

BLAINE COUNTY
BASIC FINANCIAL STATEMENTS
AND
SELECTED OTHER FINANCIAL INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2011

TABLE OF CONTENTS**GENERAL PURPOSE FINANCIAL STATEMENTS**

	<u>Page</u>
Independent Auditor's Report	3-4
Independent Auditor's Report on Compliance and on Internal Control	5-6
Management's Discussion and Analysis	7-12
Government-Wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenses and Changes in Fund Balance – Blaine Manor	18
Statement of Cash Flows - Blaine Manor	19
Statement of Net Assets – Fiduciary Funds	20
Statement of Changes in Net Assets – Fiduciary Funds	21
Notes to Financial Statements	22-31
Notes to Financial Statements - Proprietary Fund Type (Blaine Manor)	32-38

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	40
Road and Bridge Fund	41
Land Water & Wildlife Fund	42

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Non-major Governmental Funds	44-45
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds	46-47
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Current Expense Detail and Governmental Non-major Funds	48-65
Graphical Information	66-75



Condie
Stoker &
Associates

CERTIFIED PUBLIC ACCOUNTANTS



The CPA. Never Underestimate The Value.™

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

Independent Auditor's Report

To The Board of County Commissioners
Blaine County
Halley, 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, 2011, 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, 2011. 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, 2011, 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.

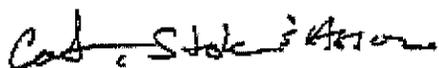
In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2012 on our consideration of Blaine County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other 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 39 through 43 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

PO Box 513 • Rupert, Idaho 83350 • 208 436-9911 • FAX 208 436-9914
info@condiestoker.com • www.condiestoker.com

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 tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Condie, Stoker & Associates
March 22, 2012



Condie
Stoker &
Associates

CERTIFIED PUBLIC ACCOUNTANTS



The CPA. Never Underestimate The Value.™

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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. However, we identified certain deficiencies in internal control over financial reporting, described in the following paragraph that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

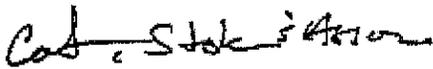
During the fiscal year, there were problems in reconciling the main checking accounts of the County due to the complexity of electronic bank transfers. The problem was known and efforts were made to correct the reconciliation.

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 March 22, 2012.

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
March 22, 2012

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, 2011, 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 \$49,447,697 (*net assets*). Of this amount \$14,950,276 (*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 \$570,496.
- Blaine County allocated all of the Payment In Lieu of Taxes in the amount of \$1,838,967 to General fund to meet expenditures needed in excess of county levy limits.
- Decreased interest rates have contributed to a decrease in interest earnings in the General Fund from \$452,176 in fiscal year 2010 to \$202,643 in the current fiscal year. This is a decrease of \$249,533.

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 of 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, Road and Bridge, and Land Water & Wildlife funds are considered to be major funds. Other governmental funds include Public Safety Facility Bond Redemption, Public Health, Charity and Indigent, Noxious Weed, Revaluation, District Court, Solid Waste Disposal, County Fair, Historical Society, Ambulance, Waterways, Snowmobile, Junior College, Liability Insurance, E911 and Election. Data from the other sixteen 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 22-31.

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 \$49,447,697 at the close of the most recent fiscal year. Unrestricted net assets were \$12,918,049 in 2010. This shows a \$2,032,227 increase for this fiscal year.

Blaine County's debt-to-net-assets ratio: for every dollar of resources the county has available to use for providing public services, it owes 23 cents. This is an increase of 0 cents from last 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 encompasses 53% of its budget, 47% is the percentage of taxes we collect.

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

ASSETS	2010-2011	2009-2010
Current and Other Assets	17,092,494	14,319,255
Capital Assets	43,719,638	47,480,311
Total Assets	60,812,132	61,799,566
LIABILITIES		
Long-Term Liabilities	9,521,366	10,103,671
Other Liabilities	1,843,069	1,677,702
Total Liabilities	11,364,435	11,781,373
NET ASSETS		
Invested in Capital Assets, Net of Debt Restricted for Capital Projects and Bond Payment, net of Debt	34,415,479	37,042,886
Unrestricted	14,950,276	12,918,049
Total Net Assets	49,447,697	50,018,193

The largest portion of the County's net assets (69.5 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 \$14,950,276 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	2009-2010	Difference
Licenses and Permits	369,062	311,148	57,914
Intergovernmental	5,875,485	5,832,233	43,252
Charges for Services	5,312,234	5,099,828	212,406
Fines and Forfeitures	82,622	88,194	(5,572)
Miscellaneous	522,015	1,456,398	(934,383)
Property Taxes	12,033,649	11,287,484	746,165
Total Revenues	24,195,067	24,075,285	(119,782)
Program Expenses:			
Clerk/Auditor	975,387	930,636	44,751
Assessor	280,432	297,992	(17,560)
Treasurer/Tax Collector	249,807	244,629	5,178
Sheriff	2,254,320	2,291,144	(36,824)
Commissioner	466,940	448,068	18,872
Coroner	61,499	72,556	(11,057)
Prosecuting Attorney	752,882	697,450	55,432
Probation	472,190	505,791	(33,601)
Buildings and Ground Extension	1,203,485	1,214,717	(11,232)
Information Technology	109,744	114,716	(4,972)
Elections	341,289	347,415	(6,126)
Bellevue Marshall	73,792	138,183	(64,391)
Ketchum Police	369,794	359,081	10,713
General	1,278,543	1,165,431	113,112
Dispatch	831,570	591,239	240,331
Jail	818,146	836,802	(18,656)
Planning and Zoning	2,022,716	1,748,726	273,990
Water Quality	682,026	733,190	(51,164)
Geographic Info System	-	46,267	(46,267)
Public Defender	183,722	198,712	(14,990)
Special Services:	347,251	341,942	5,309
Public Health	-	-	-
Public Health	262,308	267,260	(4,952)
Charity & Indigent	453,110	252,432	200,678
Road & Bridge	3,003,673	3,446,032	(442,359)
Noxious Weed	259,017	265,691	(6,674)
Revaluation	476,278	476,092	186
Solid Waste	1,838,776	1,951,491	(112,715)
District Court	190,073	180,820	9,253
County Fair	28,146	26,972	1,174
Historical Society	36,214	26,737	9,477
Ambulance	1,994,655	1,925,766	68,889
Waterways	72,979	32,127	40,852
Snowmobile	41,472	12,224	29,248
Junior College	150,363	165,149	(14,786)
Liability Insurance	187,490	168,100	19,390
E911	1,379,926	462,764	917,162
Land, Water, Wildlife	48,121	21,760	26,361
Bond Redemption	374,548	391,762	(17,214)
Election Consolidation	30,047	-	30,047
Total Expenses	24,602,731	23,397,866	(1,204,865)
Decrease in Net Assets	(407,664)	677,419	1,085,083

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, 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, Building and Grounds/Planning and Zoning, Jail, Noxious Weeds, and Snowmobile.

As of the end of the current fiscal year, Blaine County's governmental funds reported combined ending fund balances of \$15,535,105. The general fund is the chief operating fund of Blaine County. At the end of the current fiscal year, committed (budgeted for the subsequent fiscal year) and unassigned fund balance of the general fund was \$5,945,370. As a measure of the general fund's liquidity, it may be useful to compare this balance to total fund expenditures. The balance is 50% of the expenditures. The fund balance of Blaine County's general fund increased by \$239,513 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:

<u>Fund</u>	<u>Budget</u>	<u>Adjustments</u>	<u>Budget</u>
General	13,045,213	590,368	13,635,581
Road	1,555,132	5,000	1,560,132
District Court	215,191	1,269	216,460
Indigent	328,779	123,668	452,447
Jr College	150,000	10,000	160,000
Weeds	238,191	46,996	285,187
Snowmobile	15,000	35,960	50,960
Waterways	29,856	42,400	72,256
E911	430,937	75,629	506,566

Capital Assets. Blaine County's investment in capital assets for its governmental activities as of September 30, 2011, amounts to \$43,719,368 (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:

- 3 2012 Ford Expeditions \$ 84,053.70
- 1 2012 Ford Expedition \$ 28,107.90
- 1 Sharp Copier \$ 9,880.00
- HVAC in Judicial \$ 19,300.00
- Repair Annex Boiser \$ 9,511.00
- Seismic Evaluation \$ 36,900.00
- Solar Thermal Systems @ PSF \$ 95,472.00
- 2011 GMC Sierra \$ 25,765.00
- Adams Gulch Bridge Project \$ 100,000.00
- Austin Road Bridge Project \$ 7,202.55
- 1 2001 Ford P/U (Snowmobile) \$ 10,000.00

Debt Administration

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

Description	Int Rate	Fund	Maturity Date	Amount Outstanding 9/30/10	Increases	Decreases	Amount Outstanding 9/30/11	Amount Due In One Year
Capital Leases:								
E-911 Equipment	5.7%	E-911	04/15/2012	212,854	-	119,034	93,820	93,821
2- Dodge Durangos and Charger	4.0%	Gen	03/03/2011	23,554	-	23,554	-	-
Dispatch Equipment	5.0%	E-911	07/15/2013	194,440	-	77,543	116,897	65,604
Notes Payable:								
Regional Landfill Closure	5.3%	Waste	07/28/2014	41,577	-	13,406	28,171	13,854
Bonds:								
Gen Obl Series 2007 A	Var	Gen	08/01/2027	9,465,000	-	400,000	9,065,000	415,000
Total				9,937,425	0	633,537	9,303,888	588,279
Other								
Acc. Comp. Absences	N/A	All	N/A	783,817	21,935	-	805,752	-

Economic Factors and Next Year's Budgets and Rates

Planning for the Future

Beginning with FY-2010, Blaine County embarked on the development and implementation of 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. Transitioning Blaine County to an outcome-based budget process will take several years to fully implement.

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, 2011

	Govern- mental Activities (Primary Government)	Manor Component Unit	Elimina- tions	Total Reporting Entity
Assets				
Current Assets:				
Cash and Investments	15,145,637	977,144		16,122,781
Patient Trust Fund	-	1,070		1,070
Accounts Receivable	1,053,899	99,197		1,153,096
Delinquent Taxes Receivable	393,228	28,266		421,494
Prepaid Expenses	-	2,023		2,023
Non Current Assets:				
Croy Canyon Ranch Foundation, Inc., advance	500,000	1,000,000	(500,000)	1,000,000
Capital Assets, net of depreciation	43,719,368	601,166		44,320,534
Total Assets	60,812,132	2,708,866	(500,000)	63,020,998
Liabilities				
Current Liabilities:				
Warrants Payable	300,656	-		300,656
Vouchers Payable	326,803	39,741		366,544
Accrued Payroll and Benefits	561,604	142,562		704,166
Patient Trust Fund	-	1,070		1,070
Interest Payable	60,433	-		60,433
Deferred Revenue-Grants	5,294	-		5,294
Note Payments Due Within One Year	588,279	-		588,279
Due to Blaine County	-	500,000	(500,000)	0
Non Current Liabilities:				
Note Payments Due Beyond One Year	8,715,610	-		8,715,610
Accrued Compensated Absences	805,756	-		805,756
Total Liabilities	11,364,435	683,373	(500,000)	11,547,808
Net Assets				
Invested in Capital Assets, net of related debt	34,415,479	601,166		35,016,645
Restricted for Bond Payment Reserve	81,942	-		81,942
Unrestricted	14,950,276	1,424,327		16,374,603
Total Net Assets	49,447,697	2,025,493	-	51,473,190
Total Fund Equity	49,447,697	2,025,493	0	51,473,190
Total Liabilities and Fund Equity	60,812,132	2,708,866	(500,000)	63,020,998

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		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	975,387	203,083	-	-	(772,304)	
Assessor	280,432	139,543	-	-	(140,889)	
Treasurer/Tax Collector	249,807	25	-	-	(249,782)	
Sheriff	2,254,320	1,825,243	(55,862)	-	(484,939)	
Commissioner	466,940	-	-	-	(466,940)	
Coroner	61,499	14,288	-	-	(47,211)	
Prosecuting Attorney	752,882	2	-	-	(752,880)	
Probation	472,190	103,458	43,829	-	(324,903)	
Buildings and Ground Extension	1,203,485 109,744	- 3,891	- -	- -	(1,203,485) (105,853)	
Information Technology	341,289	4,800	-	-	(336,489)	
Elections	73,792	-	-	-	(73,792)	
Bellevue Marshal	369,794	-	-	-	(369,794)	
Ketchum Police	1,278,543	-	-	-	(1,278,543)	
General	831,570	93,318	320,786	-	(417,466)	
Dispatch	818,146	103,756	-	-	(714,390)	
Jail	2,022,716	943,919	70,271	-	(1,008,526)	
Planning and Zoning	682,026	309,577	-	-	(372,449)	
Geographic Info System	183,722	27,434	-	-	(156,288)	
Public Defender	347,251	12,385	-	-	(334,866)	
Special Services:						
Public Health	262,308	-	-	-	(262,308)	
Charity & Indigent	453,110	41,948	4,735	-	(406,427)	
Road & Bridge	3,003,673	9,269	1,425,102	-	(1,569,302)	
Noxious Weed	259,017	12,151	52,095	-	(194,771)	
Revaluation	476,278	-	-	-	(476,278)	
Solid Waste	1,838,776	1,764,321	-	-	(74,455)	
District Court	190,073	142,223	-	-	(47,850)	
County Fair	28,146	2,170	-	-	(25,976)	
Historical Society	36,214	500	7,694	-	(28,020)	
Ambulance	1,994,855	482,423	-	-	(1,512,232)	
Waterways	72,979	39,700	-	-	(33,279)	
Snowmobile	41,472	-	54,497	-	13,025	
Junior College	150,363	-	-	-	(150,363)	
Liability Insurance	187,490	14,309	-	-	(173,181)	
E911	1,379,926	395,975	-	-	(983,951)	
Land, Water & Wildlife	48,121	-	-	-	(48,121)	
Bond Redemption	374,548	-	-	-	(374,548)	
Election Consolidation	30,047	-	77,444	-	47,397	
Total Governmental Activities	24,602,731	6,689,711	2,000,591	-	(15,912,429)	
Business-type Activities:						
Blaine Manor	2,531,167	1,758,052	2,645	-	-	(770,470)
Total Primary Government	27,133,898	8,447,763	2,003,236	-	(15,912,429)	
		General Revenues:				
		Property Taxes Levied for General Fund		6,340,552	998,945	
		Property Taxes Levied for Special Revenue Funds		5,693,097		
		State Allocations		1,410,659		
		PILT Revenue		1,838,967		
		Sale of Assets		-		
		Investment Earnings		211,509	3,586	
		Miscellaneous		9,981		
		Total General Revenues		15,504,765	1,002,531	
		Change in Net Assets		(407,664)	232,061	
		Net Assets Beginning of Period, as restated		49,855,361	1,793,432	
		Net Assets End of Period		49,447,697	2,025,493	

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	General	Road & Bridge	Land, Water & Wildlife Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Investments	6,468,714	1,700,882	3,373,845	3,602,196	15,145,637
Accounts Receivable	326,244	345,819	10,440	371,396	1,053,899
Interfund Receivable	20,000	-	-	-	20,000
Croy Canyon Ranch advance	500,000	-	-	-	500,000
Delinquent Taxes Receivable	208,778	-	52,392	132,058	393,228
Total Assets	<u>7,523,736</u>	<u>2,046,701</u>	<u>3,436,677</u>	<u>4,105,650</u>	<u>17,112,764</u>
Liabilities					
Warrants Payable	200,236	22,063	-	78,357	300,656
Vouchers Payable	206,606	52,586	11,552	56,059	326,803
Accrued Payroll and Benefits	467,810	40,165	-	53,629	561,604
Interfund Payable	-	-	20,000	-	20,000
Deferred Revenue- Grants	5,294	-	-	-	5,294
Deferred Revenue-Taxes	198,420	-	47,031	117,851	363,302
Total Liabilities	<u>1,078,366</u>	<u>114,814</u>	<u>78,583</u>	<u>305,896</u>	<u>1,577,659</u>
Fund Equity					
Fund Balances:					
Nonspendable	500,000	-	-	-	500,000
Committed	434,966	380,439	3,375,350	47,549	4,238,304
Assigned	-	1,551,448	(17,256)	3,752,205	5,286,397
Unassigned	5,510,404	-	-	-	5,510,404
Total Fund Balance	<u>6,445,370</u>	<u>1,931,887</u>	<u>3,358,094</u>	<u>3,799,754</u>	<u>15,535,105</u>
Total Liabilities and Fund Equity	<u>7,523,736</u>	<u>2,046,701</u>	<u>3,436,677</u>	<u>4,105,650</u>	

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.	363,302
Governmental fund capital assets are not financial resources and therefore are not reported in the funds.	43,719,368
Long-term debt is not payable in the current period and thus not reported in the funds.	(9,303,889)
Interest payable is not payable in the current period and thus not reported in the funds.	(60,433)
Accrued compensated absences are not reported in Governmental Funds.	(805,756)
Net assets of Governmental Activities	<u>49,447,697</u>

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, 2011

	General	Road & Bridge	Land, Water & Wildlife Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	6,290,800	-	1,694,108	3,968,118	11,953,026
Licenses and Permits	369,062	-	-	-	369,062
Intergovernmental	3,828,303	1,502,240	28,128	506,467	5,865,138
Charges for Services	2,733,190	-	-	2,579,232	5,312,422
Fines and Forfeitures	-	-	-	82,622	82,622
Miscellaneous	274,788	13,894	6,053	237,439	532,174
Total Revenues	13,496,143	1,516,134	1,728,289	7,373,878	24,114,444
Expenditures					
Salaries and Wages	7,040,313	588,780	-	832,431	8,461,524
Payroll Expenses and Benefits	2,593,972	258,796	-	306,749	3,159,517
General and Administrative	1,400,158	-	-	212,635	1,612,793
Health Care	-	-	-	2,531,345	2,531,345
County Services	-	-	48,121	2,126,490	2,174,611
Law Enforcement	1,325,356	-	-	116,813	1,442,169
Road Maintenance	-	657,448	-	-	657,448
Contracts and Misc. Services	594,280	-	-	-	594,280
Capital Expenditures	245,901	25,765	-	16,842	288,508
Capital Leases					
Principal	23,554	-	-	209,982	233,536
Interest	923	-	-	22,183	23,106
Total Expenditures	13,224,457	1,530,789	48,121	6,375,470	21,178,837
Excess (Deficit) Revenues Over Expenditures	271,686	(14,655)	1,680,168	998,408	2,935,607
Other Financing Sources (Uses):					
Financing of Capital Leases	-	-	-	-	0
Interfund Transfers	(32,173)	-	-	32,173	0
Bond Principal Payments	-	-	-	(400,000)	(400,000)
Bond Interest and Fee Payments	-	-	-	(382,557)	(382,557)
Excess (Deficit) Revenues and Other Sources (Uses) Over Expenditures	239,513	(14,655)	1,680,168	248,024	2,153,050
Fund Balance at Beginning of Year, as restated	6,205,857	1,946,542	1,677,926	3,551,730	13,382,055
Fund Balance at End of Year	6,445,370	1,931,887	3,358,094	3,799,754	15,535,105

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, 2011**

Excess Revenue over Expenditures and other Sources- Total Governmental Funds	2,153,050
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.	80,623
Accrued interest is not reported as an expense in the Governmental Funds	8,009
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:	221,036
This is the amount of construction in progress in the prior year.	
This is the amount of current year depreciation.	(3,481,979)
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.	633,536
Liability for accrued compensated absences are not recorded in the Governmental Funds. This is the increase in leave during the year.	<u>(21,939)</u>
Change in Net Assets of Governmental Activities	<u><u>(407,664)</u></u>

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, 2011

Operating Revenues

Net Patient Service Revenue	1,753,640
Other Revenue	4,412
	<u>1,758,052</u>
Total Revenues	1,758,052

Operating Expenses

Salaries and Wages	1,529,776
Employee benefits	400,409
Supplies	212,715
Purchased services, utilities	58,971
Purchased services, other	141,175
Insurance	54,902
Repairs and maintenance	14,024
Depreciation	74,508
Other expenses	44,687
	<u>2,531,167</u>
Total Expenses	2,531,167

Operating Loss	(773,115)
----------------	-----------

Nonoperating Revenues (Expenses):

Tax Revenue	998,945
Interest Income	3,586
	<u>1,002,531</u>
Gain before contributions and transfers	229,416
Capital contributions	2,645
	<u>232,061</u>
Increase (Decrease) in Net Assets	232,061
Net Assets, Beginning of Year	1,793,432
	<u>1,793,432</u>
Net Assets, End of Year	<u>2,025,493</u>

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

STATEMENT OF CASH FLOWS - BLAINE MANOR - COMPONENT UNIT FOR THE YEAR ENDED SEPTEMBER 30, 2011

Cash Flows From Operating Activities

Cash received from patient services	1,761,230
Cash received from other revenue	1,874
Cash paid for salaries and employee benefits	(1,926,300)
Cash paid for other expenses	(537,113)

Net cash used for operating activities (700,309)

Cash Flows From Non-Capital Financing Activities

Cash received from taxes	989,591
--------------------------	---------

Net cash provided by non-capital financing activities 989,591

Cash Flows From Capital and Related Financing Activities

Purchase of capital assets	(62,408)
----------------------------	----------

Net cash used by capital and related financing activities (62,408)

Cash Flows From Investing Activities

Proceeds from sales of investments	56,459
Interest	3,586

Net cash provided by investing activities 60,045

Net Increase (Decrease) in Cash and Equivalents 286,919

Cash and Equivalents at Beginning of Year 690,225

Cash and Equivalents at End of Year 977,144

Reconciliation of Excess of Revenue Over Expenses to Net Cash Used in Operating Activities

Operating Loss (773,115)

Adjustments to reconcile excess of revenue over expenses
to net cash used in operating activities:

Provision for bad debt 29

Depreciation 74,508

Decrease (increase) in assets:

Patient accounts receivable, net 7,561

Other Receivables (2,538)

Prepaid expenses 169

Increase (decrease) in liabilities:

Accounts payable (10,808)

Accrued compensation and related liabilities 3,923

Accrued vacation (38)

Net cash used in operating activities (700,309)

Noncash Capital and Related Financing Activities

During the year ended September 30, 2010, equipment in the amount of \$7,500 was contributed to the Manor.

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

STATEMENT OF NET ASSETS - FIDUCIARY FUNDS SEPTEMBER 30, 2011

	<u>Payroll Benefit Trust</u>	<u>Agency</u>
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	7,219	1,465,610
Taxes Receivable	-	1,816,305
	<u>7,219</u>	<u>3,281,915</u>
<u>Liabilities</u>		
Warrants Payable	-	33,010
Due to Taxing Districts	-	1,817,899
Due to Others	-	1,431,006
	<u>0</u>	<u>3,281,915</u>
Net Assets		
Held in Trust	<u>7,219</u>	

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Payroll Benefit Trust</u>
<u>Additions</u>	
Trust Amounts Received	117,387
<u>Deductions</u>	
Trust Amounts Remitted	<u>123,585</u>
Change in Net Assets	(6,198)
Net Assets Beginning of Year	<u>13,417</u>
Net Assets End of Year	<u><u>7,219</u></u>

See accompanying notes to financial statements.

BLAINE COUNTY, IDAHO

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2011

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.

Road and Bridge Fund - This fund accounts for the construction and maintenance of the roads and bridges in 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.

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:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Idaho Independent Bank	361,156	361,156
US Bank	397,795	398,231
Zions	366,471	353,432
Mountain West Bank	2,093,250	1,979,988
DL Evans	3,578,565	3,693,722
Idaho State Treasurer Pool	3,156,014	3,202,801
Wells Fargo Advisors	150,152	150,152
MultiBank Securities	6,829,554	6,655,921
Piper Jaffray	102,334	102,334
Key Investments	100,000	100,000
	<hr/>	<hr/>
Total Cash Held by County Treasurer	17,135,291	16,997,737
Fair Board Cash	50,528	46,180
Historical Cash	178,040	176,844
Solid Waste Account	178,359	141,829
Blaine Manor's Cash held by County	(923,751)	(923,751)
Total Cash and Cash Equivalents	<u>16,618,467</u>	<u>16,438,839</u>

Summary:

Governmental Activities	15,145,638
Fiduciary Activities	1,472,829
Total	<u>16,618,467</u>

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:

	<u>Categories</u>			<u>Carrying Amount</u>	<u>Average Maturity</u>	<u>Credit Rating</u>
	<u>1</u>	<u>2</u>	<u>3</u>			
Primary Government						
Deposits	1,907,079	5,547,237	-	7,454,316	N/A	N/A
Investments	6,931,888	-	-	6,931,888	Daily	AAA
	<hr/>	<hr/>	<hr/>	<hr/>		
	8,838,967	5,547,237	-	14,386,204		
Investments in State of Idaho's Investment Pool				3,156,014	N/A	N/A
Blaine Manor's Cash Held by County				(923,751)	N/A	N/A
Total Cash and Investments				<u>16,618,467</u>		

NOTE C - ACCOUNTS RECEIVABLE

The following funds have uncollected receivables at September 30, 2011. The ambulance accounts receivable is shown net of \$76,052 allowance for bad debt. The bad debt expense and corresponding income have not been included in the financial statements.

	General Fund	Road and Bridge Fund	Land, Water & Wildlife Fund	Other Governmental Funds	Total
State Appropriations	282,966	-	10,440	27,508	320,914
State Highway Users Tax	-	345,818	-	-	345,818
Regional Landfill Payments	-	-	-	170,769	170,769
Charges for Services	37,804	-	-	145,059	182,862
State Grants	5,475	-	-	-	33,537
Total Receivables	326,245	345,818	10,440	343,336	1,053,900

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:

<u>Governmental Activities</u>	Balance 9/30/2010	Additions	Disposals	Balance 9/30/2011
Capital Assets, Not Being Depreciated:				
Land	1,574,945	-	-	1,574,945
Capital Assets, Being Depreciated:				
Buildings and Improvements	24,924,399	-	-	24,924,399
Roads and Bridges	87,246,928	-	-	87,246,928
Heavy Equipment	4,705,124	105,122	-	4,810,246
Furniture and Equipment	3,591,515	9,880	(1,283,153)	2,318,242
Trucks and Vehicles	3,317,519	109,816	-	3,427,335
Total Depreciated Capital Assets	123,785,485	224,818	(1,283,153)	122,727,150
Less Accumulated Depreciation				
Building and Improvements	(5,266,712)	(521,520)	-	(5,788,232)
Roads and Bridges	(67,478,720)	(1,346,782)	-	(68,825,502)
Heavy Equipment	(1,786,616)	(308,447)	-	(2,095,063)
Furniture and Equipment	(1,428,226)	(213,928)	386,756	(1,255,398)
Trucks and Vehicles	(2,423,630)	(194,902)	-	(2,618,532)
Total Accumulated Depreciation	(78,383,904)	(2,585,579)	386,756	(80,582,727)
Capital Assets Net of Depreciation	46,976,526			43,719,368

NOTE E – PROPERTY AND EQUIPMENT (Cont.)

General Fund:	
Clerk/Auditor	1,381
Assessor	2,190
Treasurer/Tax Collector	818
Sheriff	137,337
Commissioner	-
Prosecuting Attorney	823
Probation	753
Buildings and Ground	515,990
Extension	-
Information Technology	8,069
Elections	18,633
General	16,228
Dispatch	21,733
Jail	30,288
Planning and Zoning	5,750
Water Quality	1,392
Geographic Info System	1,241
Road & Bridge	1,486,979
Ambulance	52,930
District Court	3,514
County Fair	4,684
Historical Society	1,841
Revaluation	515
Solid Waste	91,154
Noxious Weed	5,896
Waterways	212
E911	175,228
	<hr/>
Total	<u>2,585,579</u>

The County disposed of the E-911 system that was purchased in 2005, which resulted in a loss on disposal of assets of \$896,397. The loss is shown as expenses to the E-911 activity on the Statement of Activities.

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, 2011 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, 2011 and paid in October, 2011.

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 \$588,279. 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 9/30/10	Increases	Decreases	Amount Outstanding 9/30/11	Amount Due In One Year
Capital Leases:								
E-911 Equipment	5.7%	E-911	04/15/2012	212,854	-	119,034	93,820	93,821
2- Dodge Durangos and Charger	4.0%	Gen	03/03/2011	23,554	-	23,554	-	-
Dispatch Equipment	5.0%	E-911	07/15/2013	194,440	-	77,543	116,897	65,604
Notes Payable:								
Regional Landfill Closure	5.3%	Waste	07/28/2014	41,577	-	13,406	28,171	13,854
Bonds:								
Gen Obl Series 2007 A	Var	Gen	08/01/2027	9,465,000	-	400,000	9,065,000	415,000
Total				9,937,425	0	633,537	9,303,888	588,279
Other								
Acc. Comp. Absences	N/A	All	N/A	783,817	21,935	-	805,752	-

Interest and fees of \$405,663 on the above liabilities has been charged to the following departments and funds on the Statement of Activities: Sheriff \$923; E911 \$20,794; Solid Waste \$1,389; Bond Redemption \$382,557.

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

Year Ended	Governmental	
	Principle	Interest
2012	588,279	374,333
2013	495,610	351,225
2014	450,000	332,258
2015	465,000	314,258
2016	485,000	295,658
2017 thru 2021	2,735,000	1,171,087
2022 thru 2026	3,335,000	572,872
2027	750,000	30,750
Total	9,303,889	3,442,441

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, 2011.

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, 2011, 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 \$869,485, \$811,883, and \$763,580 for the three years ended September 30, 2011, 2010, and 2009, 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 \$10,558 over budget and the budget in total was over by \$9,763.

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 five-member board, with two members representing Blaine County, two members representing the City of Hailey and one member who is unanimously selected by the other four 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, 2011 can be obtained at the Airport, Blaine County, or the City of Hailey offices. During the Airport Authority's fiscal year ending September 30, 2011, the Airport Authority's Net Assets increased \$1,359,704.

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

NOTE O- SOLID WASTE (Cont)

totaling \$1,534,103. 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 \$28,171 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, 2011 can be obtained at the District or Blaine County offices. During the District's fiscal year ending September 30, 2011, the entity's Equity increased \$400,550.

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 Solid Waste Disposal Fund was reduced by \$162,832 because of a receivable for the sale of a portion of Blaine County's ownership to the County of Twin Falls being included in the financial statements when the amount had already been received.

NOTE S – SUBSEQUENT EVENTS

As of March 22, 2012 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.

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.

Certificate of deposit – The certificate of deposit is reported at fair value.

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, 2011 and 2010.

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, 2011 and 2010.

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.

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.

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. Compliance and Accountability:

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.

3. 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, 2011 and 2010, the Manor had funds held by the County collateralized by securities held in the County's name of \$921,313 and \$670,403, respectively, and uninsured and uncollateralized deposit balances of \$-0- in both years. 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.

4. Net Resident Service Revenue:

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

	Years Ended September 30,	
	2011	2010
<i>Gross resident service revenue</i>		
Room and board	\$ 1,795,050	\$ 1,843,044
Pharmacy	5,797	7,393
Medical supply	74,648	100,980
Therapy	35,289	28,127
Laboratory	524	408
	1,911,308	1,979,952
<i>Contractual adjustments</i>		
Medicare	17,542	17,286
Medicaid	210,587	219,386
Other	2,638	4,884
<i>Upper payment limit payments</i>	(73,128)	(113,767)
<i>Provision for bad debts</i>	29	413
	157,668	128,202
Net resident service revenue	\$ 1,753,640	\$ 1,851,750

Revenue from the Medicare and Medicaid programs accounted for approximately 4% and 56%, respectively, of the Manor's net resident service revenue for the year ended September 30, 2011, and 4% and 63%, respectively, of the Manor's net resident service revenue for the year ended September 30, 2010.

5. Resident Accounts Receivable:

Resident accounts receivable reported as current assets by the Manor at September 30, 2011 and 2010, consisted of these amounts:

	2011	2010
Receivables from patients	\$ 33,308	\$ 21,848
Receivables from Medicare	18,667	9,464
Receivables from Medicaid	44,708	72,961
Total resident accounts receivable	96,683	104,273
Less allowance for uncollectible amounts	2,000	2,000
Resident accounts receivable, net	\$ 94,683	\$ 102,273

6. Capital Assets:

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

	September 30, 2010	Additions	Retirements	September 30, 2011
<i>Capital assets</i>				
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
<i>Less accumulated depreciation for</i>				
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

Capital asset additions, retirements, and balances for the year ended September 30, 2010, follows:

	September 30, 2009	Additions	Retirements	September 30, 2010
<i>Capital assets</i>				
Depreciable:				
Building and fixed equipment	\$ 1,846,916	\$ 4,390	-	\$ 1,851,306
Major movable equipment	264,554	13,045	(3,500)	274,099
Total historical cost	2,111,470	17,435	(3,500)	2,125,405
<i>Less accumulated depreciation for</i>				
Building and fixed equipment	(1,261,785)	(55,488)	-	(1,317,273)
Major movable equipment	(178,716)	(22,295)	3,500	(197,511)
Total accumulated depreciation	(1,440,501)	(77,783)	3,500	(1,514,784)
Capital assets, net	\$ 670,969	\$ (60,348)	-	\$ 610,621

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

7. 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.

8. 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 2011 and 2010. Employee contributions to the Plan were \$3,050 and \$3,375 in fiscal years 2011 and 2010, 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 \$15,540 and \$16,280 in fiscal years 2011 and 2010, respectively.

9. 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.

10. 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, 2011 and 2010. 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.

11. 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,	
	2011	2010
Medicaid	58 %	70 %
Medicare	15	9
Residents	27	21
	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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	6,283,702	6,283,702	6,290,800	7,098
PILT	1,743,000	1,743,000	1,838,967	95,967
Other	4,920,464	5,543,006	5,366,376	(176,630)
Total Revenues	12,947,166	13,569,708	13,496,143	(73,565)
<u>Expenditures</u>				
Salaries and Wages	6,962,110	7,055,269	6,896,768	158,501
Payroll Expenses and Benefits	2,743,615	2,756,318	2,593,972	162,346
General and Administrative	1,446,429	1,511,534	1,400,158	111,376
Law Enforcement	1,167,559	1,410,312	1,325,356	84,956
Contracts and Miscellaneous Services	628,100	636,100	594,280	41,820
Capital Expenditures	97,400	266,049	270,378	(4,329)
Total Expenditures	13,045,213	13,635,582	13,080,912	554,670
Excess (Deficit) Revenues Over Expenditures	(98,047)	(65,874)	415,231	481,105
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	(32,173)	(32,173)	0
Excess (Deficit) Revenues and Other Sources Over Expenditures	(98,047)	(98,047)	383,058	481,105
Fund Balance at Beginning of Year	98,047	98,047	6,530,122	6,432,075
Fund Balance at End of Year	<u>0</u>	<u>0</u>	<u>6,913,180</u>	<u>6,913,180</u>

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	383,058
Current year adjustment for accrued payroll	<u>(143,545)</u>
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	<u>239,513</u>

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Other	1,434,750	1,434,750	1,516,134	81,384
Total Revenues	1,434,750	1,434,750	1,516,134	81,384
Expenditures				
Salaries and Wages	572,813	577,813	575,735	2,078
Payroll Expenses and Benefits	262,410	262,410	258,796	3,614
Supplies	40,000	65,000	52,862	12,138
Road Oil, Asphalt, Concrete and Signs	311,500	311,500	257,752	53,748
Culverts	30,000	15,000	12,867	2,133
Telephone, Utilities	17,559	17,559	17,138	421
Bulk Gas and Oil - Vehicles	150,000	150,000	153,152	(3,152)
Contracts	8,000	8,000	12,647	(4,647)
Professional Services	2,000	2,000	6,415	(4,415)
Travel and Miscellaneous	1,850	1,850	3,004	(1,154)
Repair of Equipment	107,000	97,000	113,433	(16,433)
Freight	3,000	3,000	2,778	222
Rent of Equipment	7,000	7,000	5,052	1,948
Construction Project/Emergency Flow Infrastructure	2,000	2,000	1,828	172
Capital Outlay	40,000	40,000	25,765	14,235
Total Expenditures	1,555,132	1,560,132	1,517,744	42,388
Excess (Deficit) Revenues Over Expenditures	(120,382)	(125,382)	(1,610)	123,772
Fund Balance at Beginning of Year	120,382	125,382	1,973,662	1,848,280
Fund Balance at End of Year	0	0	1,972,052	1,972,052

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	(1,610)
Current year adjustment for accrued payroll	(13,045)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	(14,655)

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, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	1,700,000	1,700,000	1,694,108	(5,892)
Other	10,016	10,016	34,181	24,165
Total Revenues	1,710,016	1,710,016	1,728,289	24,165
<u>Expenditures</u>				
Other Miscellaneous	3,410,000	3,410,000	48,121	3,361,879
Total Expenditures	3,410,000	3,410,000	48,121	3,361,879
Excess (Deficit) Revenues Over Expenditures	(1,699,984)	(1,699,984)	1,680,168	3,386,044
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	20,000	-	(20,000)
Excess (Deficit) Revenues and Other Sources Over Expenditures	(1,699,984)	(1,679,984)	1,680,168	3,366,044
Fund Balance at Beginning of Year	1,699,984	1,699,984	1,677,926	(22,058)
Fund Balance at End of Year	<u>0</u>	<u>20,000</u>	<u>3,358,094</u>	<u>3,343,986</u>

See independent auditor's report on other financial information.

SUPPLEMENTAL INFORMATION

BLAINE COUNTY, IDAHO

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	Public Health Fund	Charity and Indigent Fund	Noxious Weed Fund	Revaluation Fund	Solid Waste Disposal Fund	District Court Fund	County Fair Fund	Historical Society Fund
Assets								
Cash and Investments	88,155	222,974	252,821	206,226	1,216,520	209,635	67,314	191,415
Accounts Receivable	1,579	1,854	6,532	3,093	170,769	515	17	148
Delinquent Taxes Receivable	8,641	10,177	7,745	16,517	-	2,495	303	813
Total Assets	<u>98,375</u>	<u>235,005</u>	<u>267,098</u>	<u>225,836</u>	<u>1,387,289</u>	<u>212,645</u>	<u>67,634</u>	<u>192,376</u>
Liabilities								
Warrants Payable	-	38,100	7,033	8,514	3,770	4,324	12,820	-
Vouchers Payable	-	890	-	1,895	12,202	12,305	-	12,305
Accrued Payroll and Benefits	-	6,321	10,076	17,845	8,019	3,052	-	-
Deferred Revenue-Taxes	7,716	9,080	6,911	14,736	-	2,243	271	726
Total Liabilities	7,716	54,391	24,020	42,990	23,991	21,924	13,091	13,031
Fund Equity								
Committed	-	-	-	-	8,816	-	-	-
Assigned	90,659	180,614	243,078	182,846	1,354,482	190,721	54,543	179,345
Total Fund Balances	<u>90,659</u>	<u>180,614</u>	<u>243,078</u>	<u>182,846</u>	<u>1,363,298</u>	<u>190,721</u>	<u>54,543</u>	<u>179,345</u>
Total Liabilities and Fund Balances	<u>98,375</u>	<u>235,005</u>	<u>267,098</u>	<u>225,836</u>	<u>1,387,289</u>	<u>212,645</u>	<u>67,634</u>	<u>192,376</u>

See independent auditor's report on other financial information.

Ambulance District	Waterways Fund	Snowmobile Fund	Junior College Fund	Liability Insurance Fund	E911 Fund	Bond Redemption Fund	Election Consolidation Fund	Totals
741,460	13,679	36,027	90,920	60,036	105,466	51,072	48,478	3,602,196
157,968	22,964	-	-	1,099	-	4,858	-	371,396
53,481	-	-	8	5,866	-	26,012	-	132,058
<u>952,909</u>	<u>36,643</u>	<u>36,027</u>	<u>90,928</u>	<u>67,001</u>	<u>105,466</u>	<u>81,942</u>	<u>48,476</u>	<u>4,105,650</u>
3,465	(3,251)	-	-	-	2,985	-	597	78,357
3,488	6,503	-	-	-	5,990	-	481	56,059
-	511	-	-	-	7,805	-	-	53,629
<u>47,710</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>5,227</u>	<u>-</u>	<u>23,223</u>	<u>-</u>	<u>117,851</u>
54,663	3,763	0	8	5,227	16,780	23,223	1,078	305,896
-	682	4,000	-	-	34,051	-	-	47,549
<u>898,246</u>	<u>32,198</u>	<u>32,027</u>	<u>90,920</u>	<u>61,774</u>	<u>54,635</u>	<u>58,719</u>	<u>47,398</u>	<u>3,752,205</u>
898,246	32,880	36,027	90,920	61,774	88,686	58,719	47,398	3,799,754
<u>952,909</u>	<u>36,643</u>	<u>36,027</u>	<u>90,928</u>	<u>67,001</u>	<u>105,466</u>	<u>81,942</u>	<u>48,476</u>	<u>4,105,650</u>

BLAINE COUNTY, IDAHO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Public Health Fund	Charity & Indigent Fund	Noxious Weed Fund	Revaluation Fund	Solid Waste Disposal Fund	District Court Fund	County Fair Fund	Historical Society Fund
Revenues								
Property Taxes	255,830	300,161	232,267	500,634	-	82,632	2,935	24,276
Intergovernmental	5,580	6,555	57,162	11,159	66,353	1,820	65	528
Charges for Services	-	-	2,678	-	1,697,968	-	-	-
Fines and Forfeitures	-	-	-	-	-	82,622	-	-
Miscellaneous	-	46,683	9,473	-	-	59,601	2,170	10,918
Total Revenues	261,410	353,399	301,580	511,793	1,764,321	226,675	5,170	35,722
Expenditures								
Salaries and Wages	-	94,430	123,602	320,180	90,948	52,979	-	10,558
Payroll Expenses and Benefits	-	31,015	50,169	136,666	29,829	19,502	-	663
General and Administrative	-	-	-	25,145	-	-	-	-
Health Care	262,308	327,312	-	-	-	-	-	-
County Services	-	-	80,618	-	1,814,224	-	23,462	12,631
Law Enforcement	-	-	-	-	-	116,813	-	-
Capital Expenditures	-	-	-	-	17,271	-	-	10,321
Total Expenditures	262,308	452,757	254,389	481,991	1,752,272	189,294	23,462	34,373
Excess (Deficit) Revenues Over Expenditures	(898)	(99,358)	47,191	29,802	12,049	37,381	(18,292)	1,349
Other Financing Sources (Uses):								
Interfund Transfers	-	-	-	-	-	-	-	-
Bond Principal Payments	-	-	-	-	-	-	-	-
Bond Interest & Fee Payments	-	-	-	-	-	-	-	-
Excess (Deficit) Revenues and Other Sources Over Expenditures	(898)	(99,358)	47,191	29,802	12,049	37,381	(18,292)	1,349
Fund Balance at Beginning of Year	91,557	279,972	195,887	153,044	1,351,249	153,340	72,835	177,996
Fund Balance at End of Year	90,659	180,614	243,078	182,846	1,363,298	190,721	54,543	179,345

See independent auditor's report on other financial information.

Ambulance District	Waterways Fund	Snowmobile Fund	Junior College Fund	Liability Insurance Fund	E911 Fund	Bond Redemption Fund	Election Consolidation Fund	Totals
1,602,000	-	-	(1)	180,925	-	786,459	-	3,968,118
43,036	42,287	-	173,417	3,885	-	17,175	77,445	506,467
482,611	-	-	-	-	395,975	-	-	2,579,232
-	-	-	-	-	-	-	-	82,622
-	39,787	54,498	-	14,309	-	-	-	237,439
2,127,647	82,074	54,498	173,416	199,119	395,975	803,634	77,445	7,373,878
-	9,369	-	-	-	114,024	-	16,341	832,431
-	2,327	-	-	-	29,626	-	6,952	306,749
-	-	-	-	187,490	-	-	-	212,635
1,941,725	-	-	-	-	-	-	-	2,531,345
-	57,026	41,472	150,363	-	139,740	-	6,754	2,126,490
-	-	-	-	-	-	-	-	116,813
-	4,045	-	-	-	217,370	-	-	249,007
1,941,725	72,767	41,472	150,363	187,490	500,760	0	30,047	6,375,470
185,922	9,307	13,026	23,053	11,629	(104,785)	803,634	47,398	998,408
-	-	-	-	-	32,173	-	-	32,173
-	-	-	-	-	-	(400,000)	-	(400,000)
-	-	-	-	-	-	(382,557)	-	(382,557)
185,922	9,307	13,026	23,053	11,629	(72,612)	21,077	47,398	248,024
712,324	23,573	23,001	67,867	50,145	161,298	37,642	-	3,551,730
898,246	32,880	36,027	90,920	61,774	88,686	58,719	47,398	3,799,754

BLAINE COUNTY, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - CURRENT EXPENSE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Property Taxes	6,283,702	6,290,800	7,098
Payment in Lieu of Taxes	1,743,000	1,838,967	95,967
Interest Earned on Investments	327,000	202,643	(124,357)
Other	5,216,006	5,163,733	(52,273)
Total Revenues	13,569,708	13,496,143	(73,565)
<u>Expenditures</u>			
Clerk, Auditor, Recorder Salaries	668,122	667,222	900
Clerk, Auditor, Recorder Other	305,460	285,405	20,055
Assessor Salaries	218,386	182,217	36,169
Assessor Other	106,300	92,000	14,300
Treasurer Salaries	160,813	160,787	26
Treasurer Other	91,650	84,057	7,593
Sheriff Salaries	1,313,189	1,294,266	18,923
Sheriff Other	991,399	940,484	50,915
Commissioners Salaries	330,998	330,920	78
Commissioners Other	131,428	126,466	4,962
Coroner Salaries	42,962	34,117	8,845
Coroner Other	39,015	24,703	14,312
Prosecuting Attorney Salaries	489,298	489,128	170
Prosecuting Attorney Other	298,150	260,434	37,716
Probation Salaries	255,382	254,950	432
Probation Other	220,428	213,960	6,468
Building and Grounds Salaries	210,285	209,875	410
Building and Grounds Other	587,206	573,670	13,536
Extension Office Other	111,995	109,744	2,251
Data Processing Salaries	105,400	105,362	38
Data Processing Other	228,632	226,823	1,809
Election Salaries	30,323	16,167	14,156
Elections Other	58,870	37,929	20,941
Bellevue Marshall Salaries	251,644	251,537	107
Bellevue Marshall Other	123,790	118,257	5,533
Ketchum Police Salaries	560,394	503,825	56,569
Ketchum Police Other	741,112	737,016	4,096
General Accounts (Salaries)	117,500	92,809	24,691
General Accounts (Specials)	726,932	706,673	20,259
Dispatch Salaries	548,676	528,602	20,074
Dispatch Other	268,577	253,218	15,359
Jail Salaries	992,442	987,503	4,939
Jail Other	1,018,789	969,559	49,230
Planning and Zoning Salaries	452,484	428,050	24,434
Planning and Zoning Other	299,427	255,798	43,629
Geographic Information System Salaries	126,252	126,240	12
Geographic Information System Other	64,592	53,888	10,704
Public Defender	347,280	347,251	29

continued on next page

See independent auditor's report on other financial information.

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, 2011

Total Expenditures	13,635,582	13,080,912	554,670
Excess (Deficit) Revenues Over Expenditures	(65,874)	415,231	481,105
<u>Other Financing Sources (Uses):</u>			
Transfers In (Out)	(32,173)	(32,173)	0
Excess (Deficit) Revenues and Other Sources Over Expenditures	(98,047)	383,058	481,105
Fund Balance at Beginning of Year	98,047	6,530,122	6,432,075
Fund Balance at End of Year	<u>0</u>	<u>6,913,180</u>	<u>6,913,180</u>

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	254,808	254,808	255,830	1,022
Other	7,500	7,500	5,580	(1,920)
Total Revenues	262,308	262,308	261,410	(898)
<u>Expenditures</u>				
South Central Health District	262,308	262,308	262,308	0
Total Expenditures	262,308	262,308	262,308	0
Excess Revenues Over Expenditures	0	0	(898)	(898)
Fund Balance at Beginning of Year	0	0	91,557	91,557
Fund Balance at End of Year	<u>0</u>	<u>0</u>	<u>90,659</u>	<u>90,659</u>

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	299,279	299,279	300,161	882
Other	29,500	33,968	53,238	19,270
Total Revenues	328,779	333,247	353,399	20,152
Expenditures				
Salaries	91,427	92,627	92,604	23
Payroll Expenses and Benefits	31,602	31,602	31,015	587
Travel	2,200	2,200	1,778	422
Repair and Maintenance	250	250	527	(277)
Supplies	2,300	2,300	2,784	(484)
Telephone and Utilities	800	800	575	225
Medical Care	191,000	309,000	315,499	(6,499)
Non-Medical Care	7,500	11,968	4,469	7,499
Miscellaneous	500	500	535	(35)
Total Expenditures	328,779	452,447	450,931	1,516
Excess (Deficit) Revenues Over Expenditures	0	(119,200)	(97,532)	21,668
Fund Balance at Beginning of Year	0	119,200	284,467	165,267
Fund Balance at End of Year	0	0	186,935	186,935

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	(97,532)
Current year adjustment for accrued payroll	(1,826)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	(99,358)

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	231,331	231,331	232,267	936
Other	6,860	53,857	69,313	15,456
Total Revenues	238,191	285,188	301,580	16,392
<u>Expenditures</u>				
Salaries and Wages	117,231	123,958	120,104	3,854
Payroll Expense and Benefits	61,560	61,560	50,169	11,391
Supplies	36,600	36,600	23,093	13,507
Utilities	5,800	5,800	6,236	(436)
Bulk Gas and Oil - Vehicles	3,100	3,100	3,474	(374)
Travel	400	400	640	(240)
Education	500	500	495	5
Repairs and Maintenance	3,500	3,500	2,050	1,450
Postage	1,000	1,000	533	467
Advertising	7,500	7,500	3,497	4,003
Contracts	1,000	41,270	40,600	670
Total Expenditures	238,191	285,188	250,891	34,297
Excess (Deficit) Revenues Over Expenditures	0	0	50,689	50,689
Fund Balance at Beginning of Year	0	0	202,465	202,465
Fund Balance at End of Year	0	0	253,154	253,154

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	50,689
Current year adjustment for accrued payroll	<u>(3,498)</u>
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	<u>47,191</u>

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Property Taxes	499,221	499,221	500,634	1,413
Other	11,300	11,300	11,159	(141)
Total Revenues	510,521	510,521	511,793	1,272
Expenditures				
Salaries and Wages	338,560	338,560	317,060	21,500
Payroll Expenses and Benefits	144,841	144,841	136,666	8,175
Supplies	3,000	3,000	5,833	(2,833)
Repairs and Maintenance	8,820	8,820	8,897	(77)
Vehicles	3,500	3,500	3,846	(346)
Travel and Miscellaneous	8,000	8,000	4,628	3,372
Education	3,800	3,800	1,941	1,859
Total Expenditures	510,521	510,521	478,871	31,650
Excess (Deficit) Revenues Over Expenditures	0	0	32,922	32,922
Fund Balance at Beginning of Year	0	0	167,769	167,769
Fund Balance at End of Year	0	0	200,691	200,691

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	32,922
Current year adjustment for accrued payroll	(3,120)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	29,802

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Other	1,640,100	1,640,100	1,764,321	124,221
Total Revenues	1,640,100	1,640,100	1,764,321	124,221
<u>Expenditures</u>				
Salaries and Wages	85,264	85,264	82,929	2,335
Payroll Expenses and Benefits	35,623	35,623	29,829	5,794
Utilities - Garbage	22,000	22,000	27,680	(5,680)
Postage	-	-	500	(500)
Recycle Costs	40,500	40,500	66,736	(26,236)
Solid Waste Contract	1,534,103	1,534,103	1,534,103	0
Education	-	-	-	0
Miscellaneous	-	-	-	0
Capital Outlay	50,000	50,000	2,476	47,524
Total Expenditures	1,767,490	1,767,490	1,744,253	23,237
Excess (Deficit) Revenues Over Expenditures	(127,390)	(127,390)	20,068	147,458
Fund Balance at Beginning of Year	127,390	127,390	1,351,249	1,223,859
Fund Balance at End of Year	<u>0</u>	<u>0</u>	<u>1,371,317</u>	<u>1,371,317</u>

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	20,068
Current year adjustment for accrued payroll	<u>(8,019)</u>
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	<u>12,049</u>

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	83,141	83,141	82,632	(509)
Other	132,050	133,319	144,043	10,724
Total Revenues	215,191	216,460	226,675	10,215
Expenditures				
Salaries and Wages	53,200	53,200	52,400	800
Payroll Expense and Benefits	16,791	16,791	19,502	(2,711)
Supplies	36,500	36,500	38,632	(2,132)
Postage	13,000	13,000	4,471	8,529
Telephone and Utilities	3,500	3,500	3,349	151
Professional Services	24,000	24,000	16,214	7,786
Jury and Witness Fees and Expense	10,000	10,000	4,090	5,910
Travel	3,500	3,500	1,274	2,226
Repairs and Maintenance	2,500	2,500	2,602	(102)
Lodging, Meals and Mileage for Jurors	9,000	9,000	4,356	4,644
Law Library	13,000	13,000	19,772	(6,772)
Judicial Education	2,500	2,500	955	1,545
Contracts	15,700	16,969	21,098	(4,129)
Contingency	12,000	12,000	-	12,000
Total Expenditures	215,191	216,460	188,715	27,745
Excess (Deficit) Revenues Over Expenditures	0	0	37,960	37,960
Fund Balance at Beginning of Year	0	0	155,813	155,813
Fund Balance at End of Year	0	0	193,773	193,773

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	37,960
Current year adjustment for accrued payroll	<u>(579)</u>
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	<u><u>37,381</u></u>

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	3,000	3,000	2,935	(65)
Other	0	0	2,235	2,235
 Total Revenues	 3,000	 3,000	 5,170	 2,170
<u>Expenditures</u>				
Supplies - Awards	-	-	2,629	(2,629)
Utilities	-	-	2,476	(2,476)
Maintenance	-	-	9,713	(9,713)
Miscellaneous	25,640	25,640	8,644	16,996
Capital Outlay	-	-	-	0
 Total Expenditures	 25,640	 25,640	 23,462	 2,178
Excess (Deficit) Revenues Over Expenditures	(22,640)	(22,640)	(18,292)	4,348
Fund Balance at Beginning of Year	22,640	22,640	72,835	50,195
Fund Balance at End of Year	<u>0</u>	<u>0</u>	<u>54,543</u>	<u>54,543</u>

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	24,110	24,110	24,276	166
Other	500	500	11,446	10,946
Total Revenues	24,610	24,610	35,722	11,112
<u>Expenditures</u>				
Salaries and Wages	-	-	10,558	(10,558)
Utilities	-	-	3,300	(3,300)
Maintenance	-	-	928	(928)
Miscellaneous	-	-	2,378	(2,378)
Supplies	14,289	14,289	6,225	8,064
Capital Outlay	10,321	10,321	10,321	0
Total Expenditures	24,610	24,610	34,373	(9,763)
Excess (Deficit) Revenues Over Expenditures	0	0	1,349	1,349
Fund Balance at Beginning of Year	0	0	177,996	177,996
Fund Balance at End of Year	0	0	179,345	179,345

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	1,597,050	1,597,050	1,602,000	4,950
Other	469,078	469,078	525,647	56,569
Total Revenues	2,066,128	2,066,128	2,127,647	61,519
<u>Expenditures</u>				
Supplies	400	400	-	400
Insurance	10,000	10,000	-	10,000
Refunds	11,000	11,000	7,967	3,033
Maintenance and Repair	-	-	-	0
Ambulance Contracts	1,931,933	1,931,933	1,933,758	(1,825)
Capital Outlay	112,795	112,795	-	112,795
Total Expenditures	2,066,128	2,066,128	1,941,725	124,403
Excess (Deficit) Revenues Over Expenditures	0	0	185,922	185,922
Fund Balance at Beginning of Year	0	0	712,324	712,324
Fund Balance at End of Year	<u>0</u>	<u>0</u>	<u>898,246</u>	<u>898,246</u>

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>				
Other	27,100	69,500	82,074	12,574
Total Revenues	27,100	69,500	82,074	12,574
<u>Expenditures</u>				
Salaries and Wages	8,000	12,400	8,858	3,542
Payroll Expenses and Benefits	1,856	1,856	2,327	(471)
Other Miscellaneous Expenses	17,000	53,600	57,026	(3,426)
Capital Outlay	3,000	4,400	4,045	355
Total Expenditures	29,856	72,256	72,256	0
Excess (Deficit) Revenues Over Expenditures	(2,756)	(2,756)	9,818	12,574
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	-	-	0
Excess (Deficit) Revenues and Other Sources Over Expenditures	(2,756)	(2,756)	9,818	12,574
Fund Balance at Beginning of Year	2,756	2,756	23,573	20,817
Fund Balance at End of Year	0	0	33,391	33,391

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	9,818
Current year adjustment for accrued payroll	(511)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	9,307

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, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Other	15,000	50,960	54,498	3,538
Total Revenues	15,000	50,960	54,498	3,538
<u>Expenditures</u>				
Other Miscellaneous	15,000	50,960	41,472	9,488
Total Expenditures	15,000	50,960	41,472	9,488
Excess (Deficit) Revenues Over Expenditures	0	0	13,026	13,026
Fund Balance at Beginning of Year	0	0	23,001	23,001
Fund Balance at End of Year	<u>0</u>	<u>0</u>	<u>36,027</u>	<u>36,027</u>

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	-	-	(1)	(1)
Other	150,000	160,000	173,417	13,417
Total Revenues	150,000	160,000	173,416	13,416
<u>Expenditures</u>				
Tuition Fees	150,000	160,000	150,363	9,637
Total Expenditures	150,000	160,000	150,363	9,637
Excess (Deficit) Revenues Over Expenditures	0	0	23,053	23,053
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	-	-	0
Excess (Deficit) Revenues and Other Sources Over Expenditures	0	0	23,053	23,053
Fund Balance at Beginning of Year	0	0	67,867	67,867
Fund Balance at End of Year	<u>0</u>	<u>0</u>	<u>90,920</u>	<u>90,920</u>

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	177,381	177,381	180,925	3,544
Other	17,555	17,555	18,194	639
Total Revenues	194,936	194,936	199,119	4,183
<u>Expenditures</u>				
Insurance - Liability	184,936	184,936	184,936	0
Insurance - Other	10,000	10,000	2,554	7,446
Total Expenditures	194,936	194,936	187,490	7,446
Excess (Deficit) Revenues Over Expenditures	0	0	11,629	11,629
Fund Balance at Beginning of Year	0	0	50,145	50,145
Fund Balance at End of Year	<u>0</u>	<u>0</u>	<u>61,774</u>	<u>61,774</u>

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Other	410,000	410,000	395,975	(14,025)
Total Revenues	410,000	410,000	395,975	(14,025)
Expenditures				
Salaries and Wages	159,492	166,948	111,447	55,501
Payroll Expense and Benefits	50,590	50,590	29,626	20,964
Professional Services	77,255	77,255	65,612	11,643
Utilities	60,000	60,000	63,288	(3,288)
Miscellaneous	13,350	13,350	10,840	2,510
Capital Outlay	70,250	138,423	217,370	(78,947)
Total Expenditures	430,937	506,566	498,183	8,383
Excess (Deficit) Revenues Over Expenditures	(20,937)	(96,566)	(102,208)	(5,642)
Other Financing Sources (Uses):				
Transfers In (Out)	-	32,173	32,173	0
Excess (Deficit) Revenues and Other Sources Over Expenditures	(20,937)	(64,393)	(70,035)	(5,642)
Fund Balance at Beginning of Year	20,937	64,393	166,526	102,133
Fund Balance at End of Year	0	0	96,491	96,491

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficit) Revenues Over Expenditures (Budgetary Basis)	(102,208)
Current year adjustment for accrued payroll	(2,577)
Excess (Deficit) Revenues Over Expenditures (GAAP Basis)	(104,785)

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	784,181	784,181	786,459	2,278
Other	-	-	17,175	17,175
Total Revenues	784,181	784,181	803,634	19,453
<u>Other Financing Sources (Uses):</u>				
Bond Principal Payments	400,000	400,000	400,000	-
Bond Interest & Fee Payments	384,181	384,181	382,557	1,624
Total Expenditures	784,181	784,181	782,557	1,624
Excess (Deficit) Revenues Over Expenditures	0	0	21,077	21,077
Fund Balance at Beginning of Year	0	0	37,642	37,642
Fund Balance at End of Year	<u>0</u>	<u>0</u>	<u>58,719</u>	<u>58,719</u>

See independent auditor's report on other financial information.

BLAINE COUNTY, IDAHO

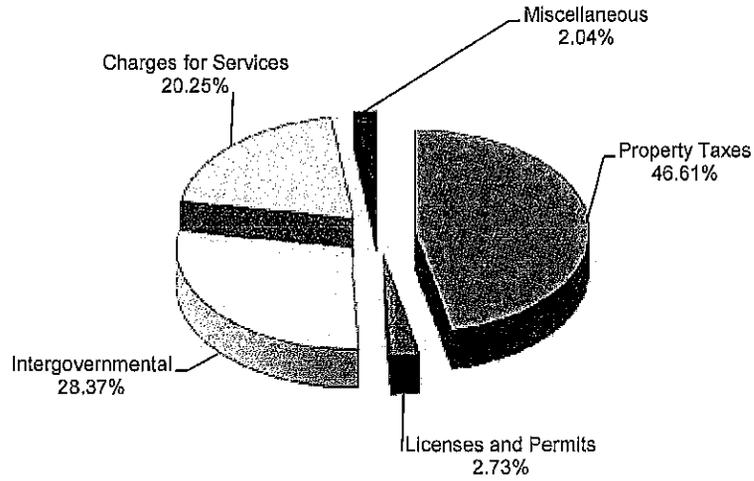
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - ELECTION CONSOLIDATION FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Other	77,434	77,434	77,445	11
Total Revenues	77,434	77,434	77,445	11
<u>Expenditures</u>				
Salaries and Wages	25,104	25,104	16,341	8,763
Payroll Expense and Benefits	17,880	17,880	6,952	10,928
Poll Workers	14,700	14,700	1,929	12,771
Supplies	16,750	16,750	3,985	12,765
Telephone	500	500	84	416
Travel	2,500	2,500	756	1,744
Total Expenditures	77,434	77,434	30,047	47,387
Excess (Deficit) Revenues Over Expenditures	0	0	47,398	47,398
Fund Balance at Beginning of Year	0	0	-	0
Fund Balance at End of Year	0	0	47,398	47,398

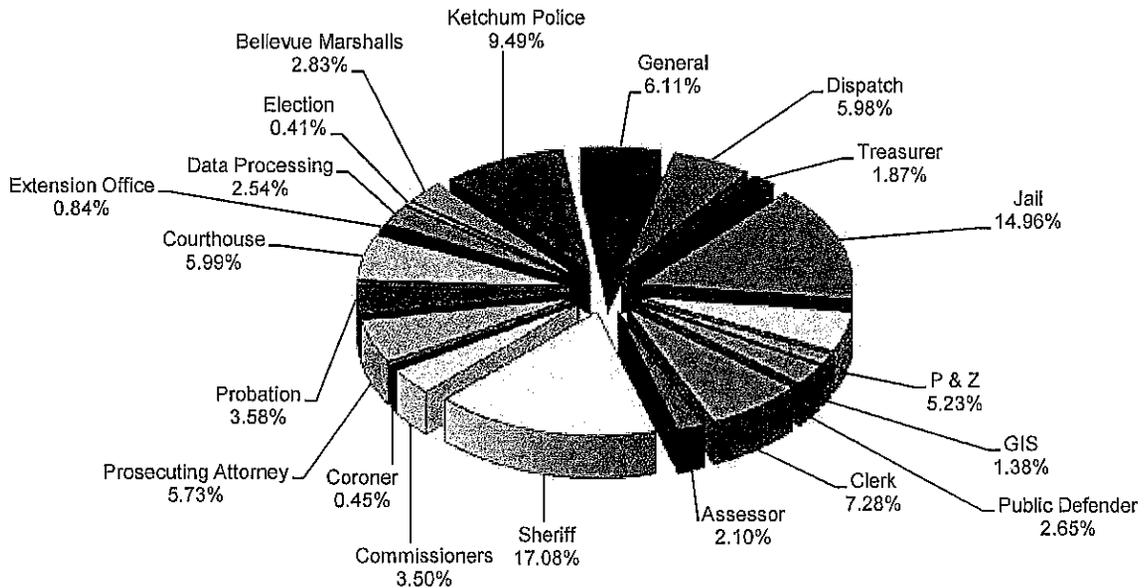
BLAINE COUNTY, IDAHO

PIE GRAPH OF REVENUES AND EXPENDITURES - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2011

General Fund Revenues



General Expenditures by Department

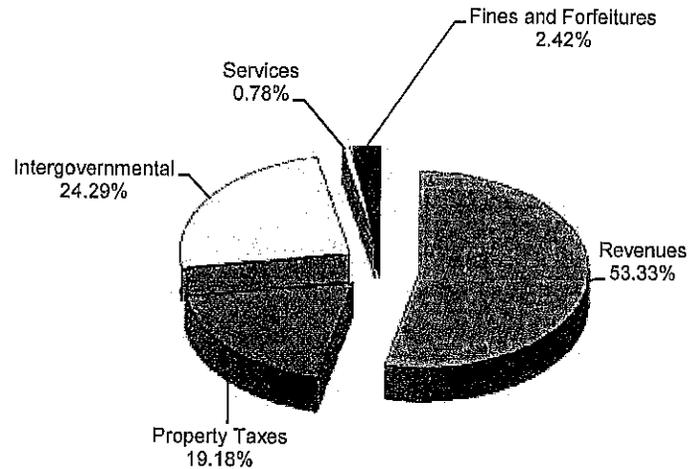


See independent auditor's report on other financial information.

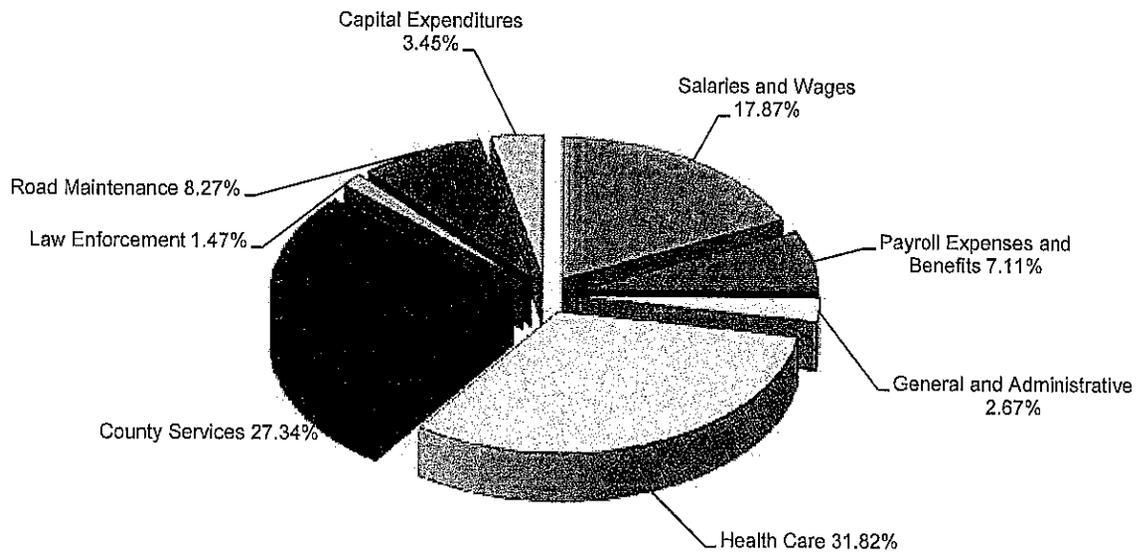
BLAINE COUNTY, IDAHO

PIE GRAPH OF REVENUES AND EXPENDITURES - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Special Revenue Fund Revenues



Special Revenue Fund Expenditures

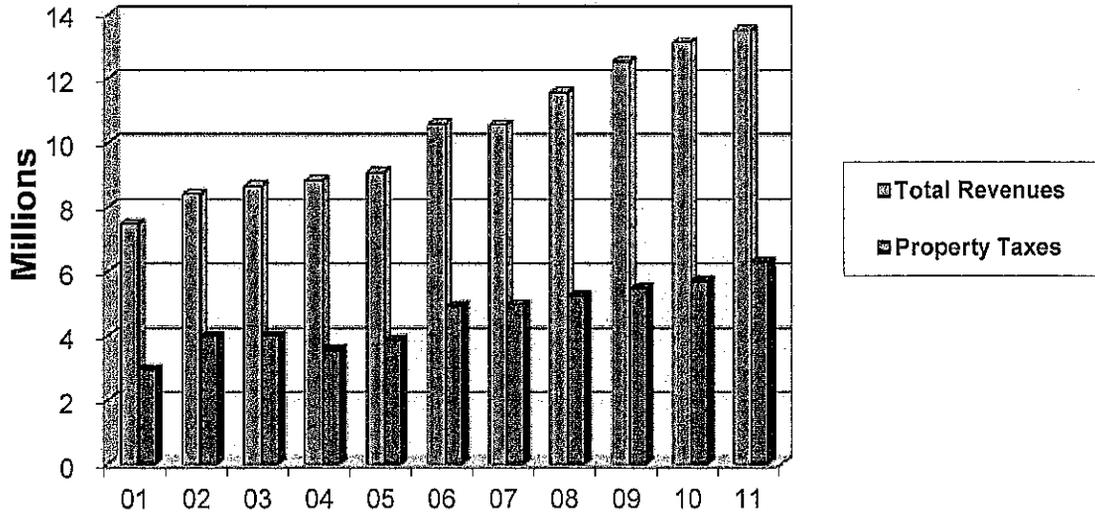


See independent auditor's report on other financial information.

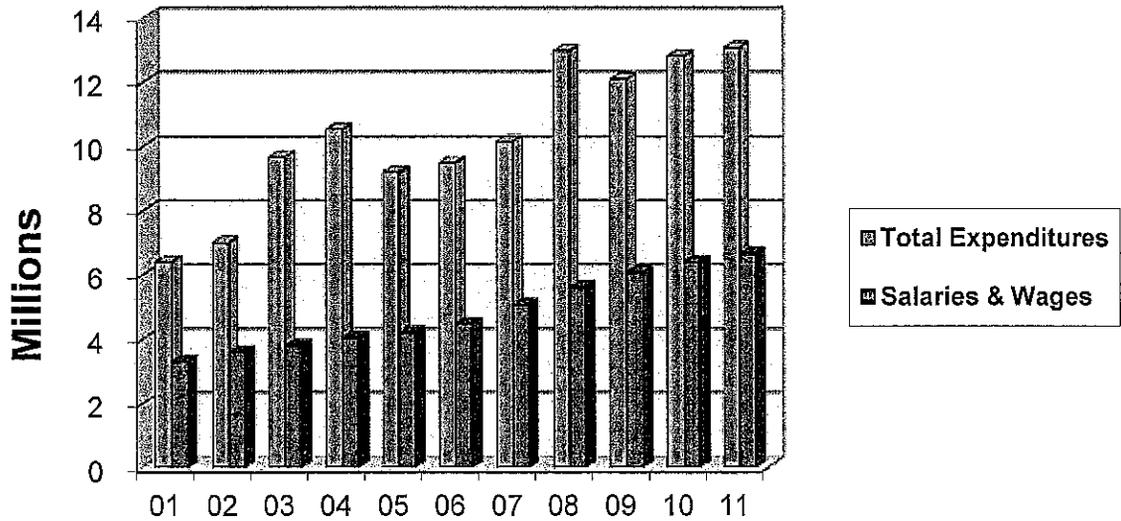
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

Current Expense Revenues



Current Expense Expenditures

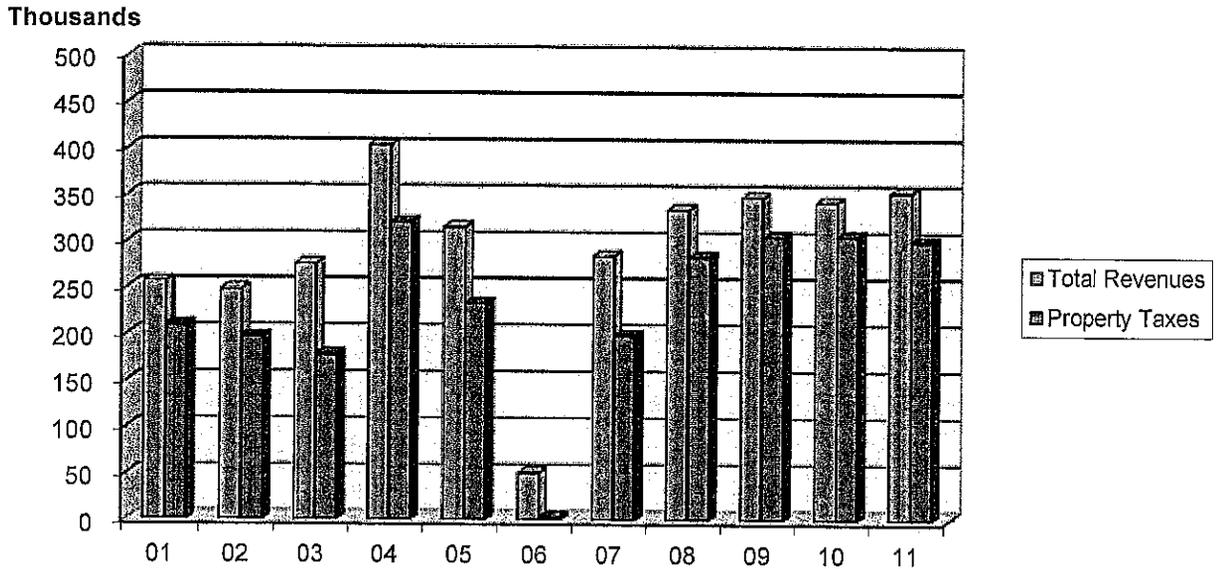


See independent auditor's report on other financial information.

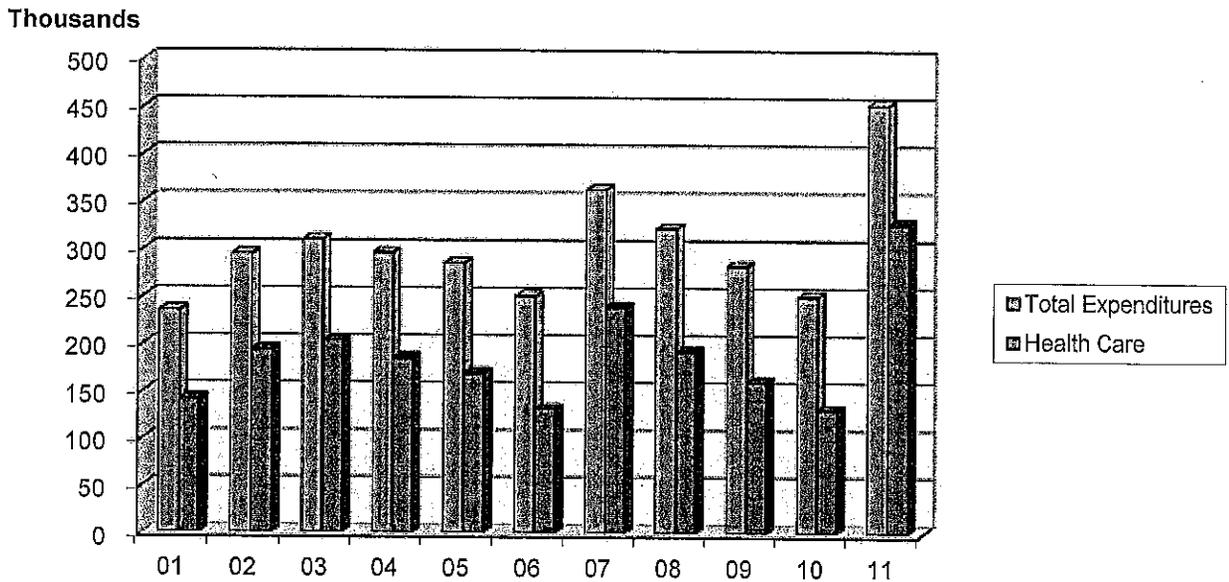
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Charity and Indigent Revenues



Charity and Indigent Expenditures

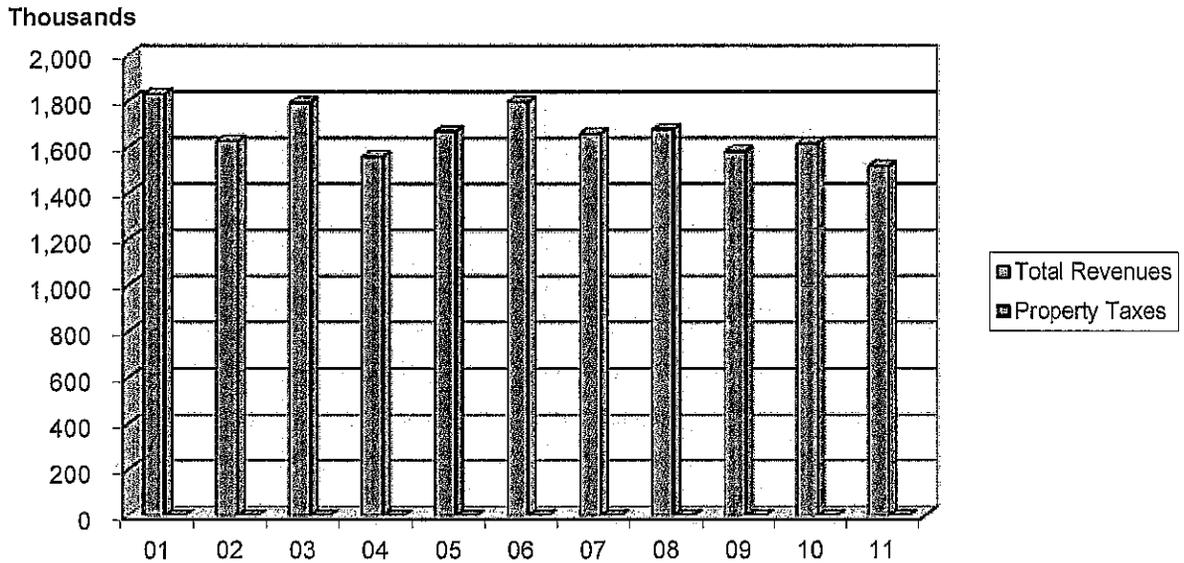


See independent auditor's report on other financial information.

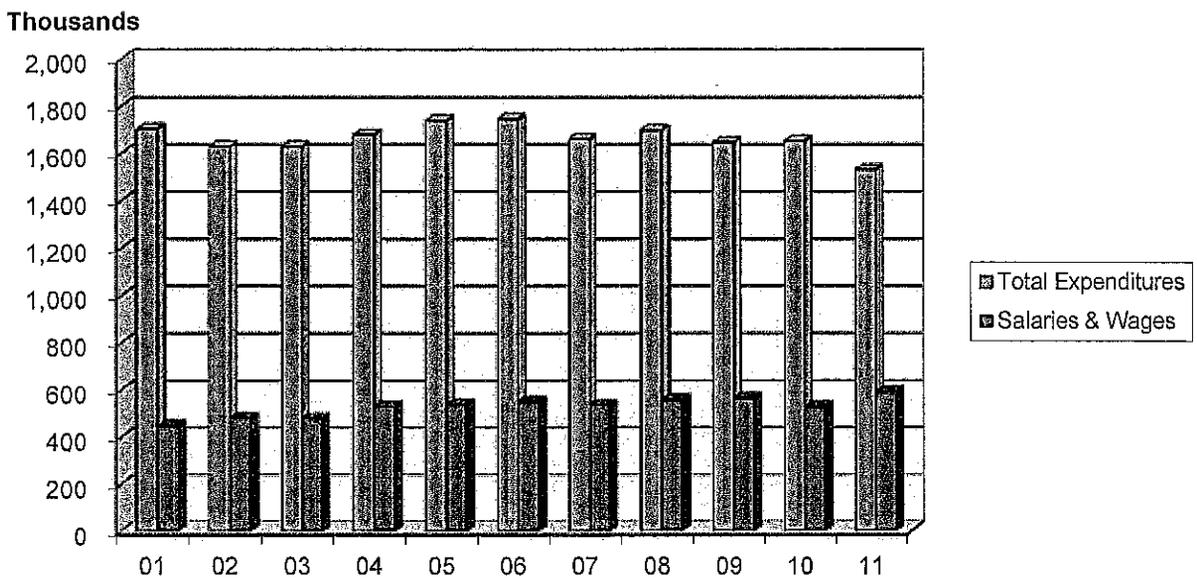
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Road and Bridge Revenues



Road and Bridge Expenditures

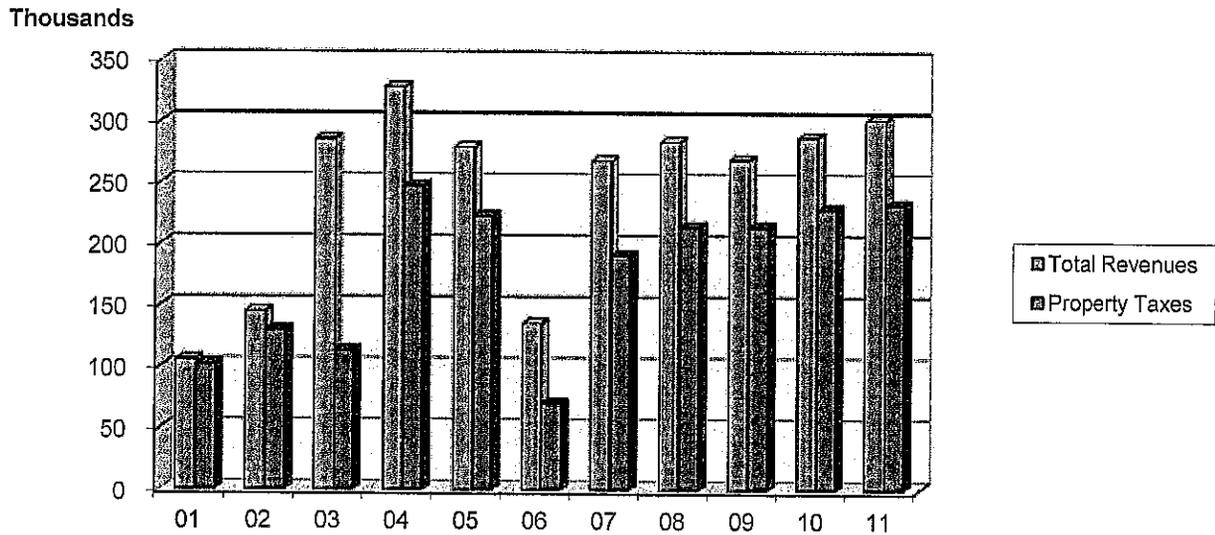


See independent auditor's report on other financial information.

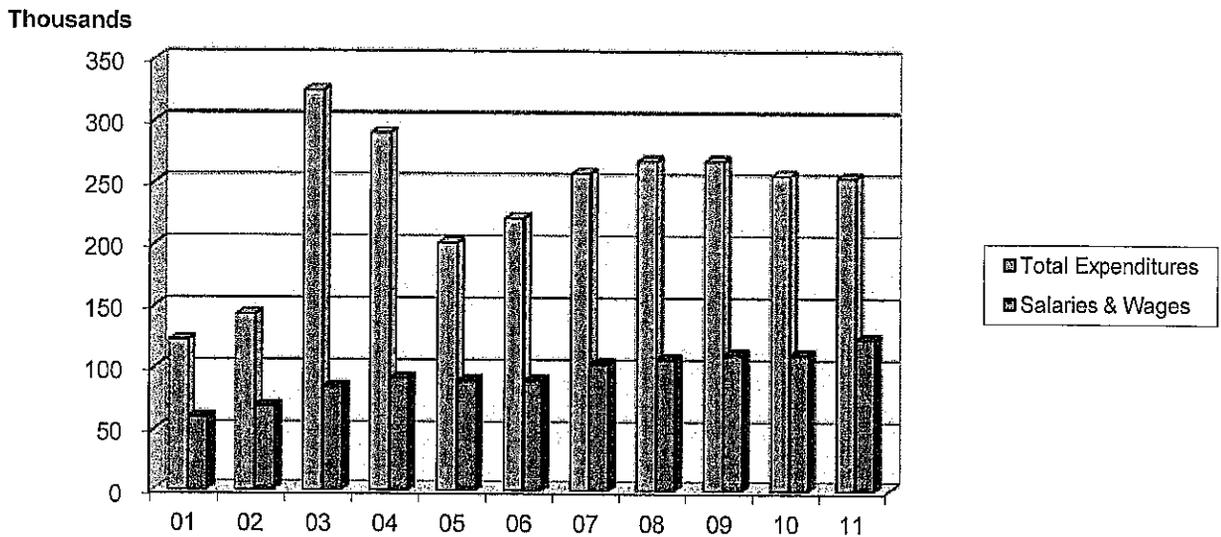
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Noxious Weed Revenues



Noxious Weed Expenditures

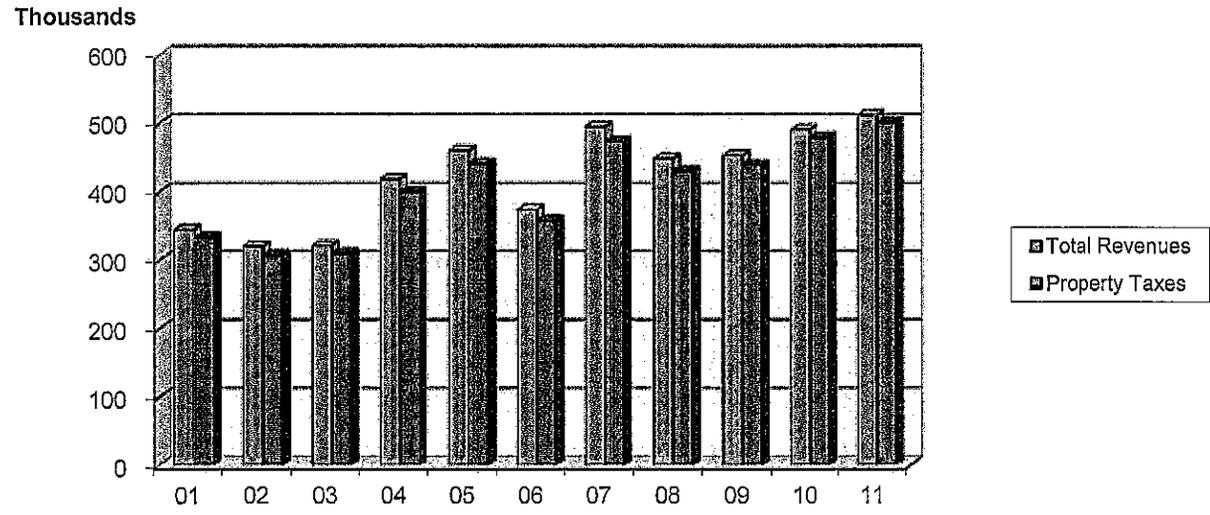


See independent auditor's report on other financial information.

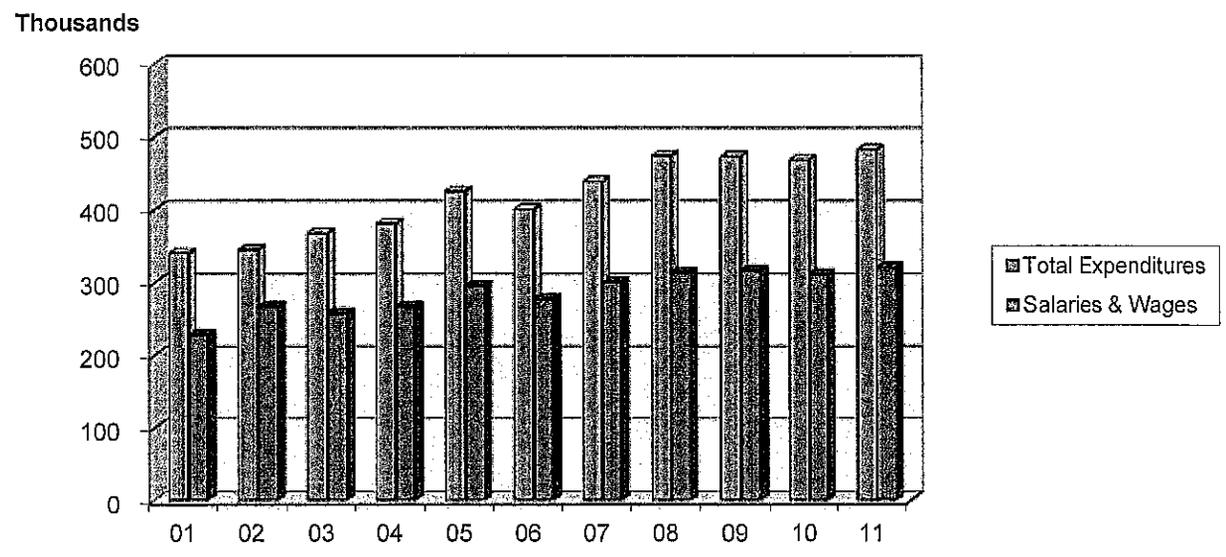
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Revaluation Fund Revenues



Revaluation Fund Expenditures

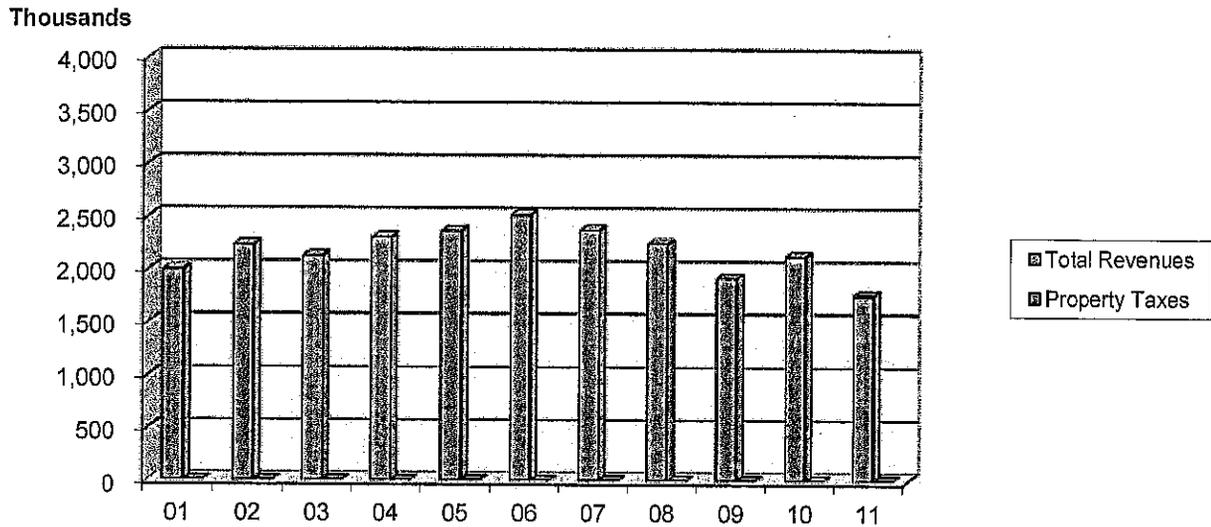


See independent auditor's report on other financial information.

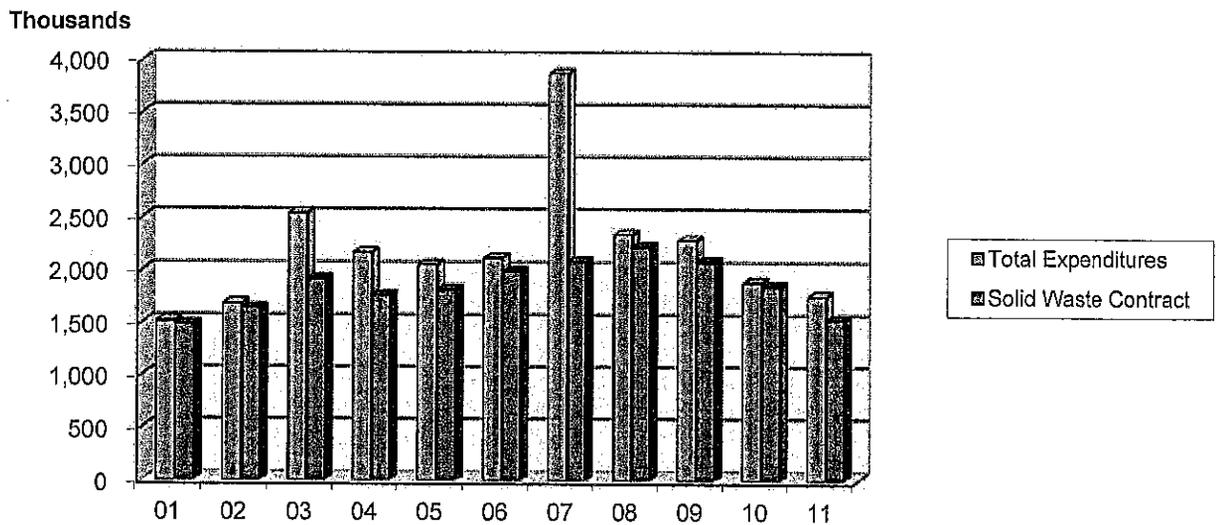
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Solid Waste Revenues



Solid Waste Expenditures

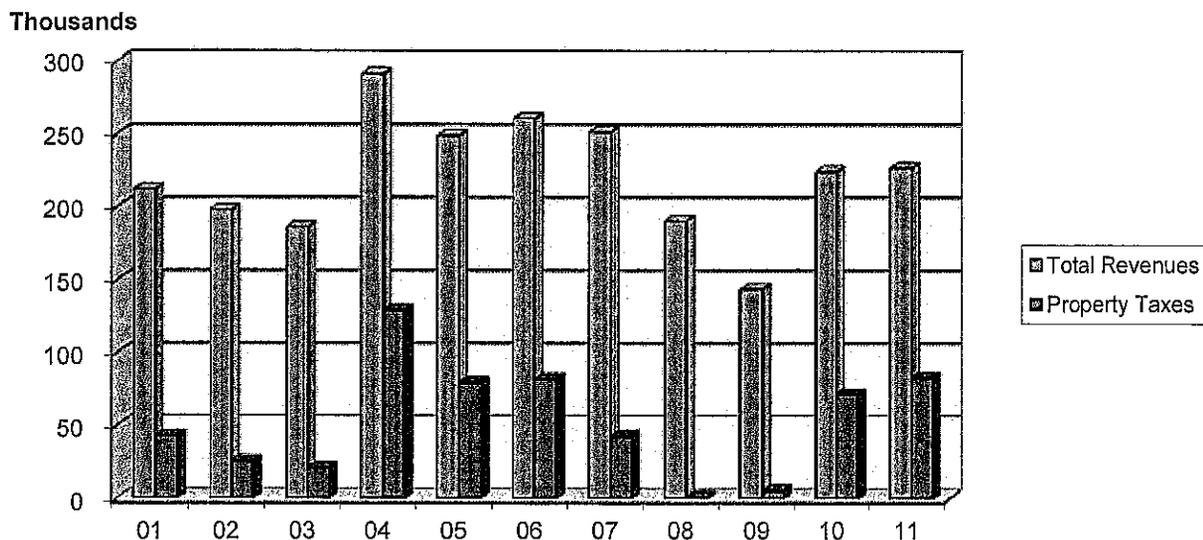


See independent auditor's report on other financial information.

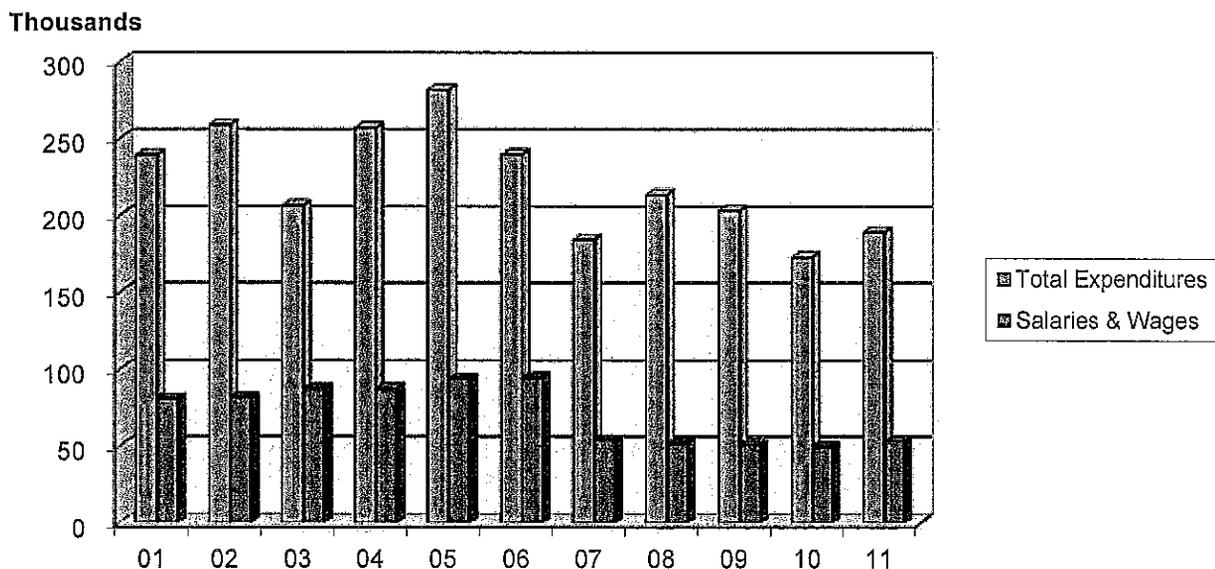
BLAINE COUNTY, IDAHO

TEN YEAR COMPARATIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2011

District Court Revenues



District Court Expenditures

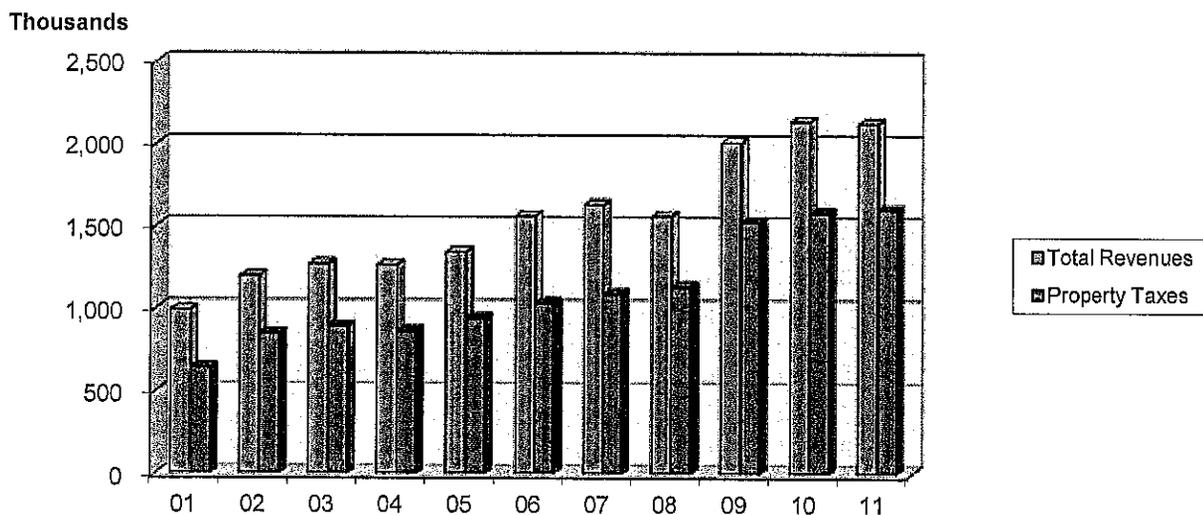


See independent auditor's report on other financial information.

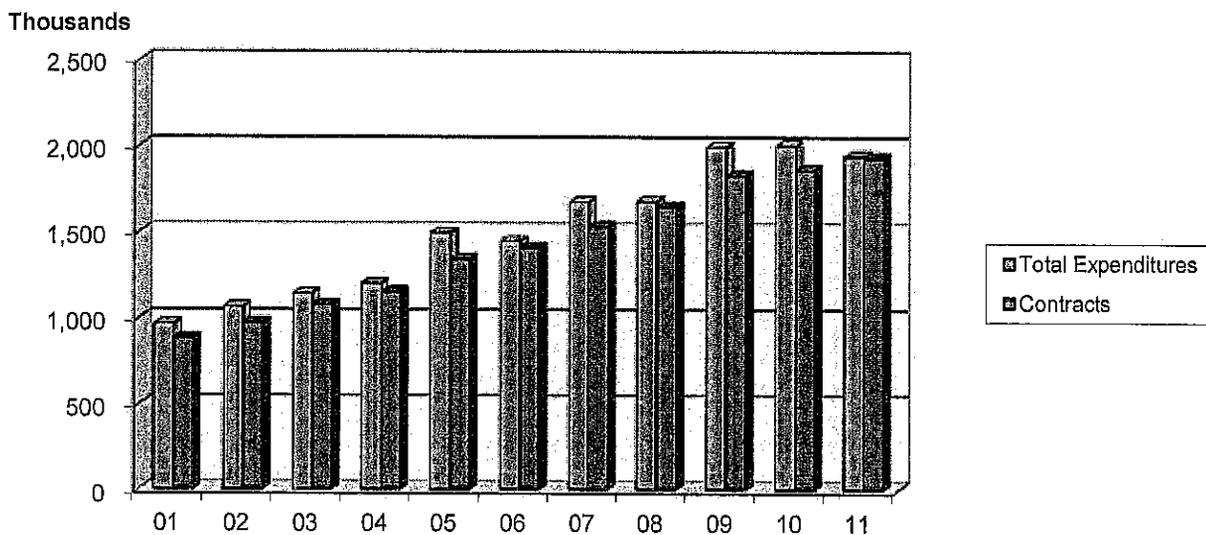
BLAINE COUNTY, IDAHO

TEN YEAR COMPARITIVE GRAPHS - BUDGETARY DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Ambulance Revenues



Ambulance Expenditures



See independent auditor's report on other financial information.

