year 2012. This shows a $772,354 increase for this fiscal year.

In 1995 a state law was passed setting a 3% cap on annual increases in the amount of property tax revenue used to fund most non-school taxing districts' budgets. The 3% allowable increase is based on the highest property tax budget for the prior three years for any affected taxing district. Additional property tax budget increases are allowed for taxing districts with new construction or annexation, or from use of a "foregone" amount which was created when less than the allowable 3% was levied in a prior year. When a taxing district has added territory through annexation or taxable property through new construction in the prior year, its property tax budget for the current year is allowed to increase above the 3% cap. Blaine County's revenue other than property taxes covers 58% of the total expenditures. 42% is covered by the taxes we collect.

A comparison of Blaine County's Assets, Liabilities and Net Assets

		2010-2011	2011-2012
ASSETS			
Current and Other Assets		17,064,121	18,061,179
Capital Assets		43,719,638	41,674,794
	Total Assets	60,783,759	59,735,973
LIABILITIES			
Long-Term Liabilities		9,521,366	9,144,501
Other Liabilities		1,843,069	1,851,126
	Total Liabilities	11,364,435	10,995,627
NET ASSETS			
Invested in Capital Assets, Net of Debt		34,415,479	32,894,772
Restricted for Capital Projects and Bond Payment, net of Debt		81,942	151,317
Unrestricted		14,921,903	15,694,257
	Total Net Assets	49,419,324	48,740,346

The largest portion of the County's net assets (67.4 percent) reflect its investment in capital assets net of related debt (e.g. land, buildings, machinery, and equipment) less any related outstanding debt used to acquire those assets. Blaine County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net asset of $15,694,257 may be used to meet the government's ongoing obligations to citizens and creditors. (Blaine County's Capitalization threshold is $5,000.)

Blaine County's Statement of Activities Comparison

Revenues: Program Revenues	2010-2011	2011-2012	Difference
Licenses and Permits	369,062	249,696	(119,366)
Intergovernmental	5,875,485	6,106,631	231,146
Charges for Services	5,312,234	5,502,833	190,599
Fines and Forfeitures	82,622	109,897	27,275
Miscellaneous	493,642	629,467	135,825
Property Taxes	12,033,649	10,931,502	(1,102,147)
Total Revenues	24,166,694	23,530,026	(636,668)
Program Expenses:			
Clerk/Auditor	975,387	946,204	(29,183)
Assessor	280,432	295,361	14,929
Treasurer/Tax Collector	249,807	250,700	893
Sheriff	2,254,320	2,413,682	159,362
Commissioner	466,940	443,845	(23,095)
Coroner	61,499	56,748	(4,751)
Prosecuting Attorney	752,882	717,380	(35,502)
Probation	472,190	474,306	2,116
Buildings and Ground	1,203,485	1,312,748	109,263
Human Resources		60,114	60,114
Extension	109,744	112,032	2,288
Information Technology	341,289	338,415	(2,874)
Elections	73,792	106,373	32,581
Bellevue Marshall	369,794	15,367	(354,427)
Ketchum Police	1,278,543	1,143,970	(134,573)
General	831,570	1,203,906	372,336
Dispatch	818,146	842,643	24,497
Jail	2,022,716	1,949,480	(73,236)
Planning and Zoning	682,026	589,552	(92,474)
Water Quality	-	-	-
Geographic Info System	183,722	192,370	8,648
Public Defender	347,251	318,085	(29,166)
Special Services:			-
Public Health	262,308	246,668	(15,640)
Charity & Indigent	453,110	384,503	(68,607)
Road & Bridge	3,003,673	3,260,822	257,149
Noxious Weed	259,017	230,543	(28,474)
Revaluation	476,278	403,578	(72,700)
Solid Waste	1,838,776	1,982,783	144,007
District Court	190,073	196,128	6,055
County Fair	28,146	32,998	4,852
Historical Society	36,214	26,731	(9,483)
Ambulance	1,994,655	2,055,684	61,029
Waterways	72,979	24,193	(48,786)
Snowmobile	41,472	39	(41,433)
Junior College	150,363	188,976	38,613
Liability Insurance	187,490	183,733	(3,757)
E911	1,379,926	363,613	(1,016,313)
Land, Water, Wildlife	48,121	443,476	395,355
Bond Redemption	374,548	364,367	(10,181)
Election Consolidation	30,047	36,888	6,841
Total Expenses	24,602,731	24,209,004	(393,727)
Decrease in Net Assets	(436,037)	(678,978)	(242,941)

It should not come as a surprise that the expenses of the governmental activities surpass their program revenues, creating negative numbers-net expenses or net cost to the general public (see statement of activities in financials). After all, services like public safety, public health and general and administrative services are dependent upon tax dollars and are supplied by governments because the private sector does not provide such services in quantities sufficient to meet public demand. Blaine Manor is not self-sustaining; their net patient service revenue and other revenues fall short of expenses, and it requires financial support from taxes.

Salaries and benefits continue to comprise the majority of the county's expenditures.

Operating grants and contributions continue to supplement Blaine County revenues. The grants received by Blaine County were awarded to several departments/funds, including Sheriff, Probation, General, Road & Bridge, Election Consolidation, Noxious Weeds, and Snowmobile.

As of the end of the current fiscal year, Blaine County's governmental funds reported combined ending fund balances of $16,458,242. The general fund is the chief operating fund of Blaine County. At the end of the current fiscal year, unreserved fund balance of the general fund was $5,967,303. As a measure of the general fund's liquidity, it may be useful to compare this unreserved fund balance to total fund expenditures. The unreserved fund balance is 45.9% of the expenditures. The fund balance of Blaine County's general fund increased by $1,116,329 during the current fiscal year.

Governmental fund Budgetary Highlights

Differences between the original budget and the final budget were as follows and due to receipt of unanticipated revenue:

Fund	Budget	Adjustments	Budget
General	12,833,995	802,228	13,636,223
Road	2,000,189	126,028	2,126,217
District Court	229,009	8,052	237,061
Solid Waste	1,891,816	9,081	1,900,897
Jr College	175,000	17,000	192,000
Weeds	242,422	23,347	265,769

Capital Assets. Blaine County's investment in capital assets for its governmental activities as of September 30, 2012, amounts to $41,674,794 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure (roads and bridges).

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

- 2 2012 Dodge Avengers $ 43,810.00
- 1 2012 Ford Explorer $ 27,605.00
- 1 2012 Ford F-150 $ 15,081.00
- 3 Zone Damper Lights $ 64,008.00
- 1 Cisco Router $ 5,633.00
- 1 2012 GMC Pickup $ 19,912.00
- Defibrillators $ 141,786.00
- Ohio Gulch Building Retrofit $ 39,179.00

Debt Administration

The following changes took place with the debt of the county:

Description	Int Rate	Fund	Maturity Date	Amount Outstanding 9/30/11	Increases	Decreases	Amount Outstanding 9/30/12	Amount Due In One Year
Capital Leases and Notes:								
E-911 Equipment	5.7%	E-911	04/15/2012	93,820	-	93,820	-	-
Dispatch Equipment	5.0%	E-911	07/15/2013	116,897	-	65,604	51,293	51,293
Notes Payable:								
Regional Landfill Closure	5.3%	Waste	07/28/2014	28,171	-	13,854	14,317	14,317
Hailey Medical Management	0.0%	General	10/01/2016	0	135,624	-	135,624	27,125
Bonds:								
Gen Obl Series 2007 A	Var	General	08/01/2027	9,065,000	-	415,000	8,650,000	430,000
Total				9,303,888	135,624	588,278	8,851,234	522,735
Other								
Acc. Comp. Absences	N/A	All	N/A	805,756	10,246	-	816,002	-

Economic Factors and Next Year's Budgets and Rates

Planning for the Future

Blaine County has developed and implemented a new budgeting process that aligns the County's strategic planning with its budget. The focus of our Outcome-Based Budgeting (OBB)) process is to align our resources to those priorities that drive the outcomes (results) that matter most to the citizens of Blaine County. In order to achieve these outcomes we incorporate strategic planning and performance management into our budgeting process so as to provide a cohesive framework for sound fiscal management.

The Government Finance Officers Association (GFOA) recommends all governmental entities use some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals. The GFOA considers budgeting for results and outcomes as a practical way to achieve the objective of integrating performance into the budgetary process.

By integrating strategic planning, outcome-based budgeting, and performance management, Blaine County can better assess its current environment as well as anticipate and respond appropriately to changes in the environment. With this integrated process we will be better equipped to envision the future, increase our effectiveness, and ensure we have alignment with operational missions in achieving the County's vision. Although transitioning Blaine County to an outcome-based budget process will take several years to fully implement, we are well into the process and have seen excellent results.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the county finances and to show the county accountability for the money it receives. If you have questions about this report or need additional financial information contact JoLynn Drage, Auditor or the Blaine County Commissioners at Blaine County, 206 1st Avenue South, Suite 200, Hailey, Idaho 83333.

BLAINE COUNTY, IDAHO

STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	Govern-mental Activities (Primary Government)	Blaine Manor Component Unit	Elimina-tions	Total Reporting Entity
Assets				
Current Assets:				
Cash and Investments	15,870,373	1,250,715		17,121,088
Patient Trust Fund	-	1,070		1,070
Accounts Receivable	1,264,447	81,168		1,345,615
Delinquent Taxes Receivable	355,147	29,695		384,842
Prepaid Expenses	-	1,844		1,844
Non Current Assets:				
Croy Canyon Ranch Foundation, Inc., advance	500,000	1,000,000	(500,000)	1,000,000
Construction in Progress	71,212	-		71,212
Capital Assets, net of depreciation	41,674,794	551,164		42,225,958
Total Assets	59,735,973	2,915,656	(500,000)	62,151,629
Liabilities				
Current Liabilities:				
Warrants Payable	222,364	-		222,364
Vouchers Payable	403,804	32,363		436,167
Accrued Payroll and Benefits	554,213	170,753		724,966
Patient Trust Fund	-	1,070		1,070
Interest Payable	58,243	-		58,243
Deferred Revenue-Grants	89,767	-		89,767
Note Payments Due Within One Year	522,735	-		522,735
Due to Blaine County	-	500,000	(500,000)	0
Non Current Liabilities:				
Note Payments Due Beyond One Year	8,328,499	-		8,328,499
Accrued Compensated Absences	816,002	-		816,002
Total Liabilities	10,995,627	704,186	(500,000)	11,199,813
Net Assets				
Invested in Capital Assets, net of related debt	32,894,772	551,164		33,445,936
Restricted for Bond Payment Reserve	151,317	-		151,317
Unrestricted	15,694,257	1,660,306		17,354,563
Total Net Assets	48,740,346	2,211,470	-	50,951,816

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Total Primary Governmental Activities	Blaine Manor
Governmental Activities						
General Government:						
Clerk/Auditor	946,204	216,718	-	-	(729,486)	
Assessor	295,361	131,848	-	-	(163,513)	
Treasurer/Tax Collector	250,700	33	-	-	(250,667)	
Sheriff	2,413,682	1,552,324	190	-	(861,168)	
Commissioner	443,845	-	-	-	(443,845)	
Coroner	56,748	14,330	-	-	(42,418)	
Prosecuting Attorney	717,380	-	-	-	(717,380)	
Probation	474,306	52,211	66,644	-	(355,451)	
Buildings and Ground	1,312,748	-	-	-	(1,312,748)	
Human Resources	60,114	-	-	-	(60,114)	
Extension	112,032	9,272	-	-	(102,760)	
Information Technology	338,415	4,850	-	-	(333,565)	
Elections	106,373	-	-	-	(106,373)	
Bellevue Marshal	15,367	-	-	-	(15,367)	
Ketchum Police	1,143,970	-	-	-	(1,143,970)	
General	1,203,906	121,329	520,787	-	(561,790)	
Dispatch	842,643	100,051	-	-	(742,592)	
Jail	1,949,480	1,257,128	5,484	-	(686,868)	
Planning and Zoning	589,552	185,770	-	-	(403,782)	
Geographic Info System	192,370	27,436	-	-	(164,934)	
Public Defender	318,085	9,124	-	-	(308,961)	
Special Services:						
Public Health	246,668	-	-	-	(246,668)	
Charity & Indigent	384,503	25,042	24	-	(359,437)	
Road & Bridge	3,260,822	88,885	1,561,826	-	(1,610,111)	
Noxious Weed	230,543	3,984	14,904	-	(211,655)	
Revaluation	403,578	51	-	-	(403,527)	
Solid Waste	1,982,783	1,956,473	-	-	(26,310)	
District Court	196,128	185,665	-	-	(10,463)	
County Fair	32,998	5,434	-	-	(27,564)	
Historical Society	26,731	1,211	4,530	-	(20,990)	
Ambulance	2,055,684	463,188	-	-	(1,592,496)	
Waterways	24,193	30,398	-	-	6,205	
Snowmobile	39	-	14,311	-	14,272	
Junior College	188,976	-	-	-	(188,976)	
Liability Insurance	183,733	3,120	-	-	(180,613)	
E911	363,613	377,045	-	-	13,432	
Land, Water & Wildlife	443,476	-	-	-	(443,476)	
Bond Redemption	364,367	-	-	-	(364,367)	
Election Consolidation	36,888	-	77,804	-	40,916	
Total Governmental Activities	24,209,004	6,822,920	2,266,504	-	(15,119,580)	
Business-type Activities:						
Blaine Manor	2,425,685	1,573,789	-	-	-	(851,896)
Total Primary Government	26,634,689	8,396,709	2,266,504	-	(15,119,580)	
		General Revenues:				
		Property Taxes Levied for General Fund			6,715,391	1,033,226
		Property Taxes Levied for Special Revenue Funds			4,216,111	
		State Allocations			1,419,239	
		PILT Revenue			1,818,087	
		Sale of Assets			55,227	
		Investment Earnings			203,002	4,647
		Miscellaneous			13,545	
		Total General Revenues			14,440,602	1,037,873
		Change in Net Assets			(678,978)	185,977
		Net Assets Beginning of Period, as restated			49,419,324	2,025,493
		Net Assets End of Period			48,740,346	2,211,470

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General	Ambulance District	Land, Water & Wildlife Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Investments	7,399,570	731,519	2,972,258	4,767,026	15,870,373
Accounts Receivable	476,735	206,981	-	580,731	1,264,447
Interfund Receivable	20,000	-	-	-	20,000
Croy Canyon Ranch advance	500,000	-	-	-	500,000
Delinquent Taxes Receivable	206,348	50,822	20,963	77,014	355,147
Total Assets	8,602,653	989,322	2,993,221	5,424,771	18,009,967
Liabilities					
Warrants Payable	148,930	6,047	6,486	60,901	222,364
Vouchers Payable	254,410	-	4,339	145,055	403,804
Accrued Payroll and Benefits	459,929	-	-	94,284	554,213
Interfund Payable	-	-	20,000	-	20,000
Deferred Revenue- Grants	54,694	-	-	35,073	89,767
Deferred Revenue-Taxes	151,364	38,033	14,504	57,676	261,577
Total Liabilities	1,069,327	44,080	45,329	392,989	1,551,725
Fund Equity					
Fund Balances:					
Nonspendable	500,000	-	-	-	500,000
Committed	1,066,023	-	3,056,288	721,500	4,843,811
Assigned	-	945,242	(108,396)	4,310,282	5,147,128
Unassigned	5,967,303		-	-	5,967,303
Total Fund Balance	7,533,326	945,242	2,947,892	5,031,782	16,458,242
Total Liabilities and Fund Equity	8,602,653	989,322	2,993,221	5,424,771	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Property taxes collected beyond 60 days after year end are not recorded as assets in the Governmental Funds balance sheet.	261,577
Governmental fund capital assets are not financial resources and therefore are not reported in the funds.	41,746,006
Long-term debt is not payable in the current period and thus not reported in the funds.	(8,851,234)
Interest payable is not payable in the current period and thus not reported in the funds.	(58,243)
Accrued compensated absences are not reported in Governmental Funds.	(816,002)
Net assets of Governmental Activities	48,740,346

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General	Ambulance District	Land, Water & Wildlife Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	6,762,447	1,668,316	27,591	2,574,873	11,033,227
Licenses and Permits	249,696	-	-	-	249,696
Intergovernmental	3,984,723	48,246	-	2,062,251	6,095,220
Charges for Services	2,759,259	463,404	-	2,280,386	5,503,049
Fines and Forfeitures	-	-	-	109,897	109,897
Miscellaneous	353,054	-	5,683	288,160	646,897
Total Revenues	14,109,179	2,179,966	33,274	7,315,567	23,637,986
Expenditures					
Salaries and Wages	6,588,653	-	-	1,389,972	7,978,625
Payroll Expenses and Benefits	2,388,292	-	-	551,248	2,939,540
General and Administrative	1,753,103	-	-	207,527	1,960,630
Health Care	-	1,991,183	-	529,711	2,520,894
County Services	-	-	443,476	2,113,109	2,556,585
Law Enforcement	1,431,284	-	-	128,308	1,559,592
Road Maintenance	-	-	-	876,686	876,686
Contracts and Misc. Services	534,388	-	-	-	534,388
Capital Expenditures	280,974	141,787	-	371,899	794,660
Capital Leases					
Principal	-	-	-	173,279	173,279
Interest	-	-	-	10,040	10,040
Total Expenditures	12,976,694	2,132,970	443,476	6,351,779	21,904,919
Excess (Deficit) Revenues Over Expenditures	1,132,485	46,996	(410,202)	963,788	1,733,067
Other Financing Sources (Uses):					
Interfund Transfers	(16,156)	-	-	16,156	0
Bond Principal Payments	-	-	-	(415,000)	(415,000)
Bond Interest and Fee Payments	-	-	-	(366,557)	(366,557)
Excess (Deficit) Revenues and Other Sources (Uses) Over Expenditures	1,116,329	46,996	(410,202)	198,387	951,510
Fund Balance at Beginning of Year, as restated	6,416,997	898,246	3,358,094	4,833,395	15,506,732
Fund Balance at End of Year	7,533,326	945,242	2,947,892	5,031,782	16,458,242

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2012

Excess Revenue over Expenditures and other Sources- Total Governmental Funds	951,510
Amounts reported for governmental activities in the statement of activities are different because:	
Property tax revenues that are not received within sixty days after year end do not provide current financial resources and thus are not recorded as revenue in the Governmental Funds.	(101,725)
Accrued interest is not reported as an expense in the Governmental Funds	2,190
Governmental funds report capital outlays as current expenditures. In the Statement of activities, the cost of capital assets exceeding $5,000 is allocated over their estimated useful lives as depreciation expense. The difference between these two methods of accounting for capital expenditures is:	573,256
Governmental Funds do not report the expense related to the issuance of debt. The Governmental Funds will show the expense as the debt is paid.	(135,624)
This is the amount of current year depreciation.	(2,540,383)
Basis in assets sold is not reported against revenue in the Governmental Funds	(6,235)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of capital lease principal payments.	588,279
Liabilities for accrued compensated absences are not recorded in the Governmental Funds. This is the increase in leave during the year.	(10,246)
Change in Net Assets of Governmental Activities	(678,978)

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BLAINE MANOR - COMPONENT UNIT FOR THE YEAR ENDED SEPTEMBER 30, 2012

Operating Revenues	
Net Patient Service Revenue	1,569,800
Other Revenue	3,989
Total Revenues	1,573,789
Operating Expenses	
Salaries and Wages	1,451,984
Employee benefits	372,874
Supplies	184,826
Purchased services, utilities	78,098
Purchased services, other	148,005
Insurance	54,948
Repairs and maintenance	27,687
Depreciation	76,147
Other expenses	31,116
Total Expenses	2,425,685
Operating Loss	(851,896)
Nonoperating Revenues (Expenses):	
Tax Revenue	1,033,226
Interest Income	4,647
Gain before contributions and transfers	185,977
Capital contributions	0
Increase (Decrease) in Net Assets	185,977
Net Assets, Beginning of Year	2,025,493
Net Assets, End of Year	2,211,470

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

STATEMENT OF CASH FLOWS - BLAINE MANOR - COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Cash Flows From Operating Activities	
Cash received from patient services	1,584,285
Cash received from other revenue	5,095
Cash paid for salaries and employee benefits	(1,796,667)
Cash paid for other expenses	(531,879)
Net cash used for operating activities	(739,166)
Cash Flows From Non-Capital Financing Activities	
Cash received from taxes	1,031,797
Net cash provided by non-capital financing activities	1,031,797
Cash Flows From Capital and Related Financing Activities	
Purchase of capital assets	(26,145)
Net cash used by capital and related financing activities	(26,145)
Cash Flows From Investing Activities	
Interest	4,647
Net cash provided by investing activities	4,647
Net Increase (Decrease) in Cash and Equivalents	271,133
Cash and Equivalents at Beginning of Year	979,582
Cash and Equivalents at End of Year	1,250,715
Reconciliation of Excess of Revenue Over Expenses to Net Cash Used in Operating Activities	
Operating Loss	(851,896)
Adjustments to reconcile excess of revenue over expenses to net cash used in operating activities:	
Provision for bad debt	8,230
Depreciation	76,147
Decrease (increase) in assets:	
Patient accounts receivable, net	6,255
Other Receivables	1,106
Prepaid expenses	179
Increase (decrease) in liabilities:	
Accounts payable	(7,378)
Accrued compensation and related liabilities	4,297
Accrued vacation	23,894
Net cash used in operating activities	(739,166)
Noncash Capital and Related Financing Activities	
None	

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
SEPTEMBER 30, 2012

	Payroll Benefit Trust	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	8,986	960,780
Taxes Receivable	-	1,687,602
Total Assets	8,986	2,648,382
Liabilities		
Warrants Payable	-	18,024
Due to Taxing Districts	-	1,689,558
Due to Others	-	940,800
Total Liabilities	0	2,648,382
Net Assets		
Held in Trust	8,986	

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Payroll Benefit Trust
Additions	
Trust Amounts Received	62,077
Deductions	
Trust Amounts Remitted	60,310
Change in Net Assets	1,767
Net Assets Beginning of Year	7,219
Net Assets End of Year	8,986

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Blaine County, Idaho was established in 1895 under the provision of the State of Idaho. The County operates under a County Commission form of government.

The financial statements of Blaine County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

1. **The Financial Reporting Entity**

For financial reporting purposes, management has considered potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles. The basic criterion for including a potential component unit within the reporting entity is the governing body's responsibility for financial accountability. Financial accountability is defined as the level of accountability that exists if a primary government appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

Blended Component Units - The County Fair and Historical Fund are entities legally separate from Blaine County and are governed by a board appointed by the Commissioners of Blaine County. For financial reporting purposes, these entities are reported as if they were part of the County's operations because their purpose is to provide citizenry with special services.

Discretely Presented Component Units - The component unit column in the combined financial statements includes the financial data of Blaine Manor and is reported in a separate column to emphasize that it is legally separate from the County. The Board of County Commissioners of Blaine County appoints the Manor Trustees, and the Manor may not issue debt without the County's approval. Financial statements for Blaine Manor may be obtained from the campus of Blaine Manor or Blaine County.

2. **Basis of Accounting/Measurement Focus**

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

a. **Government-wide Financial Statements:**

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities.

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities are provided to outside parties.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities are included on the Statement of Net Assets. Revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

b. Fund Financial Statements:

Governmental Funds Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net assets presented in the Government-Wide Financial Statements.

Governmental funds are accounted for using the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. Under modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Available for purposes of revenue recognition is defined as sixty days. Revenue sources susceptible to accrual include property taxes and intergovernmental revenues. Expenditures are recognized when the related fund liability is incurred. Exceptions to this general rule include the accrual of payroll, vacation and sick pay and the related payroll liabilities associated with these items.

The following is a description of the activities accounted for as major funds and fiduciary fund types used by the county:

General Fund - The County's primary operating fund. It accounts for all activities of the general government, except those required to be accounted for in another fund.

Ambulance Fund – This fund accounts for the funding of ambulance districts within the County.

Land, Water & Wildlife Fund – This fund accounts for the operation of the land, water and wildlife management in the County.

c. Fiduciary Fund Financial Statements:

Fiduciary Fund Financial Statements include a Statement of Net Assets. The County's fiduciary funds are comprised of the following:

Agency Funds – These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Purpose Trust Funds – These funds report trust arrangements under which the principal will benefit individuals, private organizations or other governments.

Pension Trust Funds – These funds report resources that are required to be held in trust for the members and beneficiaries of employee benefit plans (e.g. cafeteria).

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

3. Budgeting

The budgets are set based on resources available and/or appropriations necessary for each fiscal year by program and fund.

The County Commissioners meet the second Monday of September in the courthouse for the purpose of considering and fixing a final budget and making appropriations for each department, and fund. Budgetary data is prepared on the basis of accounting used by a particular fund. A copy of the budget shall be available for public inspection and a summary statement of the budget for the ensuing year shall be published, including amounts budgeted for the prior year, which shall be included for purposes of comparison. Taxpayers are invited to attend a public hearing to express their views concerning the proposed budget. After this public meeting, the budget is approved and is legally enacted through the passage of an ordinance.

The ordinance is subject to amendment by the Board of Commissioners throughout the year. The amounts reported as original budget reflect the initial budget adopted and the final budget represents the final amounts passed by the Commissioners during the year.

4. Encumbrances

Encumbrances are not liabilities and they are not recorded as expenditures until receipt of material or services. For budgetary purposes, appropriations lapse at year end and are re-budgeted the following year. The County does not reserve fund balance for outstanding encumbrances at year end.

5. Capital Assets

The County's assets are capitalized at historic cost or estimated historic cost. Gifts or contributions of assets are recorded at fair market value when received. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets as follows: Buildings 30-50 years, Equipment 5-10 years, Infrastructure 30- 40 years.

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure, buildings and land in local government's basic financial statements. The County has elected to use the basic approach as defined by Statement No. 34 for asset reporting. Historical cost records do not exist for all of the County's assets dating back to 1895. For those assets where actual cost records could not be located, the County estimated cost using standard unit costs appropriate for the acquisition date. Accumulated depreciation was computed based on the life of the assets. Book value is computed by deducting the accumulated depreciation from the original cost.

6. General Long-Term Debt

Unmatured long-term debt is presented in the government-wide financial statements. Repayment of all long-term debt, except accrued vacation pay, is recorded in the Debt Service Fund. Payment of accrued vacation pay will be made from the General and Special Revenue Funds incurring the expenditure. Interest expense on long-term debt is recorded when due.

7. Cash and Cash Equivalents

Cash equivalents consist primarily of cash on deposit, certificates of deposit, and deposits with the State of Idaho Local Government Investment Pool. All are stated at cost that is not materially different from market.

8. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

9. Inventory

Inventory is expensed when purchased. The County has no significant inventories.

10. **Fund Equity**

Governmental fund equity is classified as fund balance. Fund balance is further classified when applicable as follows:

a. **Nonspendable fund balance.** This classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.
b. **Restricted fund balance.** This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional or enabling legislation.
c. **Committed fund balance.** These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commissioners – the County's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the County Commissioners removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
d. **Assigned fund balance.** This classification reflects the amounts constrained by the County's "intent" to be used for specific purposes, but are neither restricted nor committed. The County Commissioners have the authority to assign amounts to be used for specific purposes.
e. **Unassigned fund balance.** This fund balance is the residual classification for the General Fund.

The Blaine County Commissioners are the entity's highest level of decision-making authority. When both restricted and unrestricted fund balances are available for use, it is the County's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE B - CASH AND INVESTMENTS

The government maintains an investment and cash pool for County held funds. Fair, Historical, Solid Waste and Blaine Manor maintain separate accounts. The county is authorized to invest funds in accordance with Idaho Code §67-1210.

Interest Rate Risk – The County does not have a formal investment policy that limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The County has no investment policy which would further limit its investment choices beyond those stated in Idaho Code. The County's investment in the State Treasurer's Investment Pool is not currently rated. All deposits in the State Investment Pool are either FDIC insured or fully collateralized, with securities held in trust by the State Treasurer but not in the name of the Blaine County. The table below lists the average maturities and credit rating of other investments.

Concentration of Credit Risk – The County places no limit on the amount the County may invest in any one issuer.

Custodial Credit Risk, Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. The County's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the County at fiscal year-end. The cash is recorded in terms of United States currency.

NOTE B - CASH AND INVESTMENTS (Cont.)

Balances consist of the following:

	Carrying Balance	Bank Balance
Idaho Independent Bank	361,855	361,855
US Bank	406,619	406,619
Zions	371,370	324,619
Mountain West Bank	3,165,349	3,079,462
DL Evans	3,369,036	3,438,843
Idaho State Treasurer Pool	2,924,779	2,924,779
MultiBank Securities	6,585,925	6,543,654
Piper Jaffray	100,896	81,824
Key Investments	100,460	100,460
Total Cash Held by County Treasurer	17,386,289	17,262,115
Fair Board Cash	53,289	53,289
Historical Cash	187,035	189,180
Solid Waste Account	184,450	184,450
Blaine Manor's Cash held by County	(970,924)	(970,924)
Total Cash and Cash Equivalents	16,840,139	16,718,110

Summary:	
Governmental Activities	15,870,373
Fiduciary Activities	969,766
Total	16,840,139

There are three categories of credit risk that apply to the County's cash and investments:

1) **Insured or collateralized** for which the securities are held by the County or the County's agent in the County's name;
2) **Uninsured and uncollateralized**; or
3) **Uninsured and unregistered** for which the securities are held by the counter party or by its trust department or agent but not in the County's name. This category also includes repurchase agreements with no underlying securities.

Balances held in each category are as follows:

	Categories			Carrying	Average	Credit
Primary Government	1	2	3	Amount	Maturity	Rating
Deposits	1,775,234	6,424,229	-	8,199,463	N/A	N/A
Investments	6,686,821	-	-	6,686,821	Daily	AA+ to AAA
	8,462,055	6,424,229	-	14,886,284		
Investments in State of Idaho's Investment Pool				2,924,779	N/A	N/A
Blaine Manor's Cash Held by County				(970,924)	N/A	N/A
Total Cash and Investments				16,840,139		

NOTE C - ACCOUNTS RECEIVABLE

The following funds have uncollected receivables at September 30, 2012. The ambulance accounts receivable is shown net of $96,226 allowance for bad debt. The bad debt expense and corresponding income have not been included in the financial statements.

	General Fund	Ambulance Fund	Land, Water & Wildlife Fund	Other Governmental Funds	Total
State Apportionments	269,862	14,732	-	54,701	339,295
State Highway Users Tax	-	-	-	350,899	350,899
Regional Landfill Payments	-	-	-	152,733	152,733
Charges for Services	90,183	192,250	-	3,272	285,705
State and Federal Grants	116,691	-	-	19,126	135,817
Total Receivables	476,736	206,982	-	580,731	1,264,449

NOTE D - DELINQUENT TAXES RECEIVABLE

Property taxes are levied in November of each year and recognized as revenue when the tax notices are printed. Taxes are due in two equal installments at December 20 and June 20 following the levy date. If payment is not received upon the due dates, a 2% penalty is charged and taxes are classified as past due subject to 12% interest. Liens are placed on property after 3 years.

Taxes receivable are stated at taxes levied less amounts collected and canceled. The County maintains individual taxpayer records. Although small amounts of delinquent taxes are collected within 60 days following the close of the County's fiscal year (September 30), the County feels secure in the right to take tax deeds on property for the collection of real property taxes and the County's ability to take tax anticipation notes if needed to finance liabilities of the current period. Therefore, deferred revenue has been recorded as recommended by NCGA Interpretation #3 - "Revenue Recognition", but an allowance for uncollectible taxes receivable has not been established.

NOTE E – PROPERTY AND EQUIPMENT

Fixed asset activity for the fiscal year, was as follows:

Governmental Activities	Balance 9/30/2011	Additions	Disposals	Balance 9/30/2012
Capital Assets, Not Being Depreciated:				
Land	1,574,945	-	-	1,574,945
Capital Assets, Being Depreciated:				
Buildings and Improvements	24,924,398	-	-	24,924,398
Roads and Bridges	87,246,928	-	-	87,246,928
Heavy Equipment	4,810,246	233,288	-	5,043,534
Furniture and Equipment	2,318,242	162,342	-	2,480,584
Trucks and Vehicles	3,427,335	106,408	(230,380)	3,303,363
Total Depreciated Capital Assets	122,727,149	502,038	(230,380)	122,998,807
Less Accumulated Depreciation				
Building and Improvements	(5,788,232)	(520,450)	-	(6,308,682)
Roads and Bridges	(68,825,502)	(1,345,507)	-	(70,171,009)
Heavy Equipment	(2,095,063)	(324,585)	-	(2,419,648)
Furniture and Equipment	(1,255,398)	(160,667)	-	(1,416,065)
Trucks and Vehicles	(2,618,532)	(189,174)	224,152	(2,583,554)
Total Accumulated Depreciation	(80,582,727)	(2,540,383)	224,152	(82,898,958)
Capital Assets Net of Depreciation	43,719,367			41,674,794

NOTE E – PROPERTY AND EQUIPMENT (Cont.)

Depreciation expense was charged to functions as follows:

General Fund:	
Clerk/Auditor	4,587
Assessor	4,400
Treasurer/Tax Collector	2
Sheriff	129,996
Prosecuting Attorney	988
Buildings and Ground	515,430
Information Technology	6,557
Elections	18,633
General	17,620
Dispatch	21,733
Jail	29,172
Planning and Zoning	4,842
Road & Bridge	1,503,933
Ambulance	64,499
District Court	2,082
County Fair	4,684
Historical Society	1,841
Solid Waste	91,154
Noxious Weed	6,878
Waterways	212
E911	111,140
Total	2,540,383

NOTE F - WARRANTS PAYABLE

Warrants payable represent outstanding and unpaid orders authorized by the County Commissioner to have the Treasurer pay the bearer thereof the amount specified on the warrant. The county maintains a detailed listing of all unpaid warrants.

NOTE G - VOUCHERS PAYABLE

This account represents liabilities for goods and services rendered to the County as of September 30, 2012 evidenced by vouchers that have been approved for payment in October.

NOTE H - ACCRUED PAYROLL AND BENEFITS

This account represents payroll and benefits earned by employees during September, 2012 and paid in October, 2012.

NOTE I – LONG-TERM OBLIGATIONS

Capital Leases

Although the capital lease agreements provide a cancellation clause for termination of the lease due to non-appropriation of funds by the County (lessee) for any fiscal period during the term of the lease, the likelihood of the lease being canceled is remote. Therefore, the leases are presented for financial purposes as capital leases. The purchase price of equipment reported as capital assets with remaining capital lease requirements is $308,757. The leases are secured by said equipment.

General Obligation Bonds

On May 2, 2007, the County issued general obligation bonds with a par value of $9,850,000 (Series A) with interest rates ranging from 4.0% to 4.1%. The purpose of the bonds was to provide for the construction of the Public Safety Facility.

The following is a schedule of the long-term debt obligations of the County for the fiscal year:

Description	Int Rate	Fund	Maturity Date	Amount Outstanding 9/30/11	Increases	Decreases	Amount Outstanding 9/30/12	Amount Due In One Year
Capital Leases and Notes:								
E-911 Equipment	5.7%	E-911	04/15/2012	93,820	-	93,820	-	-
Dispatch Equipment	5.0%	E-911	07/15/2013	116,897	-	65,604	51,293	51,293
Notes Payable:								
Regional Landfill Closure	5.3%	Waste	07/28/2014	28,171	-	13,854	14,317	14,317
Hailey Medical Management	0.0%	General	10/01/2016	0	135,624	-	135,624	27,125
Bonds:								
Gen Obl Series 2007 A	Var	General	08/01/2027	9,065,000	-	415,000	8,650,000	430,000
Total				9,303,888	135,624	588,278	8,851,234	522,735
Other								
Acc. Comp. Absences	N/A	All	N/A	805,756	10,246	-	816,002	-

Interest and fees of $376,597 on the above liabilities has been charged to the following departments and funds on the Statement of Activities: Sheriff $941; E911 $9,099; Bond Redemption $366,557.

Debt service requirements at the balance sheet date were as follows:

Year Ended	Governmental Principle	Interest
2013	522,735	351,225
2014	477,127	332,258
2015	492,124	314,258
2016	512,124	295,658
2017	532,124	276,258
2018 thru 2022	2,845,000	1,061,687
2023 thru 2027	3,470,000	436,765
Total	8,851,234	3,068,109

NOTE J - COMPENSATED ABSENCES

The County accrues vacation, compensatory time, and sick pay for its employees based upon a formula developed for the hours worked and the department the employee works in. These formulas are found in the Blaine County Personnel Handbook. Vacation time, compensatory time, and sick leave are payable upon termination subject to limitations found in the Personnel Handbook. The amount presented represents the unpaid amount due employees at September 30, 2012.

NOTE K - EMPLOYEE RETIREMENT PLAN

The Public Employee Retirement System of Idaho (PERSI) is a cost-sharing multiple-employer retirement system created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age and compensation. In addition, benefits are provided for disability, death and survivors of eligible members or beneficiaries. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request.

After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

For the year ended September 30, 2012, the required contribution rate for general employees was 10.39% and 6.23% of covered payroll for Blaine County and its employees, respectively, and 10.73% and 7.65% for police/firefighter employees, for Blaine County and its employees, respectively. Blaine County employer contributions required and paid were $824,096, $869,485, and $811,883 for the three years ended September 30, 2012, 2011, and 2010, respectively.

NOTE L – COMMITMENTS AND CONTINGENCIES

The attorney for Blaine County has reported that of all cases that have been filed with District Court, none appear to threaten probable litigation against the County beyond the limitations of the County's insurance policies.

NOTE M - COMPLIANCE MATTERS

The Historical Fund's salaries were $8,966 over budget and the budget in total was over by $280.

NOTE N - INVESTMENT IN JOINT VENTURE

Friedman Memorial Airport Authority

Effective October 1, 1994, Blaine County, Idaho and the City of Hailey, Idaho entered into a Joint Powers Agreement creating the Friedman Memorial Airport Authority (Authority) for the purpose of operating and managing airport activities in Blaine County, Idaho. The Authority is a public entity of the State of Idaho and therefore the Authority's income is exempt from Federal and Idaho income taxes. The Authority is governed by a seven-member board, with three members representing Blaine County, three members representing the City of Hailey and one member who is unanimously selected by the other six members. The Authority has hired employees to provide for the day-to-day operations and management.

Pursuant to the Joint Powers Agreement, all buildings, improvements, facilities, equipment, and personal property used by the Authority were conveyed by Blaine County and the City of Hailey to the Authority for use and benefit of the Authority, and title thereof shall be held by the Authority. Upon termination of this Agreement, title to all buildings, improvements, facilities, equipment and personal property held by the Airport shall vest jointly in Blaine County and the City of Hailey.

Audited financial statements of the Friedman Memorial Airport Authority for the year ended September 30, 2012 can be obtained at the Airport, Blaine County, or the City of Hailey offices. During the Airport Authority's fiscal year ending September 30, 2012, the Airport Authority's Net Assets decreased $1,218,885.

NOTE O- SOLID WASTE

Blaine County has entered into a Joint Powers Agreement with Jerome, Cassia, Lincoln, Gooding and Minidoka Counties. Through their joint power they have established the Southern Idaho Regional Solid Waste District with each County appointing one member to the District's Board.

Under this agreement each County will pay a fee per ton of waste it deposits in the landfill. Along with the fee each participating County has agreed not to dump solid waste in any other location.

During the past fiscal year the County had expenditures, in the Solid Waste Fund, to the Solid Waste District totaling $1,584,686. These expenditures cover both fee usage cost, old land fill closure cost and transfer station construction cost.

The Solid Waste District paid closure costs to close existing landfills and entered into an agreement with Blaine County to have the costs reimbursed over an 18 ½ year period at 5.31% interest. The county owed the Solid Waste District $14,317 at fiscal year end.

Post closure costs are included in the cost per ton charged each County. Therefore, the County has paid all post closure fees.

Audited financial statements of the Southern Idaho Regional Solid Waste District for the year ended September 30, 2012 can be obtained at the District or Blaine County offices. During the District's fiscal year ending September 30, 2012, the entity's Net Assets increased $1,556,046.

NOTE P- RISK MANAGEMENT

A County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the County contracted with Idaho County Risk Management Program (ICRMP) for property, crime and fleet insurance and the State Insurance Fund for workman's compensation. Under the terms of the ICRMP policy, Blaine County's liability is limited to the amount of annual financial membership contributions including $1,000 per occurrence deductible. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE Q – INTERFUND BALANCES AND TRANSFERS

Blaine County general fund currently carries a receivable from Blaine Manor for $500,000. The amount was loaned for the purpose of helping Croy Canyon Ranch Foundation, Inc. develop plans for a new long-term care facility. The amount is to be repaid from any future sale of the current Blaine Manor property. The balance is not expected to be repaid within the next year.

NOTE R – RESTATED FUND BALANCE

The beginning fund balance of the General Fund was reduced by $28,373 because of an error in reporting principle paid back to the County as interest in prior years.

NOTE S – SUBSEQUENT EVENTS

As of February 11, 2013 the County did not have any significant subsequent events that need to be disclosed.

BLAINE MANOR
BLAINE COUNTY, IDAHO
NOTES TO FINANCIAL STATEMENTS

1. Description of Reporting Entity and Summary of Significant Accounting Policies:

a. Reporting Entity

Blaine Manor (the Manor) operates a 25-bed nursing facility in Hailey, Idaho. The Manor provides long-term nursing care to residents of Blaine County, Idaho (the County) and the surrounding areas.

The Board of County Commissioners of the County appoints the Manor Trustees, and the Manor may not issue debt without the County's approval. For this reason, the Manor is considered to be a component unit of the County. The Manor's Board of Trustees is made up of no less than five members, four of whom shall be residents of the County and one of whom shall be an elected and sitting member of the Board of County Commissioners.

All Manor assets, liabilities, and financial transactions are included in these financial statements.

In 2012, the Board of the Blaine County Commissioners began a series of senior care talks to evaluate how the County should be involved in providing for quality senior care. As part of that process, three providers submitted Requests for Information to the County for consideration in May 2012.

After a series of meetings with the County while they developed guiding principles for senior care and established an evaluation and decision making model, the Commissioners refined the process and requested that the interested entities submit Requests for Proposals. Blaine Manor submitted a joint proposal with Tanabell Health Services, Inc. (Tanabell) requesting the County to pass a levy for remodeling the existing facility and leasing the facility to Tanabell for a period of 10 years. Tanabell would purchase the nursing home license and would assume management of Blaine Manor. At this time, evaluation of the available options is still ongoing.

b. Summary of Significant Accounting Policies

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Enterprise fund accounting – The Manor uses enterprise fund accounting. Revenue and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the Manor has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board, including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Cash and cash equivalents – Cash and cash equivalents include highly liquid investments with original maturity dates of three months or less.

Resident accounts receivable – Receivables for revenue from service to residents are reduced by allowances for uncollectible accounts and contractual adjustments based on experience, third-party contractual reimbursement arrangements, and any unusual circumstances that may affect the ability of residents to meet their obligations. These allowances are based on management's estimates using past experience and future expectations. Accounts deemed uncollectible are charged against these allowances.

1. **Description of Reporting Entity and Summary of Significant Accounting Policies (continued):**

b. Summary of Significant Accounting Policies (continued)

Capital assets – It is the Manor's policy to capitalize property and equipment over $1,500 and a useful life of at least one year; lesser amounts are expensed. The Manor's capital assets are stated at historical cost. Expenditures for maintenance and repairs are charged to operations as incurred. Betterments and major renewals are capitalized. When such assets are disposed of, the related costs and accumulated depreciation are removed from the accounts, and the resulting gain or loss is classified in nonoperating revenues and expenses. Contributed capital assets are reported at their estimated fair value at the date of contribution and are subsequently considered as being on the basis of cost. Depreciation has been computed on the straight-line method over the following estimated useful service lives:

Building and fixed equipment	5 to 40 years
Major movable equipment	3 to 20 years

Resident trust fund – The Resident trust fund consists of residents' assets held under an agency arrangement by the Manor.

Compensated absences – The Manor's employees earn paid time off (PTO) at varying rates depending on their position. Unused PTO is accumulated and paid to the employee when the employee terminates employment with the Manor if the employee has sustained six months of continuous services. The estimated amount of PTO payable for termination payments is reported as a current liability at September 30, 2012 and 2011.

Net assets – Net assets of the Manor are classified in three components. *Net assets invested in capital assets net of related debt* consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net assets* are assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Manor. *Unrestricted net assets* are remaining net assets that do not meet the definition of *invested in capital assets net of related debt* or *restricted*. The Manor did not have any restricted net assets at September 30, 2012 and 2011.

Restricted resources – When the Manor has both restricted and unrestricted resources available to finance a particular program, it is the Manor's policy to use restricted resources before unrestricted resources.

Operating revenues and expenses – The Manor's statements of revenues, expenses, and changes in net assets distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions, including grants for specific operating activities, associated with providing healthcare services — the Manor's principal activity. Nonexchange revenues, including taxes, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide healthcare services, other than financing costs.

Net resident service revenue – Net resident service revenue is reported at the estimated net realizable amount from residents, third-party payors, and others for service rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between any estimated amounts accrued and interim or final settlements are reported in operations in the year of settlement.

1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Grants and contributions – From time to time, the Manor receives grants as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses. Grants that are for specific projects or purpose related to the Manor's operating activities are reported as operating revenue. Grants that are used to subsidize operating deficits are reported as nonoperating revenue. Contributions, except for capital contributions, are reported as nonoperating revenue.

Reclassifications – Certain reclassifications have been made to the 2011 financial statements to conform to the classifications used in the 2012 financial statements, with no effect on the previously reported change in net assets. Sales tax revenue and utilities expense that the County had recorded for the Manor in 2011 were recorded as intercompany transactions in 2011 but were recorded as tax revenue and purchased services, utilities in 2012. The amount reclassified for each of these items was $15,491.

Subsequent events – The Manor has evaluated subsequent events through January 23, 2012, the date on which the financial statements were available to be issued

2. Bank Deposits and Certificates of Deposit:

Custodial credit risk is the risk that in the event of a depository institution failure, the Manor's deposits may not be returned to it. The Manor does not have a deposit policy for custodial credit risk. As of September 30, 2012 and 2011, the Manor had funds held by the County collateralized by securities held in the County's name of $955,507 and $921,313, respectively, and uninsured and uncollateralized deposit balances of $53,524 and $-0-, respectively. The Federal Deposit Insurance Corporation insures deposits up to $250,000 on interest-bearing accounts, with unlimited coverage on non-interest bearing transaction accounts.

State statutes limit the investments in bonds, debentures, or notes of any corporation to be rated "A" or higher by nationally recognized statistical rating organizations.

3. Resident Accounts Receivable:

Resident accounts receivable reported as current assets by the Manor at September 30, 2012 and 2011, consisted of these amounts:

	2012	2011
Receivables from patients	$ 18,415	$ 33,308
Receivables from Medicare	6,147	18,667
Receivables from Medicaid	57,636	44,708
Total resident accounts receivable	82,198	96,683
Less allowance for uncollectible amounts	2,000	2,000
Resident accounts receivable, net	$ 80,198	$ 94,683

4.Capital Assets:

Capital asset additions, retirements, and balances for the year ended September 30, 2012, follows:

	September 30, 2011	Additions	Retirements	September 30, 2012
Capital assets				
Depreciable:				
Building and fixed equipment	$ 1,903,897	$ 26,145	$ -	$ 1,930,042
Major movable equipment	286,561	-	-	286,561
Total historical cost	2,190,458	26,145	-	2,216,603
Less accumulated depreciation for				
Building and fixed equipment	(1,370,149)	(57,765)	-	(1,427,914)
Major movable equipment	(219,143)	(18,382)	-	(237,525)
Total accumulated depreciation	(1,589,292)	(76,147)	-	(1,665,439)
Capital assets, net	$ 601,166	$ (50,002)	$ -	$ 551,164

Capital asset additions, retirements, and balances for the year ended September 30, 2011, follows:

	September 30, 2010	Additions	Retirements	September 30, 2011
Capital assets				
Depreciable:				
Building and fixed equipment	$ 1,851,306	$ 52,591	$ -	$ 1,903,897
Major movable equipment	274,099	12,462	-	286,561
Total historical cost	2,125,405	65,053	-	2,190,458
Less accumulated depreciation for				
Building and fixed equipment	(1,317,273)	(52,876)	-	(1,370,149)
Major movable equipment	(197,511)	(21,632)	-	(219,143)
Total accumulated depreciation	(1,514,784)	(74,508)	-	(1,589,292)
Capital assets, net	$ 610,621	$ (9,455)	$ -	$ 601,166

The land occupied by the Manor is owned by the County. The County allows the Manor to use the land at no charge.

5. Net Resident Service Revenue:

The Manor's gross resident service revenue by service and adjustments by payor were as follows:

	Years Ended September 30,	
	2012	**2011**
Gross resident service revenue		
Room and board	**$ 1,542,840**	$ 1,795,050
Pharmacy	**8,022**	5,797
Medical supply	**72,659**	74,648
Therapy	**39,953**	35,289
Laboratory	**477**	524
	1,663,951	1,911,308
Contractual adjustments		
Medicare	**23,255**	17,542
Medicaid	**160,909**	210,587
Other	**-**	2,638
Upper payment limit payments	**(98,243)**	(73,128)
Provision for bad debts	**8,230**	29
	94,151	157,668
Net resident service revenue	**$ 1,569,800**	$ 1,753,640

Revenue from the Medicare and Medicaid programs accounted for approximately 6% and 58%, respectively, of the Manor's net resident service revenue for the year ended September 30, 2012, and 4% and 56%, respectively, of the Manor's net resident service revenue for the year ended September 30, 2011.

6. Property Taxes:

The Manor, through the County, receives funds from property taxes obtained through a mill levy on assessed property valuations. Under Idaho law, all property taxes become due and payable in the year following that in which they are levied. Property taxes are levied as of May 1 on property values assessed on the same date. Tax levy notices are issued in November and payments are due on December 20 and June 20. The billings are considered past due one day after the respective payment dates, at which time penalties and interest are assessed. If the payments are three years overdue, a tax deed is issued in January. Tax deed hearings are held and, if the owner does not redeem the property, the County takes possession. The property is then auctioned off at a later date.

In August 2010, Blaine County approved a special tax levy for the purpose of paying general operating expenses at Blaine Manor. The special tax levy, effective during the years ended September 30, 2011 and 2012, is determined as 0.06% of the market value for assessment purposes of property in Blaine County, up to an amount not to exceed $995,000 per year.

7. Defined Contribution Plans:

The Blaine Manor 401(k) Plan (the Plan) is available to all employees upon three months of employment. The Plan is administered by the Manor. Employees can elect to defer a percentage of their compensation each year. The Manor may make a discretionary matching contribution and a discretionary profit-sharing contribution each year. The Manor did not contribute to the Plan during fiscal years 2012 and 2011. Employee contributions to the Plan were $5,332 and $3,050 in fiscal years 2012 and 2011, respectively.

The Plan permits Roth Elective Deferrals, available to all employees upon three months of employment. The Manor does not match any funds contributed by its employees throughout the year. Employee contributions to the Roth Elective Deferrals component of the Plan were $15,240 and $15,540 in fiscal years 2012 and 2011, respectively.

8. Croy Canyon Ranch Foundation, Inc.:

The primary operation of Croy Canyon Ranch Foundation, Inc. (the Foundation) is to build Croy Canyon Ranch (the Ranch), a privately owned and operated continuing care community, to be located in Blaine County. The Ranch is to replace the Manor's current facility. The Foundation also provides support to the Manor until the Ranch replaces the Manor's facility and the Manor ceases operation. The Foundation is not a component unit of the Manor.

In September 2004, the County entered into an agreement with the Foundation whereby the County agreed to advance to the Foundation $500,000 of the proceeds of the future sale of the real property, owned by the County, on which the Manor's facility is situated, subject to several conditions. In April 2007, the County transferred an additional $500,000 to the Manor for the Ranch (this transfer was made from the County's general fund to the County's nursing home fund).

The County (through the County's nursing home fund) advanced funds in prior years to the Foundation. Of the total $1,000,000 set aside for the Ranch, the entire $1,000,000 was advanced to the Foundation as of September 30, 2012 and 2011. The Foundation is to repay the advance (through the County's nursing home fund) to the County upon the sale of the property and, therefore, has been recorded as a receivable by the Manor. The advance transfer of proceeds is for support of developing the Ranch.

9. Risk Management and Contingencies:

Risk management – The Manor is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded the commercial coverage in any of the three preceding years.

Medical malpractice claims – The Manor has professional liability insurance coverage with Ironshore Specialty Insurance Company. This policy provides protection on a "claims-made" basis whereby only malpractice claims reported to the insurance carrier in the current year are covered by the current policy. If there are unreported incidents which result in a malpractice claim for the current year, these will only be covered in the year the claim is reported to the insurance carrier if the Manor purchases claims-made insurance in that year or if the Manor purchases extended coverage (tail) insurance to cover claims incurred before but reported after cancellation or expiration of a claims-made policy. The malpractice insurance provided $1,000,000 per occurrence with an annual aggregate limit of $3,000,000. The policy has a $10,000 deductible per claim.

No liability has been accrued for future coverage for acts occurring in this or prior years. Also, it is possible that claims may exceed coverage obtained in any given year.

Industry regulations – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of various statutes and regulations by healthcare providers. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Management believes that the Manor is in compliance with fraud and abuse as well as other applicable government laws and regulations. If the Manor is found in violation of these laws, the Manor could be subject to substantial monetary fines, civil and criminal penalties, and exclusion from participation in the Medicare and Medicaid programs.

10. Concentrations of Credit Risk:

The Manor grants credit without collateral to its residents, most of who are local residents, and are insured under third-party payor agreements. The mix of receivables from residents and third-party payors at the balance-sheet dates was as follows:

	September 30,	
	2012	**2011**
Medicaid	**71 %**	58 %
Medicare	**6**	15
Residents	**23**	27
	100 %	100 %

REQUIRED SUPPLEMENTARY INFORMATION

BLAINE COUNTY, IDAHO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	6,654,221	6,654,221	6,762,447	108,226
PILT	1,743,000	1,743,000	1,818,087	75,087
Other	4,001,808	4,784,211	5,528,645	744,434
Total Revenues	12,399,029	13,181,432	14,109,179	927,747
Expenditures				
Salaries and Wages	6,789,613	6,862,578	6,596,533	266,045
Payroll Expenses and Benefits	2,509,648	2,528,502	2,388,292	140,210
General and Administrative	1,338,135	1,790,443	1,753,103	37,340
Law Enforcement	1,195,102	1,453,204	1,431,284	21,920
Contracts and Miscellaneous Services	637,497	637,497	534,388	103,109
Capital Expenditures	364,000	364,000	280,974	83,026
Total Expenditures	12,833,995	13,636,224	12,984,574	651,650
Excess (Deficit) Revenues Over Expenditures	(434,966)	(454,792)	1,124,605	1,579,397
Other Financing Sources (Uses):				
Transfers In (Out)	-	-	(16,156)	(16,156)
Excess (Deficit) Revenues and Other Sources Over Expenditures	(434,966)	(454,792)	1,108,449	1,563,241
Fund Balance at Beginning of Year	434,966	454,792	6,884,806	6,430,014
Fund Balance at End of Year	0	0	7,993,255	7,993,255

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	1,108,449
Current year adjustment for accrued payroll	7,880
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	1,116,329

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - AMBULANCE DISTRICT FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	1,645,683	1,645,683	1,668,316	22,633
Other	511,458	511,458	511,650	192
Total Revenues	2,157,141	2,157,141	2,179,966	22,825
Expenditures				
Supplies	400	400	400	0
Insurance	10,000	10,000	642	9,358
Refunds	11,000	11,000	7,373	3,627
Ambulance Contracts	1,989,741	1,989,741	1,982,768	6,973
Capital Outlay	146,000	146,000	141,787	4,213
Total Expenditures	2,157,141	2,157,141	2,132,970	24,171
Excess (Deficit) Revenues Over Expenditures	0	0	46,996	46,996
Fund Balance at Beginning of Year	0	0	898,246	898,246
Fund Balance at End of Year	0	0	945,242	945,242

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - LAND WATER & WILDLIFE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	-	-	27,591	27,591
Other	5,000	5,000	5,683	683
Total Revenues	5,000	5,000	33,274	683
Expenditures				
Other Miscellaneous	3,400,000	3,400,000	443,476	2,956,524
Total Expenditures	3,400,000	3,400,000	443,476	2,956,524
Excess (Deficit) Revenues Over Expenditures	(3,395,000)	(3,395,000)	(410,202)	2,957,207
Other Financing Sources (Uses):				
Transfers In (Out)	-	-	-	0
Excess (Deficit) Revenues and Other Sources Over Expenditures	(3,395,000)	(3,395,000)	(410,202)	2,957,207
Fund Balance at Beginning of Year	3,395,000	3,395,000	3,358,094	(36,906)
Fund Balance at End of Year	0	0	2,947,892	2,920,301

See independent auditor's report on other financial information.

SUPPLEMENTAL INFORMATION

BLAINE COUNTY, IDAHO

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Public Health Fund	Charity and Indigent Fund	Road & Bridge Fund	Noxious Weed Fund	Revaluation Fund	Solid Waste Disposal Fund	District Court Fund	County Fair Fund
Assets								
Cash and Investments	91,400	347,164	1,369,470	280,185	259,817	1,310,805	289,248	71,169
Accounts Receivable	1,838	3,477	370,025	5,074	3,430	152,733	683	297
Delinquent Taxes Receivable	7,760	12,250	-	7,329	14,701	-	2,670	802
Total Assets	100,998	362,891	1,739,495	292,588	277,948	1,463,538	292,601	72,268
Liabilities								
Warrants Payable	-	8,856	20,737	5,211	851	16,764	6,644	-
Vouchers Payable	-	56,361	45,513	462	819	19,468	4,690	-
Accrued Payroll and Benefits	-	3,206	41,662	9,043	18,531	9,171	3,482	-
Deferred Revenue-Grants	-	-	-	11,510	-	-	-	-
Deferred Revenue-Taxes	5,799	9,241	-	5,486	10,983	-	2,003	617
Total Liabilities	5,799	77,664	107,912	31,712	31,184	45,403	16,819	617
Fund Equity								
Committed	-	-	605,814	-	-	22,176	4,151	-
Assigned	95,199	285,227	1,025,769	260,876	246,764	1,395,959	271,631	71,651
Total Fund Balances	95,199	285,227	1,631,583	260,876	246,764	1,418,135	275,782	71,651
Total Liabilities and Fund Balances	100,998	362,891	1,739,495	292,588	277,948	1,463,538	292,601	72,268

Historical Society Fund	Waterways Fund	Snowmobile Fund	Junior College Fund	Liability Insurance Fund	E911 Fund	Bond Redemption Fund	Election Consolidation Fund	Totals
200,565	43,090	50,298	108,320	69,540	67,032	119,950	88,973	4,767,026
182	-	-	35,315	1,403	-	6,274	-	580,731
752	-	-	8	5,649	-	25,093	-	77,014
201,499	43,090	50,298	143,643	76,592	67,032	151,317	88,973	5,424,771
-	1,240	-	-	-	485	-	113	60,901
12,305	306	-	-	-	5,131	-	-	145,055
-	811	-	-	-	7,835	-	543	94,284
-	23,563	-	-	-	-	-	-	35,073
563	-	-	8	4,235	-	18,741	-	57,676
12,868	25,920	0	8	4,235	13,451	18,741	656	392,989
-	10,359	4,000	75,000	-	-	-	-	721,500
188,631	6,811	46,298	68,635	72,357	53,581	132,576	88,317	4,310,282
188,631	17,170	50,298	143,635	72,357	53,581	132,576	88,317	5,031,782
201,499	43,090	50,298	143,643	76,592	67,032	151,317	88,973	5,424,771

BLAINE COUNTY, IDAHO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Public Health Fund	Charity & Indigent Fund	Road & Bridge Fund	Noxious Weed Fund	Revaluation Fund	Solid Waste Disposal Fund	District Court Fund	County Fair Fund
Revenues								
Property Taxes	244,876	458,781	-	239,373	458,137	-	90,334	38,959
Intergovernmental	6,332	11,982	1,630,222	21,110	11,821	53,000	2,352	1,029
Charges for Services	-	-	-	-	-	1,903,473	-	-
Fines and Forfeitures	-	-	-	-	-	-	109,897	-
Miscellaneous	-	25,066	120,297	4,243	51	-	75,768	5,434
Total Revenues	251,208	495,829	1,750,519	264,726	470,009	1,956,473	278,351	45,422
Expenditures								
Salaries and Wages	-	82,908	617,869	114,187	269,540	117,944	49,390	-
Payroll Expenses and Benefits	-	26,465	259,266	48,258	112,757	46,386	15,592	-
General and Administrative	-	-	-	-	23,794	-	-	-
Health Care	246,668	283,043	-	-	-	-	-	-
County Services	-	-	-	64,570	-	1,675,799	-	28,314
Law Enforcement	-	-	-	-	-	-	128,308	-
Capital Expenditures	-	-	304,502	19,913	-	61,507	-	-
Total Expenditures	246,668	392,416	2,058,323	246,928	406,091	1,901,636	193,290	28,314
Excess (Deficit) Revenues Over Expenditures	4,540	103,413	(307,804)	17,798	63,918	54,837	85,061	17,108
Other Financing Sources (Uses):								
Interfund Transfers	-	1,200	7,500	-	-	-	-	-
Bond Principal Payments	-	-	-	-	-	-	-	-
Bond Interest & Fee Payments	-	-	-	-	-	-	-	-
Excess (Deficit) Revenues and Other Sources Over Expenditures	4,540	104,613	(300,304)	17,798	63,918	54,837	85,061	17,108
Fund Balance at Beginning of Year	90,659	180,614	1,931,887	243,078	182,846	1,363,298	190,721	54,543
Fund Balance at End of Year	95,199	285,227	1,631,583	260,876	246,764	1,418,135	275,782	71,651

See independent auditor's report on other financial information.

Historical Society Fund	Waterways Fund	Snowmobile Fund	Junior College Fund	Liability Insurance Fund	E911 Fund	Bond Redemption Fund	Election Consolidation Fund	Totals
24,265	-	-	-	186,360	-	833,788	-	2,574,873
634	(22,191)	-	241,691	4,836	-	21,626	77,807	2,062,251
-	-	-	-	-	376,913	-	-	2,280,386
-	-	-	-	-	-	-	-	109,897
9,277	30,462	14,310	-	3,120	132	-	-	288,160
34,176	8,271	14,310	241,691	194,316	377,045	855,414	77,807	7,315,567
8,966	2,809	-	-	-	113,219	-	13,140	1,389,972
2,028	1,155	-	-	-	35,184	-	4,157	551,248
-	-	-	-	183,733	-	-	-	207,527
-	-	-	-	-	-	-	-	529,711
13,896	19,245	39	188,976	-	102,679	-	19,591	2,113,109
-	-	-	-	-	-	-	-	128,308
-	772	-	-	-	168,524	-	-	555,218
24,890	23,981	39	188,976	183,733	419,606	0	36,888	6,351,779
9,286	(15,710)	14,271	52,715	10,583	(42,561)	855,414	40,919	963,788
-	-	-	-	-	7,456	-	-	16,156
-	-	-	-	-	-	(415,000)	-	(415,000)
-	-	-	-	-	-	(366,557)	-	(366,557)
9,286	(15,710)	14,271	52,715	10,583	(35,105)	73,857	40,919	198,387
179,345	32,880	36,027	90,920	61,774	88,686	58,719	47,398	4,833,395
188,631	17,170	50,298	143,635	72,357	53,581	132,576	88,317	5,031,782

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - CURRENT EXPENSE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	6,654,221	6,762,447	108,226
Payment in Lieu of Taxes	1,743,000	1,818,087	75,087
Interest Earned on Investments	200,000	193,719	(6,281)
Other	4,584,211	5,334,926	750,715
Total Revenues	13,181,432	14,109,179	927,747
Expenditures			
Clerk, Auditor, Recorder Salaries	667,194	665,587	1,607
Clerk, Auditor, Recorder Other	292,275	266,517	25,758
Assessor Salaries	225,498	183,382	42,116
Assessor Other	115,675	92,810	22,865
Treasurer Salaries	157,422	156,447	975
Treasurer Other	93,835	92,633	1,202
Sheriff Salaries	1,332,291	1,311,398	20,893
Sheriff Other	976,428	1,067,554	(91,126)
Commissioners Salaries	321,457	321,200	257
Commissioners Other	123,585	118,558	5,027
Coroner Salaries	43,192	30,448	12,744
Coroner Other	39,435	28,512	10,923
Prosecuting Attorney Salaries	497,779	497,718	61
Prosecuting Attorney Other	286,290	222,721	63,569
Probation Salaries	256,358	256,339	19
Probation Other	225,665	213,815	11,850
Building and Grounds Salaries	212,327	212,058	269
Building and Grounds Other	688,889	580,967	107,922
Human Resource Salaries	40,768	40,711	57
Human Resource Other	16,626	16,392	234
Extension Office Other	114,448	112,032	2,416
Data Processing Salaries	109,360	109,302	58
Data Processing Other	250,339	242,354	7,985
Election Salaries	33,127	22,986	10,141
Elections Other	58,645	64,544	(5,899)
Bellevue Marshall Salaries	18,410	11,185	7,225
Bellevue Marshall Other	-	4,182	(4,182)
Ketchum Police Salaries	499,682	419,564	80,118
Ketchum Police Other	746,034	732,458	13,576
General Accounts (Salaries)	152,802	52,860	99,942
General Accounts (Specials)	994,379	1,009,920	(15,541)
Dispatch Salaries	581,089	528,989	52,100
Dispatch Other	328,246	296,539	31,707
Jail Salaries	982,948	981,305	1,643
Jail Other	999,138	924,267	74,871
Planning and Zoning Salaries	359,443	357,084	2,359
Planning and Zoning Other	261,320	230,609	30,711

continued on next page

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - CURRENT EXPENSE FUND (CONTINUED) FOR THE YEAR ENDED SEPTEMBER 30, 2012

Geographic Information System Salaries	125,079	125,076	3
Geographic Information System Other	69,466	65,466	4,000
Public Defender	339,280	318,085	21,195
Total Expenditures	13,636,224	12,984,574	651,650
Other Financing Sources (Uses)			
Transfers In (Out)	-	(16,156)	(16,156)
Bond Interest and Fee Payments	-	-	0
Excess (Deficit) Revenues and Other Sources Over Expenditures	(454,792)	1,108,449	1,563,241
Fund Balance at Beginning of Year	454,792	6,884,806	6,430,014
Fund Balance at End of Yea	0	7,993,255	7,993,255

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - PUBLIC HEALTH FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	240,968	240,968	244,876	3,908
Other	5,700	5,700	6,332	632
Total Revenues	246,668	246,668	251,208	4,540
Expenditures				
South Central Health District	246,668	246,668	246,668	0
Total Expenditures	246,668	246,668	246,668	0
Excess Revenues Over Expenditures	0	0	4,540	4,540
Fund Balance at Beginning of Year	0	0	90,659	90,659
Fund Balance at End of Year	0	0	95,199	95,199

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - CHARITY AND INDIGENT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	455,951	455,951	458,781	2,830
Other	28,500	28,500	37,048	8,548
Total Revenues	484,451	484,451	495,829	11,378
Expenditures				
Salaries	89,026	89,026	86,023	3,003
Payroll Expenses and Benefits	30,275	30,275	26,465	3,810
Travel	2,200	2,200	1,590	610
Repair and Maintenance	-	-	332	(332)
Supplies	2,500	2,500	4,986	(2,486)
Postage	1,200	1,200	1,088	112
Telephone and Utilities	750	750	25	725
Medical Care	350,500	350,500	269,400	81,100
Non-Medical Care	7,500	7,500	5,402	2,098
Miscellaneous	500	500	220	280
Total Expenditures	484,451	484,451	395,531	88,920
Excess (Deficit) Revenues Over Expenditures	0	0	100,298	100,298
Fund Balance at Beginning of Year	0	0	186,935	186,935
Fund Balance at End of Year	0	0	287,233	287,233

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	100,298
Current year adjustment for accrued payroll	3,115
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	103,413

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - ROAD AND BRIDGE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Other	1,619,750	1,745,778	1,750,519	4,741
Total Revenues	1,619,750	1,745,778	1,750,519	4,741
Expenditures				
Salaries and Wages	615,745	618,245	616,372	1,873
Payroll Expenses and Benefits	276,035	276,035	259,266	16,769
Supplies	55,000	55,000	42,928	12,072
Road Oil, Asphalt, Concrete and Signs	355,000	433,528	407,834	25,694
Culverts	30,000	30,000	18,947	11,053
Telephone, Utilities	20,159	20,159	16,344	3,815
Bulk Gas and Oil - Vehicles	150,000	150,000	127,233	22,767
Contracts	9,800	54,800	59,077	(4,277)
Professional Services	15,000	15,000	705	14,295
Travel and Miscellaneous	5,450	5,450	6,149	(699)
Repair of Equipment	141,000	141,000	178,662	(37,662)
Freight	3,000	3,000	16,157	(13,157)
Rent of Equipment	7,000	7,000	-	7,000
Construction Project/Emergency Flow	2,000	2,000	2,650	(650)
Infrastructure	80,000	80,000	71,212	8,788
Capital Outlay	235,000	235,000	233,290	1,710
Total Expenditures	2,000,189	2,126,217	2,056,826	69,391
Excess (Deficit) Revenues Over Expenditures	(380,439)	(380,439)	(306,307)	74,132
Fund Balance at Beginning of Year	380,439	380,439	1,972,052	1,591,613
Fund Balance at End of Year	0	0	1,665,745	1,665,745

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	(306,307)
Current year adjustment for accrued payroll	(1,497)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	(307,804)

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - NOXIOUS WEED FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	236,172	236,172	239,373	3,201
Other	6,250	29,597	25,353	(4,244)
Total Revenues	242,422	265,769	264,726	(1,043)
Expenditures				
Salaries and Wages	118,102	121,582	115,220	6,362
Payroll Expense and Benefits	49,620	49,620	48,258	1,362
Supplies	31,600	31,600	24,916	6,684
Utilities	6,400	6,400	5,028	1,372
Bulk Gas and Oil - Vehicles	3,500	3,500	4,545	(1,045)
Travel	1,200	1,200	888	312
Education	1,000	1,000	620	380
Repairs and Maintenance	3,500	3,500	1,645	1,855
Postage	1,000	1,000	4	996
Advertising	5,500	5,500	3,664	1,836
Contracts	1,000	20,867	23,260	(2,393)
Capital Outlay	20,000	20,000	19,913	87
Total Expenditures	242,422	265,769	247,961	17,808
Excess (Deficit) Revenues Over Expenditures	0	0	16,765	16,765
Fund Balance at Beginning of Year	0	0	253,154	253,154
Fund Balance at End of Year	0	0	269,919	269,919

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	16,765
Current year adjustment for accrued payroll	1,033
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	17,798

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - REVALUATION FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	449,808	449,808	458,137	8,329
Other	11,000	11,000	11,872	872
Total Revenues	460,808	460,808	470,009	9,201
Expenditures				
Salaries and Wages	300,538	300,538	268,854	31,684
Payroll Expenses and Benefits	131,550	131,550	112,757	18,793
Supplies	4,500	4,500	2,665	1,835
Repairs and Maintenance	8,820	8,820	7,890	930
Vehicles	3,600	3,600	3,424	176
Travel and Miscellaneous	8,000	8,000	6,095	1,905
Education	3,800	3,800	3,720	80
Total Expenditures	460,808	460,808	405,405	55,403
Excess (Deficit) Revenues Over Expenditures	0	0	64,604	64,604
Fund Balance at Beginning of Year	0	0	200,691	200,691
Fund Balance at End of Year	0	0	265,295	265,295

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	64,604
Current year adjustment for accrued payroll	(686)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	63,918

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - SOLID WASTE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Other	1,883,000	1,883,000	1,956,473	73,473
Total Revenues	1,883,000	1,883,000	1,956,473	73,473
Expenditures				
Salaries and Wages	125,375	125,375	116,792	8,583
Payroll Expenses and Benefits	51,425	51,425	46,386	5,039
Utilities - Garbage	22,000	22,000	28,692	(6,692)
Postage	400	400	525	(125)
Recycle Costs	77,930	86,981	76,691	10,290
Solid Waste Contract	1,584,686	1,584,686	1,584,686	0
Capital Outlay	30,000	30,000	46,712	(16,712)
Total Expenditures	1,891,816	1,900,867	1,900,484	383
Excess (Deficit) Revenues Over Expenditures	(8,816)	(17,867)	55,989	73,856
Fund Balance at Beginning of Year	8,816	17,867	1,371,317	1,353,450
Fund Balance at End of Year	0	0	1,427,306	1,427,306

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	55,989
Current year adjustment for accrued payroll	(1,152)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	54,837

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - DISTRICT COURT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	89,509	89,509	90,334	825
Other	139,500	147,552	188,017	40,465
Total Revenues	229,009	237,061	278,351	41,290
Expenditures				
Salaries and Wages	53,692	53,692	48,960	4,732
Payroll Expense and Benefits	21,251	21,251	15,592	5,659
Supplies	36,500	36,500	39,070	(2,570)
Postage	13,000	13,000	13,000	-
Telephone and Utilities	3,200	3,200	717	2,483
Professional Services	24,000	24,000	11,947	12,053
Jury and Witness Fees and Expense	10,000	10,000	2,020	7,980
Travel	3,500	3,500	2,995	505
Repairs and Maintenance	2,500	9,860	9,822	38
Lodging, Meals and Mileage for Jurors	9,000	9,000	2,970	6,030
Law Library	13,000	13,000	19,416	(6,416)
Judicial Education	2,870	2,870	2,013	857
Contracts	24,496	25,188	24,338	850
Contingency	12,000	12,000	-	12,000
Total Expenditures	229,009	237,061	192,860	44,201
Excess (Deficit) Revenues Over Expenditures	0	0	85,491	85,491
Fund Balance at Beginning of Year	0	0	193,773	193,773
Fund Balance at End of Year	0	0	279,264	279,264

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	85,491
Current year adjustment for accrued payroll	(430)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	85,061

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - COUNTY FAIR FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	39,140	39,140	38,959	(181)
Other	1,500	1,500	6,463	4,963
Total Revenues	40,640	40,640	45,422	4,782
Expenditures				
Supplies - Awards	-	-	4,878	(4,878)
Utilities	-	-	2,193	(2,193)
Maintenance	-	-	10,949	(10,949)
Miscellaneous	25,640	25,640	10,294	15,346
Capital Outlay	15,000	15,000	-	15,000
Total Expenditures	40,640	40,640	28,314	12,326
Excess (Deficit) Revenues Over Expenditures	0	0	17,108	17,108
Fund Balance at Beginning of Year	0	0	54,543	54,543
Fund Balance at End of Year	0	0	71,651	71,651

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - HISTORICAL SOCIETY AND MUSEUM FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	24,090	24,090	24,265	175
Other	520	520	9,911	9,391
Total Revenues	24,610	24,610	34,176	9,566
Expenditures				
Salaries and Wages	-	-	8,966	(8,966)
Payroll Expense and Benefits	-	-	2,028	(2,028)
Utilities	-	-	3,001	(3,001)
Maintenance	-	-	1,267	(1,267)
Miscellaneous	-	-	8,430	(8,430)
Supplies	24,610	24,610	1,198	23,412
Total Expenditures	24,610	24,610	24,890	(280)
Excess (Deficit) Revenues Over Expenditures	0	0	9,286	9,286
Fund Balance at Beginning of Year	0	0	179,345	179,345
Fund Balance at End of Year	0	0	188,631	188,631

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - WATERWAYS FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Other	34,714	34,714	8,271	(26,443)
Total Revenues	34,714	34,714	8,271	(26,443)
Expenditures				
Salaries and Wages	12,000	12,000	2,509	9,491
Payroll Expenses and Benefits	2,400	2,400	1,155	1,245
Other Miscellaneous Expenses	17,900	17,900	19,245	(1,345)
Capital Outlay	3,096	3,096	772	2,324
Total Expenditures	35,396	35,396	23,681	11,715
Excess (Deficit) Revenues Over Expenditures	(682)	(682)	(15,410)	(14,728)
Other Financing Sources (Uses):				
Transfers In (Out)	-	-	-	0
Excess (Deficit) Revenues and Other Sources Over Expenditures	(682)	(682)	(15,410)	(14,728)
Fund Balance at Beginning of Year	682	682	33,391	32,709
Fund Balance at End of Year	0	0	17,981	17,981

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	(15,410)
Current year adjustment for accrued payroll	(300)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	(15,710)

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - SNOWMOBILE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Other	15,000	15,000	14,310	(690)
Total Revenues	15,000	15,000	14,310	(690)
Expenditures				
Other Miscellaneous	19,000	19,000	39	18,961
Total Expenditures	19,000	19,000	39	18,961
Excess (Deficit) Revenues Over Expenditures	(4,000)	(4,000)	14,271	18,271
Fund Balance at Beginning of Year	4,000	4,000	36,027	32,027
Fund Balance at End of Year	0	0	50,298	50,298

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - JUNIOR COLLEGE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	-	-	-	0
Other	175,000	192,000	241,691	49,691
Total Revenues	175,000	192,000	241,691	49,691
Expenditures				
Tuition Fees	175,000	192,000	188,976	3,024
Total Expenditures	175,000	192,000	188,976	3,024
Excess (Deficit) Revenues Over Expenditures	0	0	52,715	52,715
Other Financing Sources (Uses):				
Transfers In (Out)	-	-	-	0
Excess (Deficit) Revenues and Other Sources Over Expenditures	0	0	52,715	52,715
Fund Balance at Beginning of Year	0	0	90,920	90,920
Fund Balance at End of Year	0	0	143,635	143,635

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - LIABILITY INSURANCE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	184,062	184,062	186,360	2,298
Other	3,700	3,700	7,956	4,256
Total Revenues	187,762	187,762	194,316	6,554
Expenditures				
Insurance - Liability	177,762	177,762	177,762	0
Insurance - Other	10,000	10,000	5,971	4,029
Total Expenditures	187,762	187,762	183,733	4,029
Excess (Deficit) Revenues Over Expenditures	0	0	10,583	10,583
Fund Balance at Beginning of Year	0	0	61,774	61,774
Fund Balance at End of Year	0	0	72,357	72,357

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - E911 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Other	390,340	390,340	377,045	(13,295)
Total Revenues	390,340	390,340	377,045	(13,295)
Expenditures				
Salaries and Wages	115,549	115,549	113,189	2,360
Payroll Expense and Benefits	30,250	30,250	35,184	(4,934)
Professional Services	58,022	58,022	50,428	7,594
Utilities	53,300	53,300	52,050	1,250
Miscellaneous	500	500	201	299
Capital Outlay	166,770	166,770	168,524	(1,754)
Total Expenditures	424,391	424,391	419,576	4,815
Excess (Deficit) Revenues Over Expenditures	(34,051)	(34,051)	(42,531)	(8,480)
Other Financing Sources (Uses):				
Transfers In (Out)	-	-	7,456	7,456
Excess (Deficit) Revenues and Other Sources Over Expenditures	(34,051)	(34,051)	(35,075)	(1,024)
Fund Balance at Beginning of Year	34,051	34,051	96,491	62,440
Fund Balance at End of Year	0	0	61,416	61,416

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	(42,531)
Current year adjustment for accrued payroll	(30)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	(42,561)

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - BOND REDEMPTION FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	823,000	823,000	833,788	10,788
Other	-	-	21,626	21,626
Total Revenues	823,000	823,000	855,414	32,414
Other Financing Sources (Uses):				
Bond Principal Payments	415,000	415,000	415,000	-
Bond Interest & Fee Payments	408,000	408,000	366,557	41,443
Total Expenditures	823,000	823,000	781,557	41,443
Excess (Deficit) Revenues Over Expenditures	0	0	73,857	73,857
Fund Balance at Beginning of Year	0	0	58,719	58,719
Fund Balance at End of Year	0	0	132,576	132,576

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - ELECTION CONSOLIDATION FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Other	75,909	75,909	77,807	1,898
Total Revenues	75,909	75,909	77,807	1,898
Expenditures				
Salaries and Wages	27,127	27,127	12,597	14,530
Payroll Expense and Benefits	13,857	13,857	4,157	9,700
Poll Workers	12,175	12,175	8,485	3,690
Supplies	17,150	17,150	10,072	7,078
Telephone	3,100	3,100	13	3,087
Travel	2,500	2,500	1,021	1,479
Total Expenditures	75,909	75,909	36,345	39,564
Excess (Deficit) Revenues Over Expenditures	0	0	41,462	41,462
Fund Balance at Beginning of Year	0	0	47,398	47,398
Fund Balance at End of Year	0	0	88,860	88,860

Reconciliation of Budgetary Basis to GAAP Basis

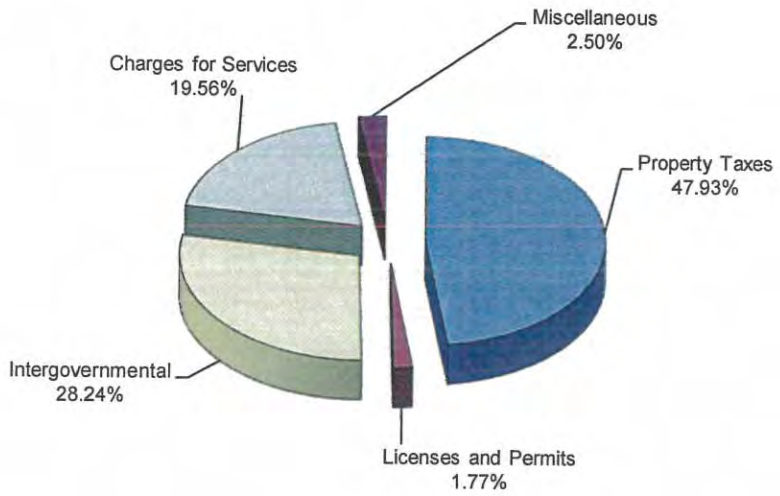
Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	41,462
Current year adjustment for accrued payroll	(543)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	40,919

See independent auditor's report on other financial information.

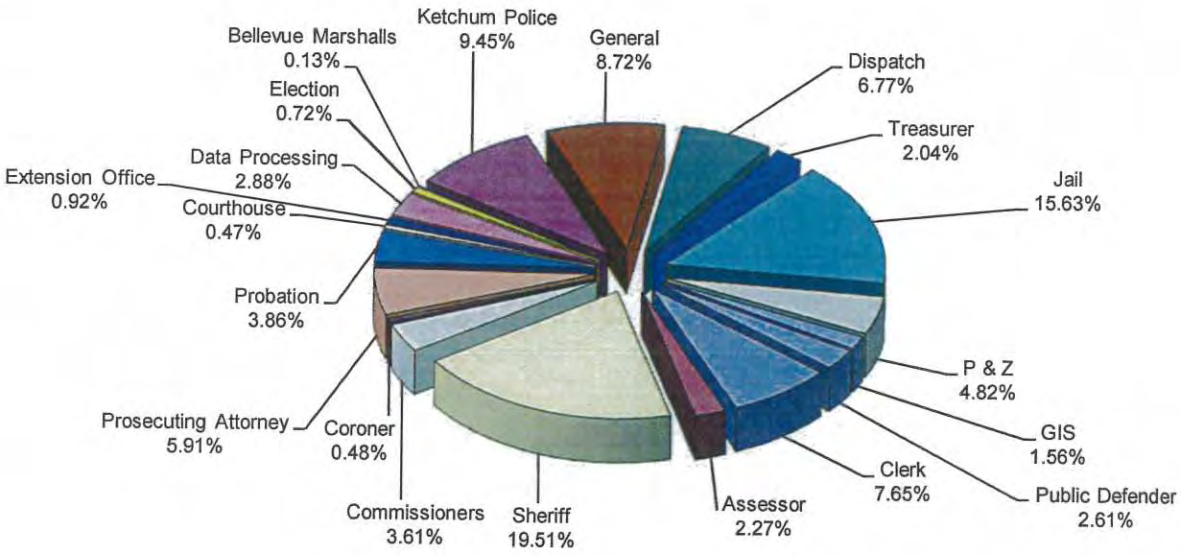
BLAINE COUNTY, IDAHO

PIE GRAPH OF REVENUES AND EXPENDITURES - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2012

General Fund Revenues



General Expenditures by Department

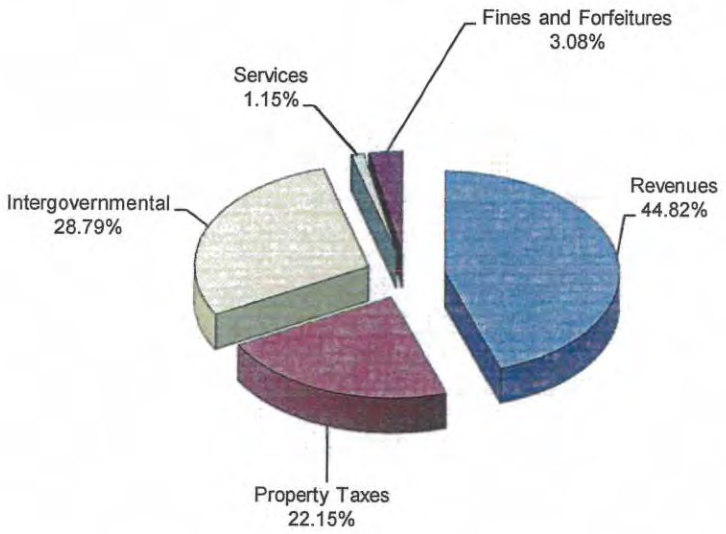


See independent auditor's report on other financial information.

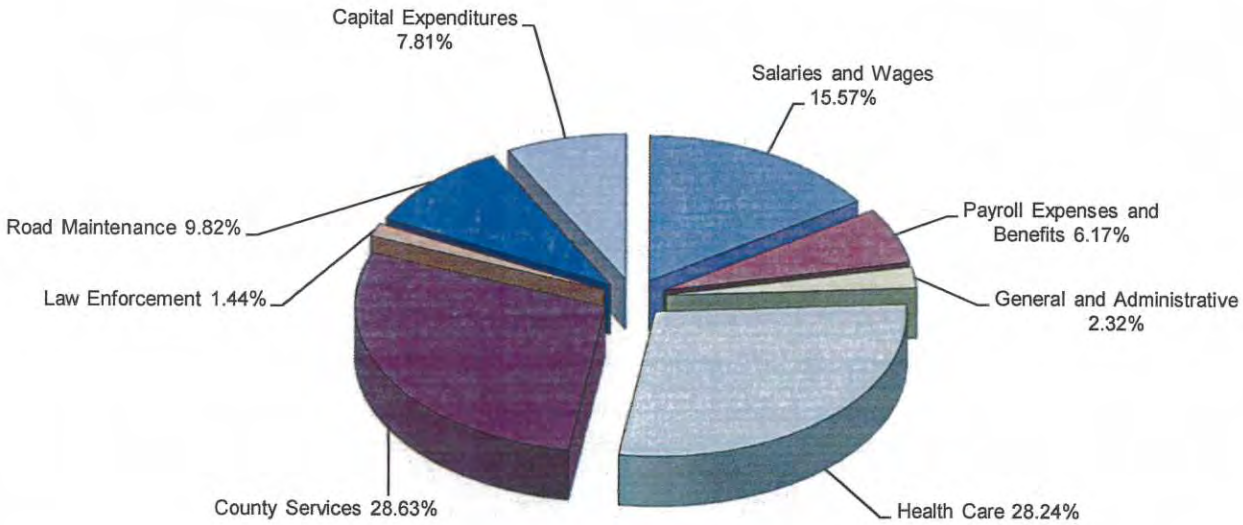
BLAINE COUNTY, IDAHO

PIE GRAPH OF REVENUES AND EXPENDITURES - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Special Revenue Fund Revenues



Special Revenue Fund Expenditures

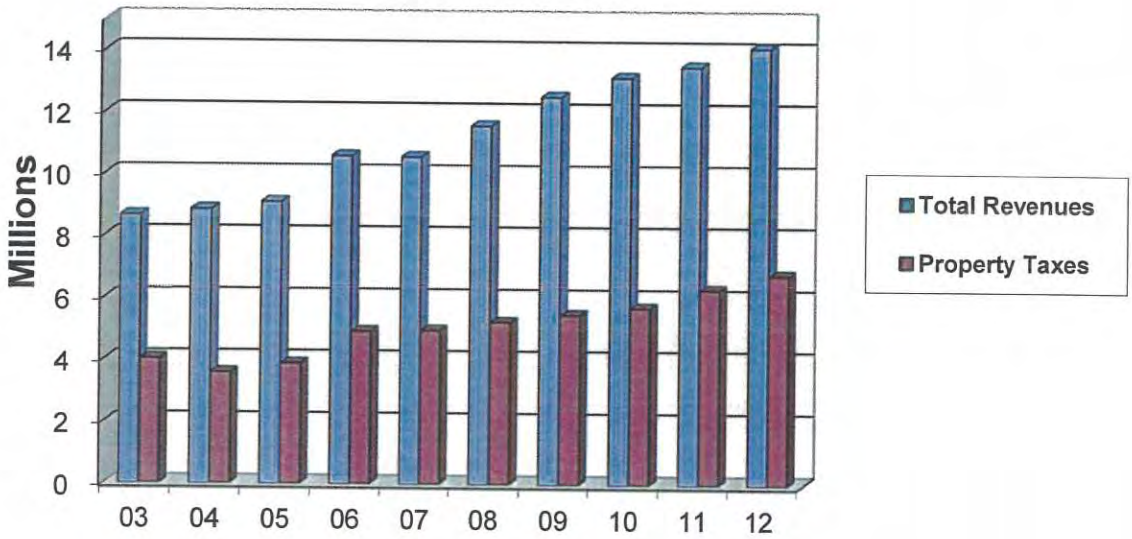


See independent auditor's report on other financial information.

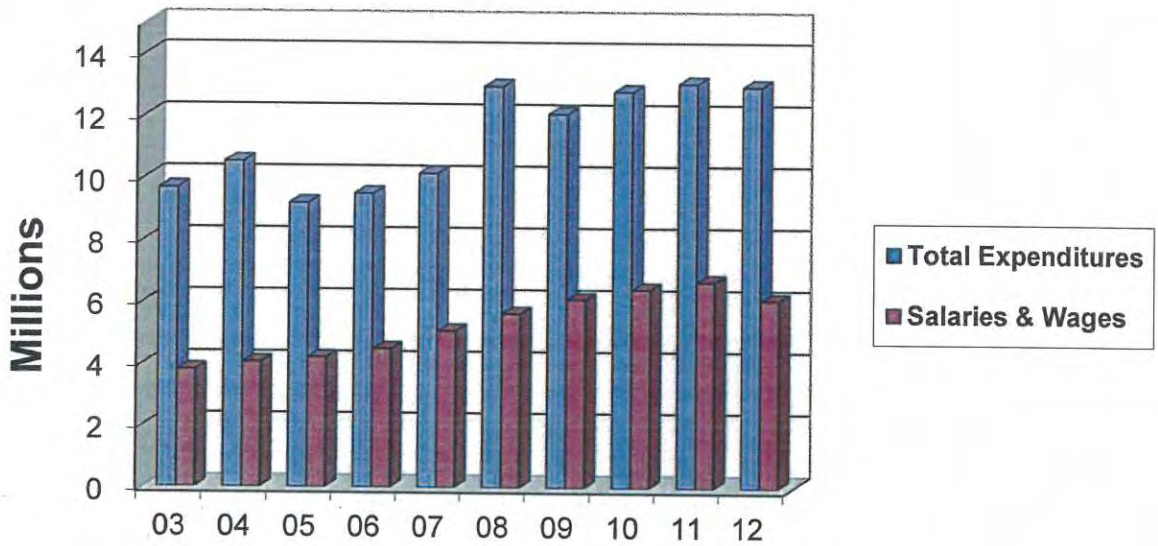
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Current Expense Revenues



Current Expense Expenditures

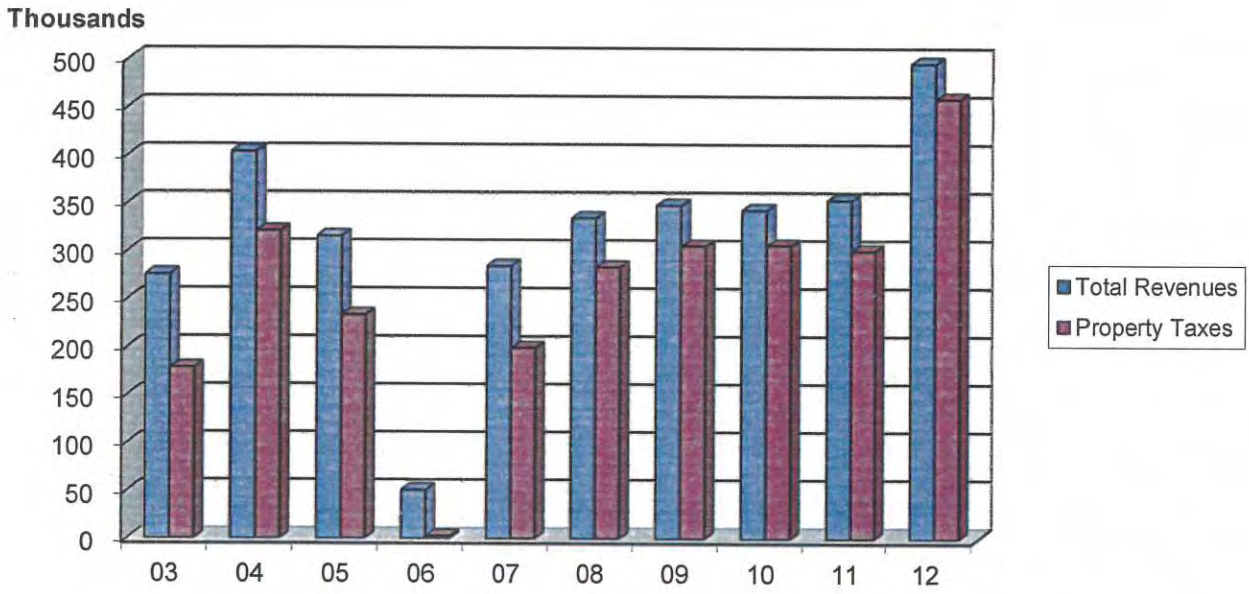


See independent auditor's report on other financial information.

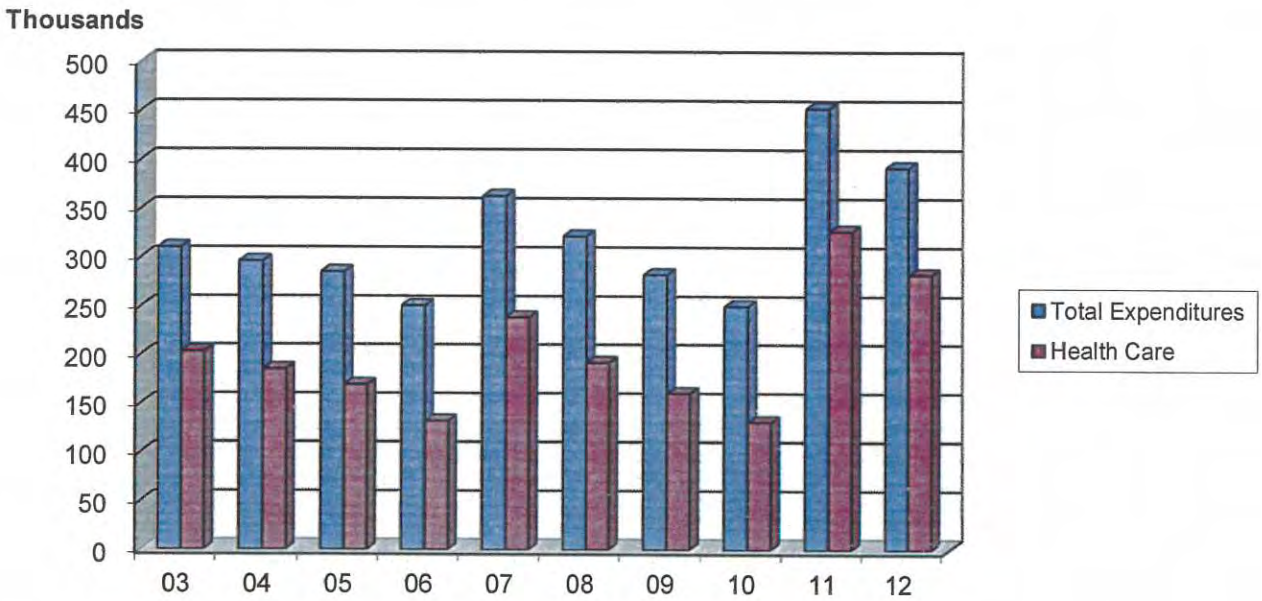
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Charity and Indigent Revenues



Charity and Indigent Expenditures

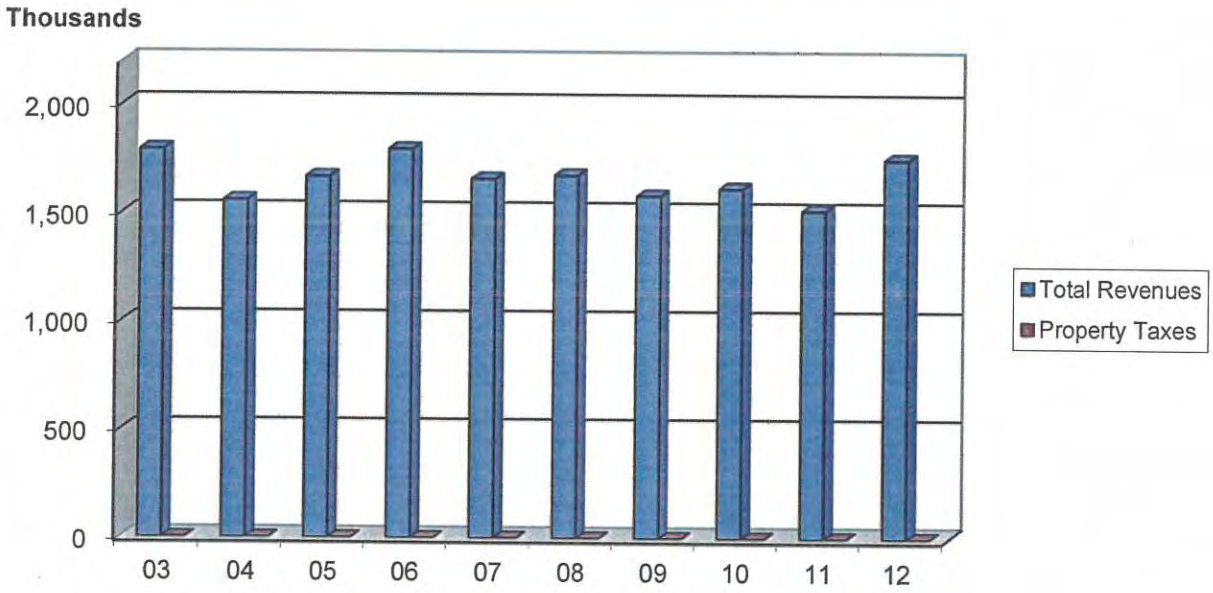


See independent auditor's report on other financial information.

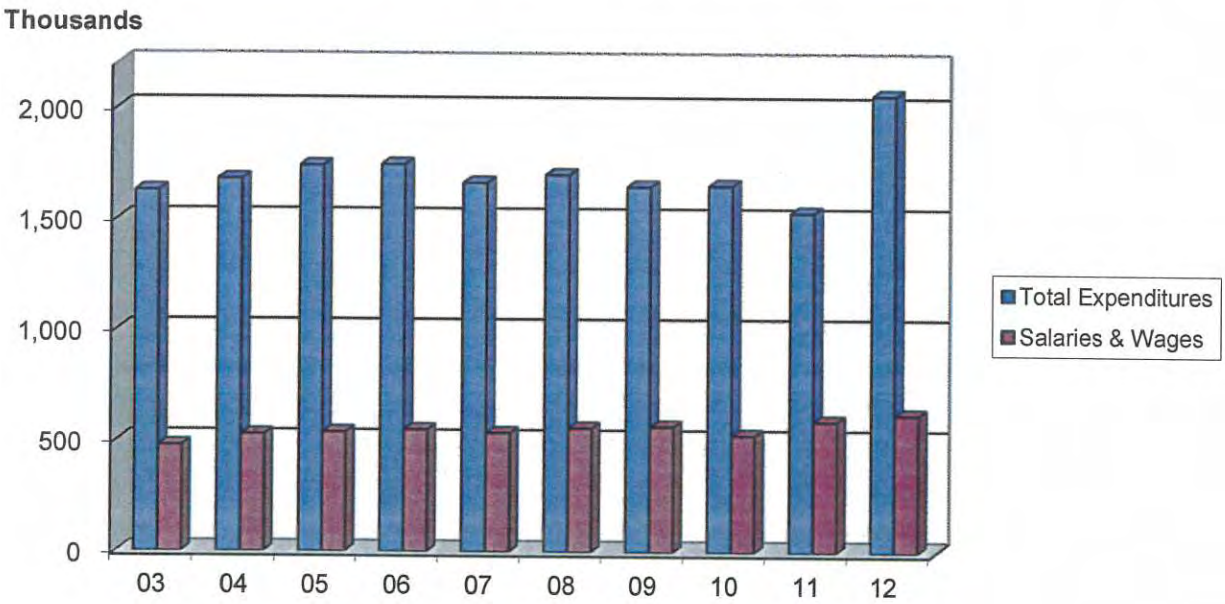
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Road and Bridge Revenues



Road and Bridge Expenditures

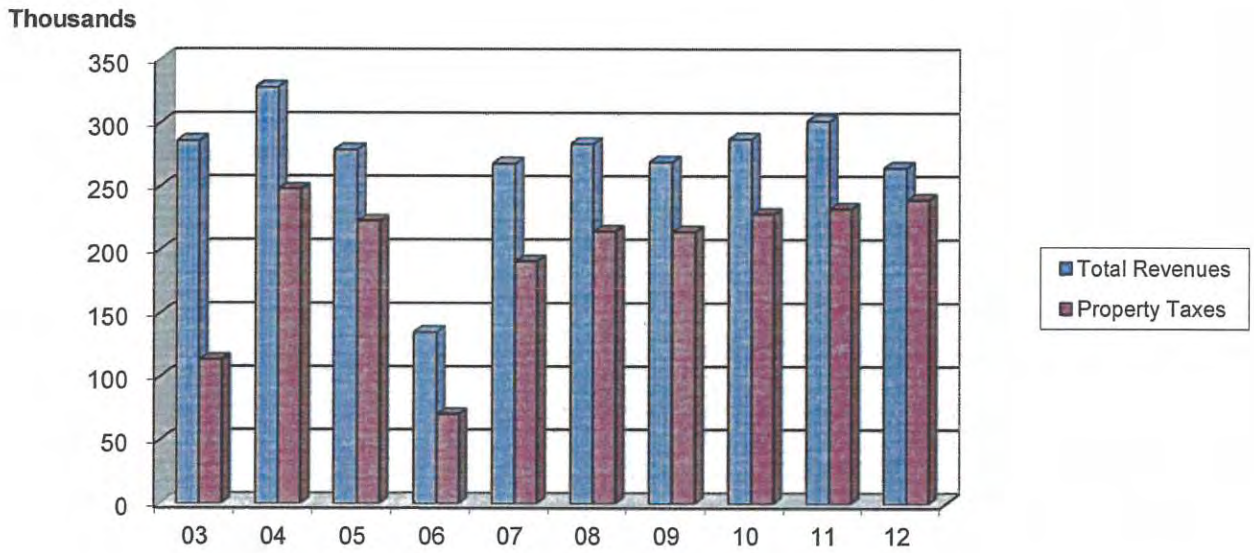


See independent auditor's report on other financial information.

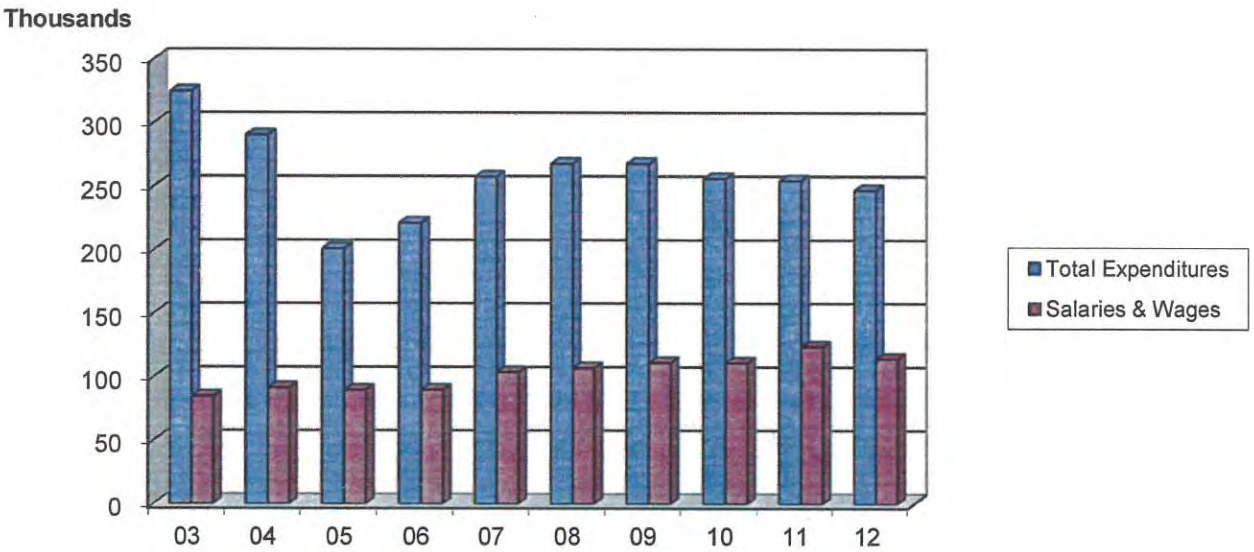
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Noxious Weed Revenues



Noxious Weed Expenditures

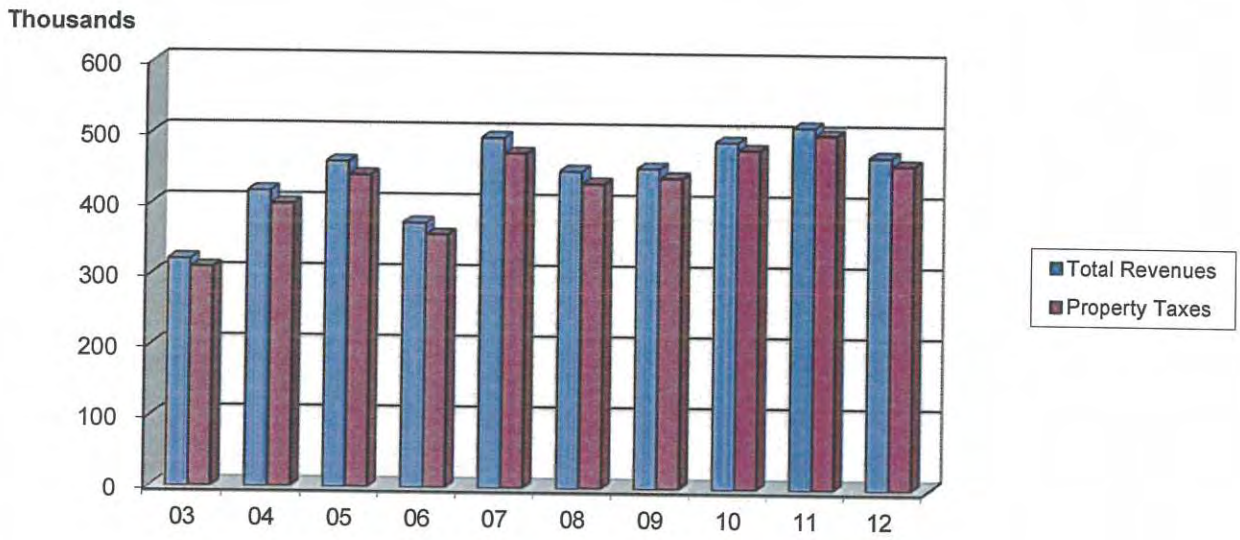


See independent auditor's report on other financial information.

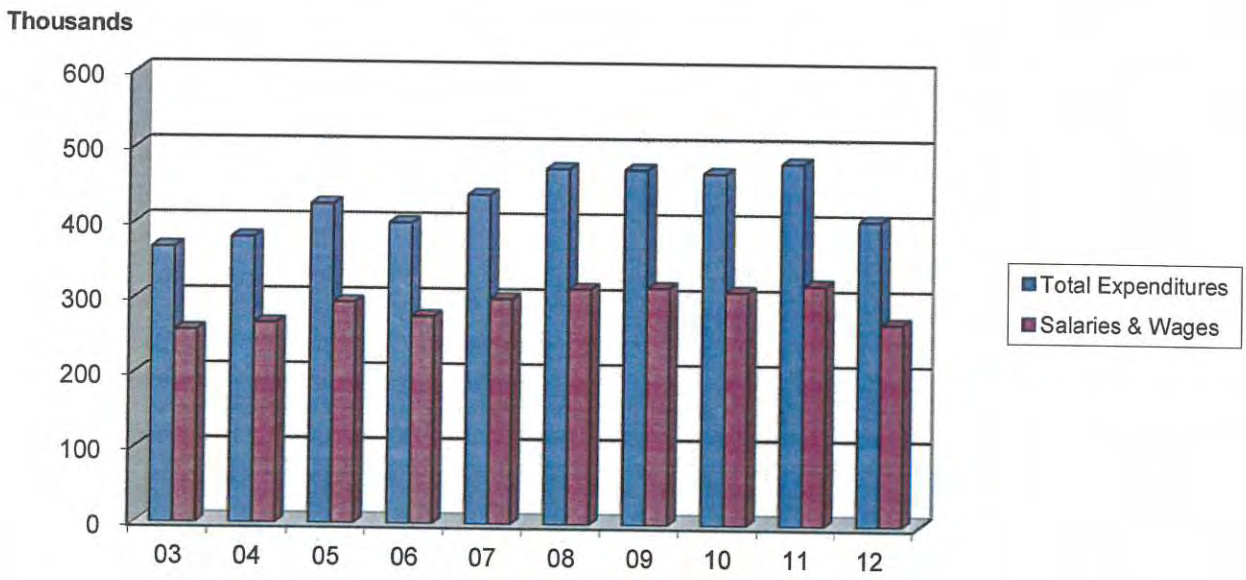
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Revaluation Fund Revenues



Revaluation Fund Expenditures

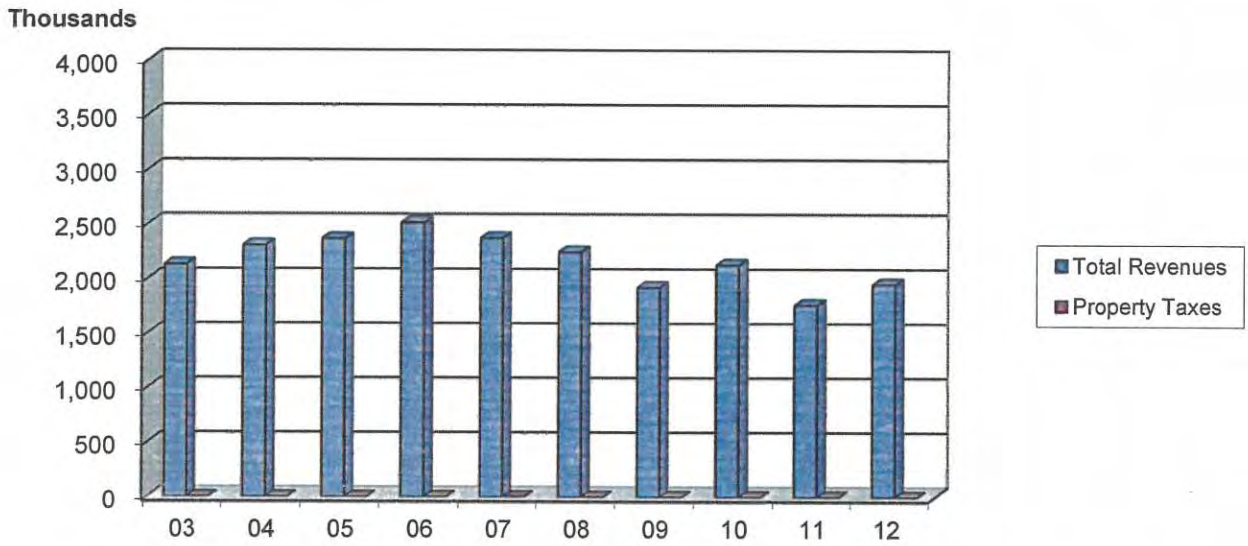


See independent auditor's report on other financial information.

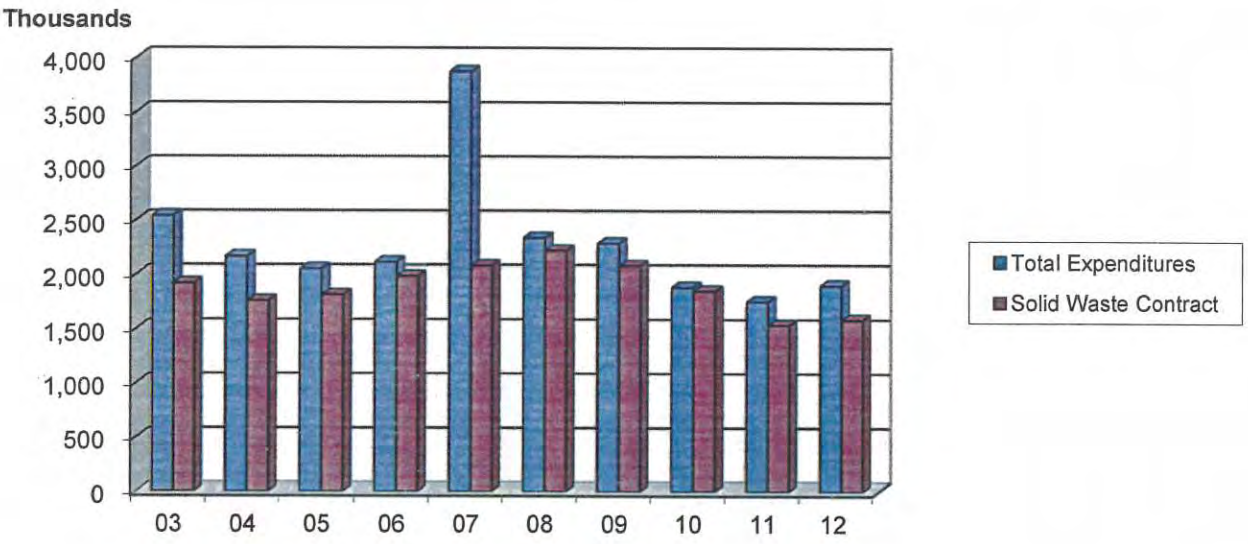
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Solid Waste Revenues



Solid Waste Expenditures

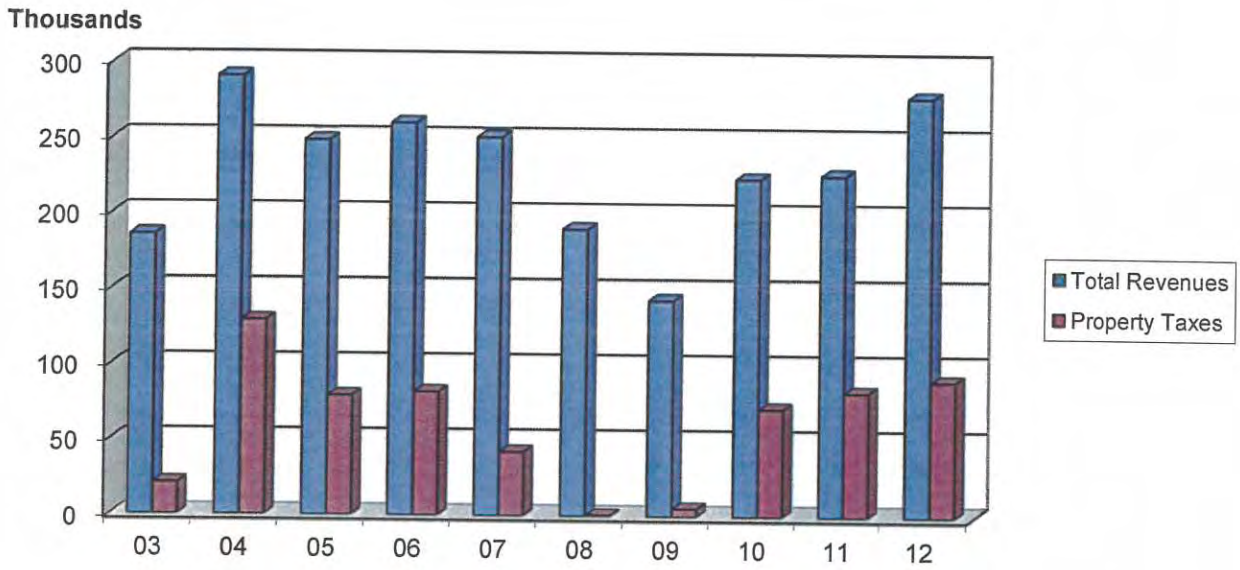


See independent auditor's report on other financial information.

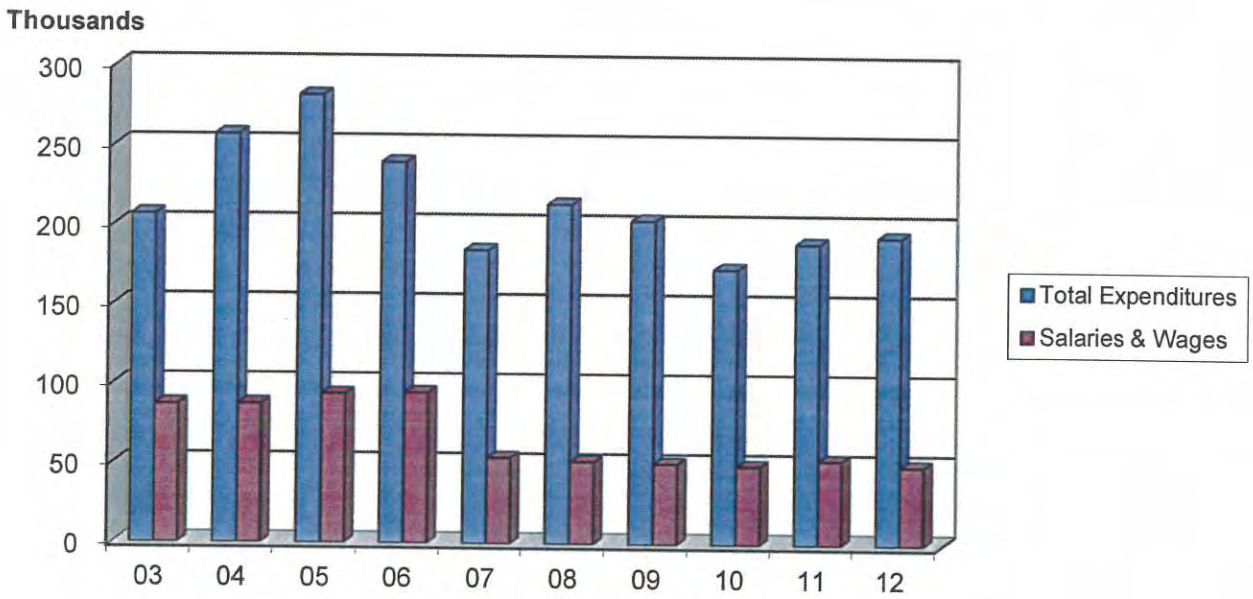
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2012

District Court Revenues



District Court Expenditures

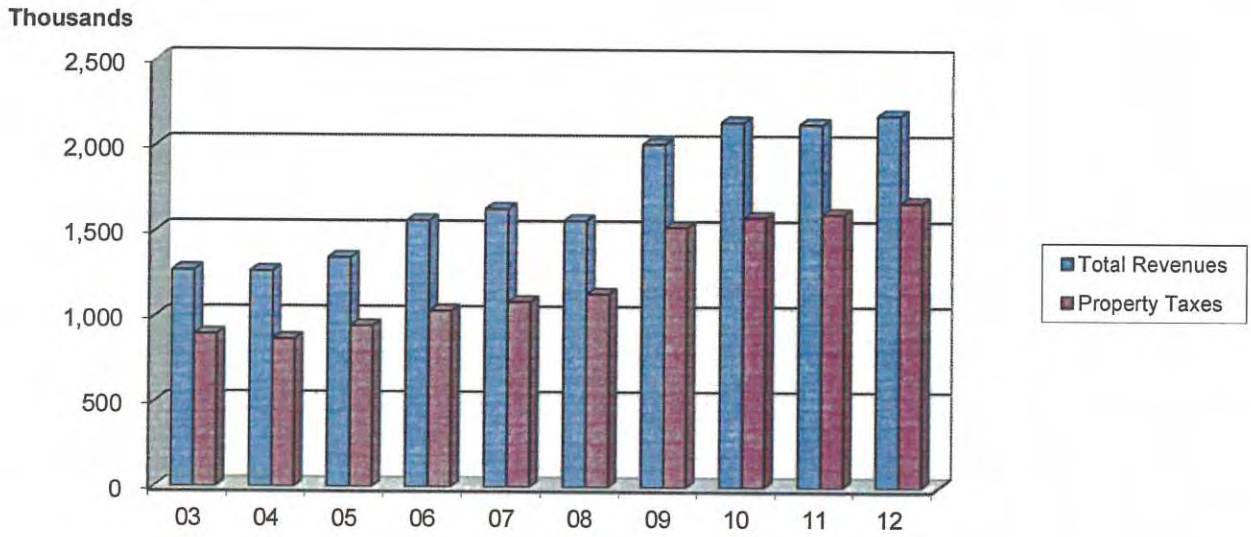


See independent auditor's report on other financial information.

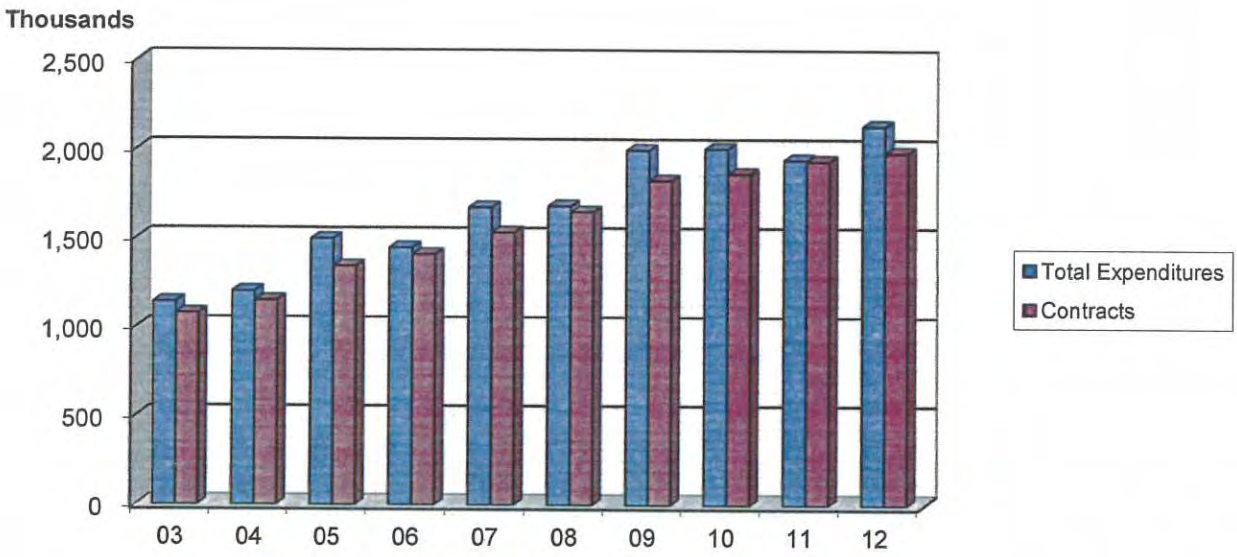
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Ambulance Revenues



Ambulance Expenditures



See independent auditor's report on other financial information.

BLAINE COUNTY

OMB CIRCULAR A-133
SUPPLEMENTARY FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

OMB CIRCULAR A-133
SUPPLEMENTARY FINANCIAL REPORT

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Independent Auditor's Report on Compliance with Requirements Applicable To Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	78-79
Schedule of Expenditures of Federal Awards	80
Notes to Schedule of Expenditures of Federal Awards	81
Schedule of Findings and Questioned Costs	82

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A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To The Board of County Commissioners
Blaine County
Hailey, Idaho 83333

Compliance

We have audited the compliance of Blaine County, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2012. Blaine County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Blaine County's management. Our responsibility is to express an opinion on Blaine County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Blaine County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Blaine County's compliance with those requirements.

In our opinion, Blaine County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2012.

Internal Control Over Compliance

The management of Blaine County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Blaine County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Blaine County's internal control over compliance.

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

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

This report is intended solely for the information and use of management, County Commissioners, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Condie, Stoker & Associates
February 11, 2013

BLAINE COUNTY, IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Description	Federal CFDA Number	Accrued (Deferred) Grant Revenue 9/30/2011	Cash/ Commodities Received 10/01/2011 thru 9/30/2012	Expenditures	Accrued (Deferred) Grant Revenue 9/30/2012
Homeland Security Cluster					
Homeland Security Grant Program	97.067	-	135,956	135,956	-
Total Homeland Security Cluster		-	135,956	135,956	-
JAG Program Cluster					
Edward Byrne Memorial Justice Assistance Grant	16.803	-	39,654	36,837	(2,817)
Total JAG Program Cluster		-	39,654	36,837	(2,817)
Other Programs					
Military Division	97.042	-	1,035	1,035	-
Pre-Disaster Mitigation	97.047	-	30,464	12,344	(18,120)
Boating Safety Financial Assistance	97.012	-	24,335	772	(23,563)
Energy Efficiency and Conservation Block Grant Program*	81.128	-	500,875	491,855	(9,020)
State Criminal Alien Assistance Program	16.606	(5,294)	24,927	5,484	(24,737)
Juvenile Accountability Block Grants	16.523	-	48,526	48,526	-
Invasive and Noxious Plant Management	15.230	-	2,218	-	(2,218)
Cooperative Forestry Assistance	10.664	-	29,294	20,002	(9,292)
Total Other Programs		(5,294)	661,674	580,018	(86,950)
Total Federal Financial Assistance		(5,294)	837,284	752,811	(89,767)

* Major Programs

See accompanying notes.

BLAINE COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the County's federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The information in this Schedule is presented in accordance with the requirements of OMB CircularA-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operation of the County, it is not intended to and does not present the financial position, changes in net assets of Blaine County.

NOTE B – NON-MONETARY ASSISTANCE

Homeland Security Equipment is reported in the schedule at the fair market value of equipment received.

BLAINE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Blaine County.
2. No instances of noncompliance material to the financial statements were disclosed during the audit.
3. No material reportable conditions were discovered during the audit of the Major Federal Award Programs.
4. The auditor's report on compliance for the Major Federal Award Programs for Blaine County expresses an unqualified opinion.
5. The audit did not disclose any audit findings.
6. The program tested as major program was 81.128 Energy Efficiency and Conservation Block Grant Program.
7. The dollar threshold used to distinguish between Type A and Type B programs was $300,000.
8. Blaine County was determined to be a high-risk Auditee.

B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding	Reportable Condition	Questioned Cost
None	None	None

C. FINDINGS - FINANCIAL STATEMENTS AUDIT

None