

**MADISON COUNTY - STATE OF IDAHO
REXBURG, IDAHO
ANNUAL FINANCIAL REPORT
and
COMPLIANCE REPORTS
with
INDEPENDENT AUDITORS' REPORT
For the Year Ended September 30, 2010**

MADISON COUNTY - STATE OF IDAHO
BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2010

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INDEPENDENT AUDITORS' REPORT

**To the Honorable County Commissioners
Madison County – State of Idaho
Rexburg, Idaho**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Idaho as of and for the year ended September 30, 2010, 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 financial statements based on our audit. We did not audit the financial statements of Madison Memorial Hospital, a component unit. 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 Madison Memorial Hospital, a component unit, 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 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 and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the remaining aggregate fund information of Madison County, Idaho as of September 30, 2010, and the respective cash flows and changes in financial positions for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 1 through 9 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2011 on our consideration of Madison 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 considered in assessing the results of our audit.

The budgetary comparison schedules are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Searle Hart & Associates PLLC

June 13, 2011

Madison County, Idaho

Management's Discussion & Analysis *September 30, 2010*

The discussion and analysis of Madison County, Idaho's financial performance provides an overall review of the County's financial activities for the fiscal year ended September 30, 2010. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

The key financial highlights for 2010 are as follows:

At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$7,775,366.

At the end of the current year, the fund balance for the General Fund was \$902,403, an increase of \$334,884 from the fund balance at September 30, 2009. The business-type activities reported net assets of \$1,016,435, an increase of \$107,089 from the prior year.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Madison County, Idaho as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of Madison County, Idaho, the General Fund is by far the most significant fund.

REPORTING THE COUNTY AS A WHOLE

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

Statement of Net Assets and Statement of Activities

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. The statement of activities presents information showing how the County's net assets changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. The basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net assets is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, non-financial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the statement of net assets and the statement of activities, the County is divided into three kinds of activities:

Governmental Activities – Most of the County's programs and services are reported here, including general government, public safety, public works, health, human services, and economic development. These services are

Madison County, Idaho

Management's Discussion & Analysis September 30, 2010

funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

Business-type Activities – These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's Solid Waste Fund activity is reported here.

Component Unit – The County's financial statements include financial data of the Madison Memorial Hospital. This component unit is separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

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 objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction of the use of the moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental funds are the General Fund, Road & Bridge, Ambulance, Jail Bond, and Solid Waste.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how much flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the 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 on the government-wide financial statements. By doing so, readers may better understand the long-term effect of the governmental fund statement of revenues, expenditures, and changes in fund balances through reconciliations to facilitate comparisons between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other 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.

Proprietary Funds – The County has one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the Solid Waste operations.

Fiduciary Funds – Fiduciary Funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Madison County, Idaho

Management's Discussion & Analysis September 30, 2010

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

Government-wide Financial Analysis

The following tables summarize the County's net assets for 2010 and 2009.

	2010		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 8,687,890	\$ 526,469	\$ 9,214,359
Capital assets	5,886,195	624,424	6,510,619
Total assets	14,574,085	1,150,893	15,724,978
Long-term debt outstanding	2,304,092	65,818	2,369,910
Other liabilities	1,083,910	68,640	1,152,550
Total liabilities	3,388,002	134,458	3,522,460
Net assets			
Invested in capital assets, Net of related debt	3,573,304	555,784	4,129,088
Restricted	646,018	-	646,018
Unrestricted	6,966,761	460,651	7,427,412
Total net assets	\$ 11,186,083	\$ 1,016,435	\$12,202,518

	2009		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 7,450,710	\$ 604,692	\$ 8,055,402
Capital assets	6,367,005	550,765	6,917,770
Total assets	13,817,715	1,155,457	14,973,172
Long-term debt outstanding	3,419,080	150,342	3,569,422
Other liabilities	920,034	95,769	1,015,803
Total liabilities	4,339,114	246,111	4,585,225
Net assets			
Invested in capital assets, Net of related debt	3,629,779	452,626	4,082,405
Restricted	615,465	-	615,465
Unrestricted	5,233,357	456,720	5,690,077
Total net assets	\$ 9,478,601	\$ 909,346	\$10,387,947

Total net assets of governmental activities increased by \$1,707,482 . The increase was from change in net assets. The total liabilities of governmental activities decreased by \$1,199,512 from payment of debt.

The following shows the changes in net assets for 2010 and 2009.

Madison County, Idaho

Management's Discussion & Analysis September 30, 2010

	2010		
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues			
Charges for services	\$ 2,188,884	\$ 1,306,814	\$ 3,495,698
Operating & capital grants & contributions	2,121,248		2,121,248
General revenues			
Property taxes	8,440,560		8,440,560
Public service taxes	2,357,827		2,357,827
Intergovernmental revenues	3,271,280		3,271,280
Investment earnings	142,860		142,860
Other	559,340		559,340
Total revenues	<u>19,081,999</u>	<u>1,306,814</u>	<u>20,388,813</u>
Expenses			
General government	4,244,824		4,244,824
Public works	3,400,424		3,400,424
Public safety	7,602,157		7,602,157
Health and welfare	1,585,342		1,585,342
Recreation	191,552		191,552
Conservation	55,050		55,050
Interest on long-term debt	295,168		295,168
Solid waste	-	1,199,725	1,199,725
Total expenses	<u>17,374,517</u>	<u>1,199,725</u>	<u>18,574,242</u>
Increase (decrease) in net assets	<u>\$ 1,707,482</u>	<u>\$ 107,089</u>	<u>\$ 1,814,571</u>

Madison County, Idaho

Management's Discussion & Analysis September 30, 2010

	2009		
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues			
Charges for services	\$ 1,742,689	\$ 1,387,380	\$ 3,130,069
Operating & capital grants & contributions	1,030,014		1,030,014
General revenues			
Property taxes	7,571,356		7,571,356
Public service taxes	2,663,443		2,663,443
Intergovernmental revenues	2,408,781		2,408,781
Investment earnings	136,691		136,691
Other	575,162		575,162
Total revenues	16,128,136	1,387,380	17,515,516
Expenses			
General government	3,659,673		3,660,760
Public works	2,608,868		2,645,596
Public safety	6,280,536		6,281,986
Health and welfare	2,033,133		2,033,133
Recreation	170,644		170,644
Conservation	56,119		56,119
Interest on long-term debt	107,858		68,593
Solid waste	-	1,222,365	1,222,365
Total expenses	14,916,831	1,222,365	16,139,196
 Increase (decrease) in net Assets	 \$ 1,211,305	 \$ 165,015	 \$ 1,376,320

GOVERNMENTAL ACTIVITIES

The County's grant revenues from federal and state sources made up \$6,368,674 or 32% of total governmental revenues. The major recipient of intergovernmental program revenues was public safety.

The Road and Bridge accounted for \$2,566,256 of the \$17,445,184 total expenses for governmental activities, or 15% of total expenses.

Table 3 – for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Madison County, Idaho

Management's Discussion & Analysis September 30, 2010

	Total Cost of Services	Net Cost Of Service
General government	\$ 4,244,824	\$ 4,176,540
Public works	3,400,424	1,981,576
Public safety	7,602,157	5,118,542
Health and welfare	1,585,342	1,246,840
Recreation	191,552	190,669
Conservation	55,050	55,050
Interest on long-term debt	295,168	295,168
Total	<u>\$ 17,374,517</u>	<u>\$ 13,064,385</u>

Charges for services and operating and capital grants of \$4,310,132 (25% of the total costs of services) are received and used to fund the general government expenses of the County. The remaining \$13,064,385 in general government expenses is funded by property taxes, public service taxes, intergovernmental revenues, and other.

Business-type activities

The net assets for business-type activities increased by \$107,089 during 2010 and the major revenue sources were charges for services of \$1,306,814.

FINANCIAL ANALYSIS OF THE COUNTY FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of September 30, 2010, the County's governmental funds reported a combined ending fund balance of \$7,775,366, an increase of \$1,870,186 in comparison with the prior year. Approximately 92% of this total \$7,129,348 constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for a variety of restricted purposes (\$646,018).

The General Fund is the primary operating fund of the County. At the end of 2010, unreserved fund balance was \$902,403. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total expenditures. Unreserved fund balance represents 13% to total General Fund expenditures.

The County's General Fund balance has increased by \$334,884 during fiscal year 2010. That increase was budgeted for.

Madison County, Idaho

Management's Discussion & Analysis September 30, 2010

Enterprise Funds

The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Solid Waste Fund at September 30, 2010, were \$460,651. Unrestricted net assets increased by \$107,089.

BUDGETARY HIGHLIGHTS

By state statute, the Board of County Commissioners adopts the annual operating budget for the County effective the first day of October.

Capital Assets and Debt Administration

Capital Assets – Madison County's investment in capital assets for its governmental and business-type activities as of September 30, 2010, amounts to \$6,510,619 (net of depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure (acquired since September 30, 2003) and construction in progress. (See table below.) The total increase in the County's investments in capital assets for the current fiscal year (including depreciation, additions, and deductions) was 2% (a 3% increase for governmental activities and a 1% decrease for business-type activities).

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 198,000	\$ 198,000	\$107,973	\$ 69,473	\$ 305,973	\$ 267,473
Buildings & improvements	3,940,979	3,661,138	262,974	286,607	4,203,953	3,947,745
Machinery & equipment	1,717,633	2,368,267	253,477	194,685	1,971,110	2,562,952
Infrastructure	29,583	6,311			29,583	6,311
Construction in Progress	-	133,289			-	133,289
Total	\$ 5,886,195	\$ 6,367,005	\$624,424	\$550,765	\$ 6,510,619	\$ 6,917,770

Major capital additions include the various purchases of heavy equipment.

The County has not recorded the infrastructure acquired before October 1, 2003, at this time.

Additional information on Madison County's capital assets can be found in Note 9 to the financial statements for fiscal year 2010.

Long-term Debt – At September 30, 2010, the County had total general obligation debt outstanding of \$2,304,092. The County's long-term debt decreased by \$425,049 or 13% during fiscal year 2010 in a large part explained by the payments of principal on debt.

Madison County, Idaho

Management's Discussion & Analysis September 30, 2010

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Compensated absences & payroll	\$ 688,511	\$ 681,854	\$ 45,885	\$ 52,203	\$ 734,396	\$ 734,057
Capital leases	549,092	794,141			549,092	794,141
Leases			-	29,499	-	29,499
Contracts payable						
Bonds	1,755,000	1,935,000			1,755,000	1,935,000
Total	\$2,992,603	\$3,410,995	\$45,885	\$81,702	\$3,038,488	\$3,492,697

In addition to the bonded debt, the County's long-term obligations include compensated absences and accrued payroll. Note 4 will provide information regarding bonded indebtedness and additional information on the County's long-term debt can be found in Note 5 of this report under the Notes to Financial Statements.

Current Financial Issues and Concerns

Madison County is making long term plans for replacement of our current out-dated telephone system. We are finding that on-going technology presents budgetary challenges to keep equipment up to date. If equipment gets too old, we can no longer get parts to keep it functioning, therefore, reserves need to be kept and some equipment replaced on an annual rotation.

The need to budget and set up reserves for long term data storage has been discussed. Document scanning is a priority as document storage has presented issues within the County. We realize the value in off-site storage and having data backup in case of calamity for court files, recorded documents and other pertinent information.

Over the last few years, huge advances have been made at stabilizing Twin Bridges in Madison County. We continue to seek state and federal participation to find a permanent solution. The long term solution will be to expand the bridge and we will need to seek grants and additional funds to complete this project.

ECONOMIC FACTORS

BYU-Idaho continues to help stabilize the economy due to increased student enrollment. The existing and planned growth at BYU-Idaho continues to have a positive effect.

As the year closes, we anticipate and are hopeful of obtaining a Community Block Grant to develop and beautify a corner lot in Rexburg. The property is under sales agreement in anticipation of a new building. This will create jobs and be a good revenue source for the County.

Madison County, Idaho

Management's Discussion & Analysis *September 30, 2010*

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Madison County Auditor
134 East Main
Rexburg, Idaho 83440

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FINANCIAL SECTION

MADISON COUNTY - STATE OF IDAHO
STATEMENT OF NET ASSETS
September 30, 2010

	GOVERNMENTAL	BUSINESS-		COMPONENT
	ACTIVITIES	TYPE	TOTAL	UNIT
		ACTIVITIES		
ASSETS				
Cash - County Treasurer	\$ 6,117,750	\$ 394,767	\$ 6,512,517	\$ 854,048
Taxes receivable	413,309	-	413,309	-
Receivables	191,415	131,702	323,117	9,975,402
Due from other governmental agencies	1,948,450	-	1,948,450	-
Inventories	-	-	-	2,306,510
Other assets	16,966	-	16,966	552,306
Other assets limited as to use	-	-	-	15,247,194
Capital Assets				
Land and improvements not being depreciated	198,000	107,973	305,973	4,435,049
Infrastructure and infrastructure in progress, net of depreciation	35,616	-	35,616	-
Buildings	8,834,918	-	8,834,918	69,800,555
Equipment and furniture	7,137,672	1,572,449	8,710,121	33,522,995
Construction in progress	-	-	-	-
Less: accumulated depreciation	<u>(10,320,011)</u>	<u>(1,055,998)</u>	<u>(11,376,009)</u>	<u>(32,735,416)</u>
Total Capital Assets	<u>5,886,195</u>	<u>624,424</u>	<u>6,510,619</u>	<u>75,023,183</u>
TOTAL ASSETS	<u>\$ 14,574,085</u>	<u>\$ 1,150,893</u>	<u>\$ 15,724,978</u>	<u>\$ 103,958,643</u>

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
LIABILITIES				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 4,375,888
Warrants payable	386,600	19,933	406,533	-
Deferred revenues	-	-	-	-
Long-term liabilities				
Due within one year				
Bonds, capital leases and contracts	855,040	-	855,040	950,000
Accrued interest	8,799	-	8,799	-
Accrued payroll & comp. absences	577,458	37,709	615,167	-
Accrued landfill closure costs	-	68,640	68,640	-
Due in more than one year				
Bonds, capital leases and contracts	1,449,052	-	1,449,052	55,202,758
Accrued interest	-	-	-	-
Compensated absences	111,053	8,176	119,229	-
TOTAL LIABILITIES	3,388,002	134,458	3,522,460	60,528,646
NET ASSETS				
Invested in capital assets, net of related debt	3,573,304	555,784	4,129,088	18,401,367
Restricted for:				
Debt service	646,018	-	646,018	3,731,343
Unrestricted	6,966,761	460,651	7,427,412	21,297,287
TOTAL NET ASSETS	\$ 11,186,083	\$ 1,016,435	\$ 12,202,518	\$ 43,429,997

MADISON COUNTY - STATE OF IDAHO
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUE		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General Government	\$ 4,244,824	\$ 68,284	\$ -	\$ -
Public Safety	7,602,157	1,781,215	702,400	-
Public Works	3,400,424	-	-	1,418,848
Health, Welfare and Sanitation	1,585,342	338,502	-	-
Culture and Recreation	191,552	883	-	-
Conservation/Economic Development	55,050	-	-	-
Interest on long-term debt	295,168	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	17,374,517	2,188,884	702,400	1,418,848
Business-type activities:				
Solid Waste	1,199,725	1,306,814	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,199,725	1,306,814	-	-
TOTAL PRIMARY GOVERNMENT	\$ 18,574,242	\$ 3,495,698	\$ 702,400	\$ 1,418,848
Component Units				
Madison Memorial Hospital	\$ 52,773,246	\$ 48,729,081	\$ 506,201	\$ -
TOTAL COMPONENT UNITS	\$ 52,773,246	\$ 48,729,081	\$ 506,201	\$ -
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for specific purposes				
Public service taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Miscellaneous				
Special item - gain on sale of assets				
Transfers				
TOTAL GENERAL REVENUES, SPECIAL ITEMS, AND TRANSFERS				
Change in net assets				
Net Assets, October 1, 2009				
NET ASSETS, SEPTEMBER 30, 2010				

**NET (EXPENSE) REVENUE
AND CHANGES IN NET ASSETS**

Primary Government			
Governmental Activities	Business- type Activities	Total	Component Units
\$ (4,176,540)	\$	\$ (4,176,540)	
(5,118,542)		(5,118,542)	
(1,981,576)		(1,981,576)	
(1,246,840)		(1,246,840)	
(190,669)		(190,669)	
(55,050)		(55,050)	
<u>(295,168)</u>		<u>(295,168)</u>	
<u>(13,064,385)</u>		<u>(13,064,385)</u>	
	<u>107,089</u>	<u>107,089</u>	
	<u>107,089</u>	<u>107,089</u>	
<u>(13,064,385)</u>	<u>107,089</u>	<u>(12,957,296)</u>	
			\$ <u>(3,537,964)</u>
			<u>(3,537,964)</u>
3,361,540	-	3,361,540	-
5,079,020	-	5,079,020	-
2,357,827	-	2,357,827	-
3,271,280	-	3,271,280	-
142,860	-	142,860	-
935,201	-	935,201	843,166
-	-	-	-
<u>(375,861)</u>	<u>-</u>	<u>(375,861)</u>	<u>-</u>
<u>14,771,867</u>	<u>-</u>	<u>14,771,867</u>	<u>843,166</u>
1,707,482	107,089	1,814,571	(2,694,798)
<u>9,478,601</u>	<u>909,346</u>	<u>10,387,947</u>	<u>46,124,795</u>
\$ <u><u>11,186,083</u></u>	\$ <u><u>1,016,435</u></u>	\$ <u><u>12,202,518</u></u>	\$ <u><u>43,429,997</u></u>

MADISON COUNTY - STATE OF IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010

	GENERAL FUND	ROAD & BRIDGE	AMBULANCE
ASSETS			
Cash and cash equivalents	\$ 372,806	\$ 1,417,332	\$ 824,126
Investments	-	-	-
Taxes receivable, net	170,756	96,819	23,000
Due from other funds	129,931	-	-
Receivable from other governments	646,323	658,803	7,094
Other receivables	-	-	191,415
Inventories	-	-	-
Prepaid expenses	-	-	-
TOTAL ASSETS	\$ 1,319,816	\$ 2,172,954	\$ 1,045,635
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants payable	\$ 177,871	\$ 74,452	\$ -
Accounts payable	-	-	-
Due to other funds	-	-	-
Payable to other governments	-	-	-
Deferred revenue	125,330	70,854	16,872
Other accrued expenses	114,212	29,966	-
TOTAL LIABILITIES	417,413	175,272	16,872
FUND BALANCES			
Reserved for:			
Debt service	-	-	-
Other purposes	-	-	-
Unreserved	902,403	1,997,682	1,028,763
Unreserved, reported in non-major:			
Special revenue funds	-	-	-
Debt service funds	-	-	-
TOTAL FUND BALANCES	902,403	1,997,682	1,028,763
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,319,816	\$ 2,172,954	\$ 1,045,635

DEBT SERVICE JAIL BOND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 635,718	\$ 2,867,768	\$ 6,117,750
-	-	-
21,952	100,782	413,309
-	-	129,931
4,469	631,761	1,948,450
-	-	191,415
-	-	-
-	-	-
<u>\$ 662,139</u>	<u>\$ 3,600,311</u>	<u>\$ 8,800,855</u>
\$ -	\$ 134,277	\$ 386,600
-	-	-
-	129,931	129,931
-	-	-
16,121	74,109	303,286
-	61,494	205,672
<u>16,121</u>	<u>399,811</u>	<u>1,025,489</u>
646,018	-	646,018
-	-	-
-	-	3,928,848
-	3,200,500	3,200,500
-	-	-
<u>646,018</u>	<u>3,200,500</u>	<u>7,775,366</u>
<u>\$ 662,139</u>	<u>\$ 3,600,311</u>	<u>\$ 8,800,855</u>

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MADISON COUNTY - STATE OF IDAHO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
September 30, 2010

Total fund balance, governmental funds	\$	7,775,366
--	----	-----------

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		5,886,195
---	--	-----------

Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		303,286
--	--	---------

The County issued debt in a previous year and the issuance costs needs to be capitalized net of amortization for the statement of net assets		16,966
--	--	--------

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.		<u>(2,795,730)</u>
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Net Assets of Governmental Activities in the Statement of Net Assets	\$	<u><u>11,186,083</u></u>
--	----	--------------------------

MADISON COUNTY - STATE OF IDAHO
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	GENERAL FUND	ROAD & BRIDGE	AMBULANCE
REVENUES			
Property taxes	\$ 3,594,911	\$ 1,943,501	\$ 486,684
Fees and fines	87,467	-	-
Licenses and permits	1,295,413	-	-
Intergovernmental	1,805,974	1,868,271	22,716
Charges for services	68,284	-	338,502
Investment earnings	142,860	-	-
Miscellaneous	-	54,612	-
	<u>6,994,909</u>	<u>3,866,384</u>	<u>847,902</u>
EXPENDITURES			
Current:			
General government	2,921,977	-	-
Public safety	3,093,894	-	-
Public works	578,481	2,236,813	-
Health and sanitation	15,205	-	827,499
Culture and recreation	-	-	-
Conservation/economic development	50,550	-	-
Debt Service:			
Principal	12,302	232,747	-
Interest and other charges	1,679	38,132	-
Capital outlay	171,402	58,564	17,134
	<u>6,845,490</u>	<u>2,566,256</u>	<u>844,633</u>
Excess (deficiency) of revenues over expenditures	149,419	1,300,128	3,269
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt, net	-	-	-
Transfers in	185,465	-	-
Transfers out	-	(569,578)	-
	185,465	(569,578)	-
SPECIAL ITEM			
Proceeds from sale of assets	-	-	-
Net change in fund balances	334,884	730,550	3,269
Fund Balances, October 1, 2009	<u>567,519</u>	<u>1,267,132</u>	<u>1,025,494</u>
FUND BALANCES, SEPT. 30, 2010	<u>\$ 902,403</u>	<u>\$ 1,997,682</u>	<u>\$ 1,028,763</u>

DEBT SERVICE JAIL BOND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 447,321	\$ 2,201,514	\$ 8,673,931
-	109,319	196,786
-	22,876	1,318,289
17,875	2,653,838	6,368,674
-	1,648,704	2,055,490
-	-	142,860
-	880,589	935,201
<u>465,196</u>	<u>7,516,840</u>	<u>19,691,231</u>
-	1,383,913	4,305,890
-	3,897,772	6,991,666
-	475,493	3,290,787
-	695,704	1,538,408
-	144,995	144,995
-	-	50,550
180,000	-	425,049
254,643	-	294,454
-	156,285	403,385
<u>434,643</u>	<u>6,754,162</u>	<u>17,445,184</u>
30,553	762,678	2,246,047
-	-	-
-	8,252	193,717
-	-	(569,578)
-	8,252	(375,861)
-	-	-
30,553	770,930	1,870,186
<u>615,465</u>	<u>2,429,570</u>	<u>5,905,180</u>
<u>\$ 646,018</u>	<u>\$ 3,200,500</u>	<u>\$ 7,775,366</u>

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MADISON COUNTY - STATE OF 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, 2010

Net change in fund balances - total governmental funds: \$ 1,870,186

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The amount capitalized is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays \$403,385 exceeded depreciation \$622,627 in the current period. (219,242)

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain (loss) on the sale of the assets. -

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. (233,774)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments. 180,000

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds: Net change in accrued expenses. (714)

Governmental funds do not recognize lease payments as expenditures until they are paid. In contrast, the Statement of Activities treats leases payable as a long-term liability. This amount is the net change in the leases payable liability. 245,049

Governmental funds do not recognize compensated absences as expenditures until they are paid. In contrast, the Statement of Activities treats compensated absences as a long-term liability. This amount is the net change in the compensated absence liability. (134,023)

Change in net assets of governmental activities \$ 1,707,482

MADISON COUNTY - STATE OF IDAHO
STATEMENT OF PROPRIETARY NET ASSETS
PROPRIETARY FUND - SOLID WASTE
September 30, 2010

ASSETS

Current Assets

Cash - County Treasurer	\$ 394,767
Taxes receivable-special fee	12,958
Accounts receivable	118,744
Receivables from other agencies	-

Total current assets	<u>526,469</u>
----------------------	----------------

Noncurrent Assets

Land	107,973
Building and equipment	1,572,449
Less accumulated depreciation	<u>(1,055,998)</u>

Total noncurrent assets	<u>624,424</u>
-------------------------	----------------

TOTAL ASSETS	<u>1,150,893</u>
--------------	------------------

LIABILITIES

Current Liabilities

Warrants payable	19,933
Accrued expenses	10,336
Current portion of compensated absences	27,373
Landfill closure liability	<u>68,640</u>

Total current liabilities	<u>126,282</u>
---------------------------	----------------

Long-term Liabilities

Lease payable	-
Compensated absences payable	<u>8,176</u>

Total long-term liabilities	<u>8,176</u>
-----------------------------	--------------

TOTAL LIABILITIES	<u>134,458</u>
-------------------	----------------

NET ASSETS

Investment in capital assets, net of related debt	555,784
Unrestricted	<u>460,651</u>

TOTAL NET ASSETS	<u>\$ 1,016,435</u>
------------------	---------------------

MADISON COUNTY - STATE OF IDAHO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPES - ENTERPRISE - SOLID WASTE
For the Year Ended September 30, 2010

REVENUES, GAINS AND OTHER SUPPORT

Charges for services	\$ 1,247,818
Other revenue	<u>58,996</u>
TOTAL OPERATING REVENUES	<u>1,306,814</u>

EXPENSES

Salaries and wages	483,088
Professional fees	538,333
Supplies and other	2,804
Repairs and maintenance	101,772
Utilities	13,015
Depreciation and amortization	60,713
Provision for uncollectible accounts	-
Landfill closure and post closure expense	-
Miscellaneous	<u>-</u>
TOTAL OPERATING EXPENSES	<u>1,199,725</u>

INCOME (LOSS) FROM OPERATIONS **107,089**

OTHER INCOME (EXPENSE)

Investment income	-
Interest expense	<u>-</u>

NET OTHER INCOME AND EXPENSE **-**

CONTRIBUTIONS AND TRANSFERS

Capital contributions	-
Transfers in	-
Transfers out	<u>-</u>

NET CONTRIBUTIONS AND TRANSFERS **-**

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES **\$ 107,089**

CHANGES IN NET ASSETS

Balance, beginning	\$ 909,346
Excess (deficiency) of revenues over expenses	<u>107,089</u>

ENTERPRISE NET ASSETS - September 30, 2010 **\$ 1,016,435**

MADISON COUNTY - STATE OF IDAHO
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Year Ended September 30, 2010

	PROPRIETARY FUND	COMPONENT UNIT
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from service revenues	\$ 1,278,448	\$ 46,316,049
Cash received from other operating revenues	58,996	-
Cash paid for salaries and benefits	(483,088)	(22,113,132)
Cash paid for supplies, professional fees and other operating expenses	(742,453)	(23,859,975)
Net cash provided by operating activities	111,903	342,942
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from donations and other nonoperating gains	-	-
Net cash provided by noncapital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Net members distribution	-	(159,613)
Purchase of property and equipment	(129,997)	(7,445,233)
Principal payments on long-term debt	-	(910,000)
Principal payments on capital lease obligations	(29,499)	-
Interest paid	-	-
Net cash used in capital and related financing activities	(159,496)	(8,514,846)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(6,437,422)
Disposal of investments	-	15,648,082
Purchase of intangibles in Surgical Center	-	(955,225)
Net cash provided by investing activities	-	8,255,435
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(47,593)	83,531
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	442,360	3,116,685
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 394,767</u>	<u>\$ 3,200,216</u>

**RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

	PROPRIETARY FUND	COMPONENT UNIT
Excess (deficiency) of revenues over expenses	\$ 107,089	\$ (2,576,850)
Adjustments to reconcile loss from operations to net cash provided by operating activities		
Depreciation and amortization	60,713	4,845,145
Loss on investment	-	399,948
Gain on disposal of assets	-	(10,300)
Decrease (increase) in current assets		
Receivables		
Patient accounts, net	-	(537,082)
Other	30,630	1,363,639
Inventories	-	(393,603)
Prepaid expenses	-	47,762
Increase (decrease) in current liabilities		
Accounts payable	(80,211)	(3,199,232)
Payroll and related liabilities	(4,375)	403,515
Accrued vacation	(1,943)	-
Landfill closure liability	-	-
Net cash provided by operating activities	<u>\$ 111,903</u>	<u>\$ 342,942</u>

SCHEDULE OF NONCASH TRANSACTIONS

In-Kind contributions to investments	\$ -	\$ -
Gain on sale of assets transferred to investments	\$ -	\$ -

MADISON COUNTY - STATE OF IDAHO
STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2010

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUNDS
ASSETS		
Cash - County Treasurer	\$ 664,229	\$ 375,459
Taxes receivable	-	547,226
Receivables from other agencies		474,406
TOTAL ASSETS	664,229	1,397,091
LIABILITIES		
Warrants payable	258,253	213,679
Payable to the State of Idaho	-	-
Payable to taxing districts	-	1,183,412
TOTAL LIABILITIES	258,253	1,397,091
NET ASSETS		
Held in trust for individuals, organizations and other governments	\$ 405,976	\$ -

MADISON COUNTY - STATE OF IDAHO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
September 30, 2010

	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS	
Taxes	\$ 204,051
Licenses and permits	2,450,750
Intergovernmental revenues	61,983
Charges for services	-
Fines and forfeitures	2,079,419
Investment interest	-
Misc and contributions	2,787
Transfers from other funds	-
	<hr/>
Total additions	4,798,990
	<hr/>
DEDUCTIONS	
Trust operating expenses	4,828,820
Transfers to other funds	-
	<hr/>
Total deductions	4,828,820
	<hr/>
Change in net assets	(29,830)
Net assets - October 1, 2009	435,806
	<hr/>
Net assets - September 30, 2010	\$ 405,976
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NOTES TO THE FINANCIAL STATEMENTS

MADISON COUNTY - STATE OF IDAHO
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2010

NOTES INDEX

1. Summary of Significant Accounting Policies
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 - C. Discretely Presented Component Unit
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MADISON COUNTY - STATE OF IDAHO
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For the Year Ended September 30, 2010

- 16. Contingent Liabilities
- 17. Joint Ventures
- 18. Accounts Receivable
- 19. Concentration of Credit Risk
- 20. Nonoperating Revenues and Expenses
- 21. Long-Term Receivables
- 22. Component Unit: Net Patient Service Revenue
- 23. Joint Venutire/Jointly Governed Organization

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL

The financial statements listed in the table of contents have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the GASB issued and approved Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments. These statements establish new financial reporting requirements for state and local governments, public colleges, and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Certain significant changes in the statement include the following:

- A Management Discussion and Analysis (MD&A) section provides an analysis of the County's overall financial position and results of operations.
- Financial statements prepared using the full accrual accounting method for all County activities, including infrastructure (roads, bridges, etc.).

The County's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial position.

B. REPORTING ENTITY

Madison County (the County) is governed by a three member Board of County Commissioners (the Board) elected by the voters of Madison County. The Board serves as the taxing authority, the contracting body, and the chief administrators of public services for the County. Other elected officials are the Clerk, Treasurer, Assessor, Sheriff, Prosecutor, Coroner, 1 District Judge, and 1 Magistrate Judge.

The elected officials and their departments comprise the primary government unit for Madison County. As required by GAAP, the financial statements of the reporting entity include those of Madison County (the primary government) and Madison County Memorial Hospital, a component unit. Madison County Memorial Hospital is included as a discretely presented component unit in the reporting entity because of the significance of its financial relationship with the County, as discussed below in the component unit section.

C. DISCRETELY PRESENTED COMPONENT UNIT

In conformity with generally accepted accounting principles, the basic financial statements of Madison Memorial Hospital have been included in the financial reporting entity as a discretely presented component unit, emphasizing their nature as a legally separate entity from the County. It is presented as separate columns within the basic financial statements on the combined financial statements.

The members of the governing board of Madison Memorial Hospital (the Hospital) are approved by the County Commissioners. The County is responsible for general obligation bonds if issued by the Hospital.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Complete financial statements of the individual component unit can be obtained directly from its administrative office located at:

Madison Memorial Hospital
450 East Main
Rexburg, Idaho 83440

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Primary government activities are distinguished between governmental and business-type activities. Government activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Assets presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets: invested in capital assets, net of debt; restricted net assets; or unrestricted net assets. Invested in capital assets, net of related debt, consists of capital assets net of accumulated depreciation and reduced by outstanding debt. Restricted net assets result when constraints placed on net assets use are imposed by third parties, through constitutional provisions, or enabling legislation. Expense allocation decisions are made on a program-by-program basis when both restricted and unrestricted net assets are available. Restricted net asset balance will fluctuate as related accounting transactions occur. Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets may have constraints or designations placed upon them by management, but they can be unilaterally removed.

The statement of activities demonstrates the degree to which the direct expenses of governmental functions, business-type activities, and component units are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific governmental function, business-type activity, or component unit. Revenues are broken out by program and general designations. Program revenues display the extent to which programs are self-funded. Program revenues include 1) charges to (customers or applicants) who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, activity, or component unit, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

E. FUND ACCOUNTING

The County uses funds to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate 'fund types.'

Separate fund financial statements are presented for the governmental, proprietary, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. The emphasis in the fund statements is on major funds. Major governmental and business-type funds are reported as separate columns in the fund statement. The remaining governmental and business-type funds are considered to be nonmajor funds and are consolidated in a nonmajor funds column (on the combined fund statements). The nonmajor funds are displayed individually in combining schedules.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for services that include general government, public safety and corrections, and liability and health insurance. The General Fund includes all financial resources of the general government except those required to be accounted for in another fund.

The Road & Bridge Fund is the fund that accounts for the County's maintenance of the roads and bridges in Madison County. Road & Bridge includes only the financial resources used for road and bridge maintenance.

The Ambulance Fund is the fund that accounts for the County's ambulance services. Ambulance only includes the financial resources used for ambulance services in the County.

The Debt Service-Jail Bond Fund is the fund that accounts for the payment of the bond issue. Jail Bond only includes the financial resources used for debt service in the County.

The County reports the following major proprietary fund:

The Solid Waste Fund accounts for the operation and maintenance of the County's solid waste disposal and landfill.

Governmental Fund Types

Governmental funds account for the County's general activities including current expendable financial resources (except for those accounted for in proprietary funds), and are those through which most governmental functions of the County are financed. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's governmental fund types:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - The Capital Projects Funds are used to account for the financial resources used to acquire major capital assets (other than those financed by proprietary funds).

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources and for the repayment of general long-term debt principal, interest, and related costs. The County transfers money from other funds to pay the bonded indebtedness.

Proprietary Fund Types

Proprietary Funds - Proprietary Funds account for ongoing organizations and activities of a government, which are similar to those found in the private sector. The measurement focus is upon the determination of net income. Madison County has one proprietary fund type, an enterprise fund used to account for solid waste disposal activities.

Enterprise Funds - Enterprise Funds account for operations that meet one of two criteria: 1) the activity runs in a manner similar to private business enterprises. Moreover, the intent of the governing body is that the ongoing operating costs (including depreciation) of providing goods or services to the public are financed or recovered primarily through user charges, or 2) where the governing body has decided that periodic determination of revenues earned, expenses and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund Types

Fiduciary Funds - Fiduciary Funds account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. The reporting focus is on net assets and changes in net assets.

Trust and Agency Funds - Expendable Trust Funds account for funds held in a trustee capacity. The accounting is essentially the same manner used for governmental funds. Agency funds are purely custodial in nature (assets = liabilities) thus do not involve measurement of the results of operations.

F. BASIS OF ACCOUNTING

The County adopted GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, during the fiscal year ended September 30, 2003. The adoption of this statement is meant to present the information in a format more closely resembling that of the private sector and to provide the user with more managerial analysis regarding the financial results and the County's financial outlook.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include intergovernmental revenues (including state and federal grants) and charges for current services. Other revenues including licenses, permits, fines, forfeitures, and miscellaneous are not measurable until received; therefore, recognition occurs upon collection. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to debt service, compensated absences, and claims and judgments, are recorded only when payment is due.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the revenue is recorded and the deferred revenue liability is reduced.

The proprietary fund is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of the fund are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital, if applicable, and retained earnings components. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net total assets. The County follows all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, except those that conflict with pronouncements of the Governmental Accounting Standards Board, in accounting and reporting for its enterprise fund operations.

The proprietary fund is accounted for using the accrual basis of accounting. Revenue recognition occurs in the accounting period in which they are both earned and become measurable. Expenditure recognition is in the period incurred, if measurable. The proprietary fund distinguishes operating revenues and expenses as the revenues and expenses generally resulting from provision of services in connection with the operation of waste disposal. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The agency funds are accounted for on the accrual basis of accounting. The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). 'Measurable' means the amount of the transaction can be determined and 'available' means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

G. PROPERTY TAXES

The County levies property taxes on or before the third Monday in September and billings are sent to the taxpayers in November. The taxes are due in two installments. One-half of the real property taxes and all of the personal property taxes are due by December 20. The remainder is due by the following June 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment role as delinquent on the first day of January of the succeeding year. In accordance with applicable GAAP standards, we record the property taxes collected within the sixty days following the fiscal year closing, as revenue for the period ending September 30. The related property tax levy occurred in the prior year(s). Deferred revenues include the balance of delinquent taxes, which are those not collected within the sixty-day period.

H. BUDGETS

The fiscal year for Idaho counties begins on October 1, and runs through September 30 of the ensuing calendar year. By state law, the County is required to adopt annual budgets for all funds except trust and agency funds, and does so.

Madison County employs formal budgetary accounting as a management control. The Board of County Commissioners (BOCC) adopts the annual budget via resolution and formally integrates the budget in the accounting system. The annual budget is prepared and adopted on a cash basis. Budgets for governmental funds are prepared in accordance with the cash basis, which is not the same accounting basis used to reflect actual revenues and expenditures. The enterprise fund budget is prepared on the cash basis of accounting, which is not the same basis that we use to recognize revenues and expenses.

The level of budgetary control at which expenditures may not exceed appropriations is the department level. Management can revise the budget to meet unanticipated events, but not increase the overall budget after adoption. The one budget revision exclusion is the transfer of funds between personnel and non-personnel costs. The County may only increase the total appropriations budget through the receipt of unanticipated revenue. Budget increases can only occur after advertising the proposed change, holding a public hearing, and a subsequent resolution of the BOCC.

All appropriations, other than appropriations for incomplete capital improvements, lapse at the end of the fiscal year. Appropriation accounts remain open until the first Monday in November for the payment of claims incurred against such appropriations before the close of the fiscal year. Payment of any lawful claim presented after that day comes out of the ensuing budget.

All balances in any appropriation for incomplete capital improvements carry forward and integrate into the budget for the ensuing year.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. CASH AND INVESTMENTS

Cash includes amounts in demand as well as short-term investments with a maturity date within three months of the date acquired by the County.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

J. RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds and the General Fund for goods provided or services rendered. These receivables and payables are classified as 'due from other funds' or 'due to other funds' on the balance sheet. See Note 6 for interfund activity schedule.

Receivables in the General Fund consist primarily of fees for services and property tax. Business-type activities are reported net of an allowance for doubtful accounts. Business type receivables occur as part of the ordinary course of business.

K. CAPITAL ASSETS

Capital assets, including land, buildings and improvements, and equipment assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Buildings and improvements and equipment assets are depreciated using the straight-line depreciation method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Equipment	3-15
Vehicles	3-4
Infrastructure	15-50

Infrastructure (roads and bridges) is presented for additions since September 30, 2002.

L. COMPENSATED ABSENCES

Government Accounting Standards Board codification specifies that a liability should be accrued for leave benefits that meet the following conditions:

- a. The employer's obligation relative to employee rights to receive compensation for future absences is attributable to employee services already rendered.
- b. The obligation related to rights that vest or accumulate.
- c. Payment of the obligation is probable.
- d. The amount can be reasonably estimated.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County records a liability for accrued vacation and sick time when incurred in the government-wide, proprietary, and fiduciary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The County uses the vesting method to calculate the compensated absence liability.

In proprietary funds, compensated absences are expensed when earned. The entire amount of compensated absences is reported as a liability.

At September 30, 2010, total compensated absences payable by the County is \$518,408. Of this amount, \$482,859 arises from governmental activity operations, and \$35,549 is attributable to business activity operations.

M. LONG-TERM OBLIGATIONS.

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Long-term liabilities to be repaid or financed by proprietary fund operations are accounted for in the proprietary fund.

N. PREPAYMENTS AND DEFERRALS

The County utilizes the nonallocation method of accounting for prepayments and deferrals. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

O. CAPITALIZATION OF INTEREST

County policy is to capitalize net interest on proprietary fund construction projects until substantial completion of the project. Capitalized interest is amortized over the estimated useful life of the asset on the same basis as the asset.

P. FUND EQUITY

Fund equity represents the difference between fund assets and fund liabilities. For governmental and fiduciary fund types the equity position is called fund balance, while for proprietary fund types that operate on a business basis it is called retained earnings. Contributed capital is also recorded in proprietary funds, which represents cash from other funds. Fund equity is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted resources are used first to fund appropriation.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. RISK MANAGEMENT

The County is exposed to a considerable number of risks of loss, including: a) damage to and loss of property and contents; b) employee torts; c) professional liability, i.e. errors and omissions; d) environmental damage; e) workers' compensation, i.e. employee injuries; and f) medical insurance costs of employees. Commercial policies, transferring the risks of loss, except for relatively small deductible amounts, are purchased for property and content damage, employee torts, and professional liabilities. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

R. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the County to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The County in effect maintains a cash and investment pool that is available to funds as allocated. Cash deposits and cash investments by the County Treasurer (including \$5,070 petty cash) as of September 30, 2010 totaled \$7,552,247 of which \$5,718,988 represent demand and savings deposits and CD's and \$1,833,259 represented investments in government backed securities. Of the total deposits for the County, \$6,512,517 was allocated to governmental funds.

The deposits and simple investments by the County are not collateralized nor are they required to be by Idaho State statute.

The County follows the requirements of the Idaho Public Depository Law (Idaho Code Section, Title 57-100), and applicable investments rights and restrictions cited by Idaho Code Section, Title 67, 67-1210.

Deposits

At year end, the carrying amount of the County's deposits in financial institutions was \$5,718,988 and the bank balance was \$5,431,033. The amount not covered by FDIC insurance was \$5,101,787.

Investments

The fair value of the County's investments at year end was \$1,814,505. The amount not covered by SPIC or FDIC insurance was \$775,908.

Custodial Credit Risk-Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of September 30, 2010, \$5,101,787 of the government's bank balance of \$5,431,033 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized of \$5,101,787 for a total of \$5,101,787.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

At year end, the County had the following investments and maturities:

Investment Type	Fair Value	< 1 year	1-5 years	> 5 years	Cost	Rating	%
FHLMC	\$ 899,934	\$ 7,923	\$ 167,753	\$ 724,258	\$ 920,093	S&P AAA	49.6%
FHLB	101,220	-	-	101,220	101,408	S&P AAA	5.6%
FNMA	187,162	-	-	187,162	184,854	S&P AAA	10.3%
Tennessee VY	35,253	-	-	35,253	34,294	S&P AAA	1.9%
Certificates of Deposits	590,936	108,891	482,045	-	592,610	Not Rated	32.6%
Total Investments	<u>\$ 1,814,505</u>	<u>\$ 116,814</u>	<u>\$ 649,798</u>	<u>\$ 1,047,893</u>	<u>\$ 1,833,259</u>		<u>100.00%</u>

Component Unit:

The Hospital is authorized under Idaho Code to invest in cash, certificates of deposit, U.S. Government securities, commercial paper, and repurchase agreements. All investments must be held by or registered in the name of the Hospital.

Cash balances of most of the Hospital funds are invested. The Hospital maintains two primary checking accounts and other miscellaneous accounts with local banks where a minimum balance is maintained. These accounts invest in time certificates of deposit, local government tax anticipation notes, federal loans, U.S. treasury notes and other U.S. governmental securities. Information regarding insurance or collateralization of amounts invested in the pooled accounts is not available. All funds are invested in investments that meet the requirements of state law.

The Hospital's cash accounts are insured through the Federal Deposit Insurance Corporation up to \$250,000 per depository.

The Hospital adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures* for the year ended September 30, 2010. This statement establishes and modifies disclosure requirements related to investment and deposit risk; accordingly, the note disclosures on cash and investments are in conformity with provisions of GASB Statement No. 40.

Deposits-At September 30, 2010 the carrying amounts of the Hospital's deposits were \$3,967,824 and the bank balances totaled \$5,136,102. Of the bank balances \$5,133,176 were insured.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Custodial Credit Risk, Deposits-Custodial credit risk is the risk that in the event of a bank failure, the Hospital's deposits may not be returned. As of September 30, 2010, \$2,926 of the total deposits of \$5,133,176 were not covered by federal depository insurance, and thus were exposed to custodial credit risk.

Investments-As of June 30, 2010 the Hospital had the following investments and maturities:

Investment Type	Fair Value	< 1 year	1-5 years	6-10 years	>10 years
Corporate Bonds	\$ 1,085,318	\$ 961,952	\$ 123,366	\$ -	\$ -
Municipal Bonds	145,144	45,011	100,133	-	-
US Treasuries	3,814,367	3,814,367	-	-	-
US Agencies	6,026,827	3,656,257	2,339,932	-	30,638
State Pool	285,317	285,317	-	-	-
Total Invest.	<u>\$11,356,973</u>	<u>\$ 8,762,904</u>	<u>\$ 2,563,431</u>	<u>\$ -</u>	<u>\$ 30,638</u>

3. PROPERTY TAXES

In accordance with Idaho State Law, ad valorem property tax is levied in dollars in September for each calendar year. Taxes are recorded by the County using the modified accrual basis of accounting. Levies are made on the second Monday of September. All of the personal property tax and one-half of the real property tax are due on or before December 20. The remaining one-half of the real property tax is due on or before June 20 of the following year. Property taxes attach as an enforceable lien on property as of January 1 of the following year. Notice of foreclosure is filed with the County clerk on property three years from the date of delinquency. The property tax revenue is budgeted for the ensuing fiscal year.

4. BONDS PAYABLE

In June of 2003, the County issued refunding bonds in the amount of \$3,355,000 to refinance the General Obligation Bonds dated September 12, 1995 for the jail construction and renovation. Principal and interest on the bonds are payable February 1 and August 1 (interest payable February 1 and August 1 of each year is computed at various rates from 2.0% to 3.3%).

In a prior year, the County defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt is not included in these financial statements. Outstanding at September 30, 2010 is the General Obligation Bonds, 1995 series in the amount of \$1,900,000, which is considered defeased.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

4. BONDS PAYABLE (Continued)

Principal is due August 1, of each year in the following amounts over the remaining life of the bonds.

Year Ended September 30,	2003 Refunding Bonds	Interest	Total Principal and Interest
2011	\$ 385,000	\$ 53,693	\$ 438,693
2012	400,000	42,143	442,143
2013	410,000	30,143	440,143
2014	425,000	17,843	442,843
2015	135,000	4,455	139,455
2016	-	-	-
Total	<u>\$ 1,755,000</u>	<u>\$ 148,277</u>	<u>\$ 1,903,277</u>

5. GENERAL LONG-TERM OBLIGATIONS

Long-term Obligation Activity:

General long-term obligations of the County include capital leases and other debt, including leases and contracts payable. During the year ending September 30, 2010, the following changes occurred in general long-term debt:

	Balance 9/30/2009	Additions	Deletions	Balance 9/30/2010	Amounts due within one year
Governmental activities					
Bonds payable	\$ 1,935,000	\$ -	\$ 180,000	\$ 1,755,000	\$ 385,000
Compensated absences	477,518	5,341	-	482,859	371,786
Capital leases	794,141	-	245,049	549,092	325,992
Leases	-	-	-	-	-
Contracts payable	-	-	-	-	-
Total governmental act.	<u>\$ 3,206,659</u>	<u>\$ 5,341</u>	<u>\$ 425,049</u>	<u>\$ 2,786,951</u>	<u>\$ 1,082,778</u>
Business activities					
Compensated absences	\$ 37,492	\$ -	\$ 1,943	\$ 35,549	\$ 27,373
Capital leases	29,499	-	29,499	-	-
Total business act.	<u>\$ 66,991</u>	<u>\$ -</u>	<u>\$ 31,442</u>	<u>\$ 35,549</u>	<u>\$ 27,373</u>

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

5. GENERAL LONG-TERM OBLIGATIONS (Continued)

Capital Leases:

Capital equipment leases are arranged through lease financing agreements with Wells Fargo, Zions Bank, Summit National Bank, US Bank, Citizens Community Bank, Citicapital Commercial Corporation, and Caterpillar Financial Services. The arrangements provide for an initial down payment with annual payments varying from three to five years and interest ranging from 3.60% to 6.95%. There were no capital lease additions for equipment during the year ended September 30, 2010. All new additions to property, plant, and equipment are financed through current revenues.

Two trailers were acquired with lease purchase agreements through Zions Bank. Interest is fixed at 4.37% for the term of the lease, which runs through 2011.

The schedule below is an analysis of assets under capital leases as of September 30, 2010:

	Governmental Activities	Business-type Activities	Capital Assets Under Capital Leases
Building and Improvements	\$ -	\$ -	\$ -
Machinery, equipment, and other	1,404,663	-	1,404,663
Total assets under capital leases	<u>\$ 1,404,663</u>	<u>\$ -</u>	<u>\$ 1,404,663</u>

Obligations of governmental activities under capital leases and contracts as of September 30, 2010, are as follows:

Year Ended September 30,	Principal	Interest	Total
2011	\$ 325,992	\$ 27,284	\$ 353,276
2012	60,896	11,080	71,976
2013	162,203	8,145	170,348
2014	-	-	-
2015	-	-	-
Total	<u>\$ 549,091</u>	<u>\$ 46,509</u>	<u>\$ 595,600</u>

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

5. GENERAL LONG-TERM OBLIGATIONS (Continued)

Debt service for governmental fund types is budgeted and expended from the fund to which the debt belongs. The majority of long-term debt belongs to the general fund, and is paid from that fund when due.

Component Unit:

The financial information in this report for the fiscal year ending September 30, 2010, includes discretely presented financial information from the component unit, Madison Memorial Hospital. The long-term debt for the year ended September 30, 2010, for the Hospital is \$53,270,000. The capital lease obligations, net of current maturities, is \$52,320,000 at September 30, 2010.

6. INTERFUND RECEIVABLES AND PAYABLES/ INTERFUND TRANSFERS

The interfund balances at September 30, 2010, amount to:

General interfund receivable	\$ 129,931
Nonmajor governmental funds interfund payable-Upper Valley Crime Task Force	\$ (25,082)
-Federal & State Grants	\$ (104,849)

The receivable and payable consist of the General Fund covering a deficit cash balance in the Upper Valley Crime Task Force Fund and Federal & State Grants Fund.

Transfers were made to transfer money to the various funds.

The following transfers were made:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 185,465	\$ -
Road & Bridge	-	569,578
Other governmental funds	8,252	-
Fiduciary Funds-Agency Funds	<u>375,861</u>	<u>-</u>
Total	<u>\$ 569,578</u>	<u>\$ 569,578</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

7. RETIREMENT PLANS

The Public Employee Retirement System of Idaho – The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system of eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. 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 of the highest consecutive 42 months.

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

The contribution requirements of Madison County and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2010, the required contribution rate as a percentage of covered payroll for members was 6.23% for general members and 7.69% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. Madison County's contributions required and paid were \$651,150, \$652,190, and \$618,132 for the three years ended September 30, 2010, 2009, and 2008 respectively.

Component Unit:

The Hospital has a defined-contribution retirement plan covering all eligible employees. It is called the Madison Memorial Hospital Money Purchase Pension Plan administered by Linsco Private Ledger. Employees are eligible when they have rendered 1,000 hours of service and are of age 21. Employees are not allowed to make deferral contributions to the plan.

The Hospital contributes an amount equal to 6% of the participating employee's pre-tax contribution. Contributions by the Hospital to the plan totaled \$750,257 for the year ended September 30, 2010.

8. CONTINGENCIES

Various claims and lawsuits are pending against the County. These claims and lawsuits are presently handled by the County's insurance company and the probability of potential loss in excess of insurance coverage is remote.

Component Unit:

The Hospital is currently a defendant in several civil lawsuits and tort claims, the outcomes of which are not known. The Hospital denies liability and is defending against the allegations. The Hospital is unable to determine the amounts at risk in these claims.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

9. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 was as follows:

	Balance 10/01/09	Additions	Deletions	Balance 9/30/10
Governmental Activities				
Capital assets, being depreciated				
Buildings and improvements	\$ 8,298,817	\$ 536,101	\$ -	\$ 8,834,918
Machinery and equipment	7,429,024	244,749	(536,101)	7,137,672
Infrastructure	10,916	24,700	-	35,616
Total capital assets, being depreciated	15,738,757	805,550	(536,101)	16,008,206
Less accumulated depreciation for				
Buildings and improvements	(4,637,679)	(256,260)	-	(4,893,939)
Machinery and equipment	(5,060,757)	(359,282)	-	(5,420,039)
Infrastructure	(4,605)	(1,428)	-	(6,033)
Total accumulated depreciation	(9,703,041)	(616,970)	-	(10,320,011)
Total capital assets, being depreciated, net	6,035,716	188,580	(536,101)	5,688,195
Capital assets, not being depreciated				
Land	198,000	-	-	198,000
Construction in progress	133,289	-	(133,289)	-
Total capital assets, not being depreciated	331,289	-	(133,289)	198,000
Government activity capital assets, net	<u>\$ 6,367,005</u>	<u>\$ 188,580</u>	<u>\$ (669,390)</u>	<u>\$ 5,886,195</u>

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

9. CAPITAL ASSETS (Continued)

	Balance 10/01/09	Additions	Deletions	Balance 9/30/10
Business-type Activities (Solid Waste)				
Capital assets, being depreciated				
Buildings and improvements	\$ 666,554	\$ -	\$ -	\$ 666,554
Machinery and equipment	906,414	133,936	(134,455)	905,895
Total capital assets, being depreciated	1,572,968	133,936	(134,455)	1,572,449
Less accumulated depreciation for				
Buildings and improvements	(379,947)	(23,633)	-	(403,580)
Machinery and equipment	(711,729)	(37,080)	96,391	(652,418)
Total accumulated depreciation	(1,091,676)	(60,713)	96,391	(1,055,998)
Total capital assets, being depreciated, net	481,292	73,223	(38,064)	516,451
Capital assets, not being depreciated				
Land	69,473	38,500	-	107,973
Business-type activity capital assets, net	<u>\$ 550,765</u>	<u>\$ 111,723</u>	<u>\$ (38,064)</u>	<u>\$ 624,424</u>

Depreciation expense was charged to current function of the primary government as follows:

Governmental Activities	
General Government	\$ 54,028
Health and Welfare	-
Public Safety	335,741
Public Works	180,024
Recreation	47,177
Total Governmental Activities	<u>\$ 616,970</u>
Business-type Activities	
Solid Waste	\$ 60,713
Total Business-type Activities	<u>\$ 60,713</u>

The County commissioned Valuations Northwest, an independent appraisal service, to compile a detailed record of the fixed assets for the County. The appraisal report established a detailed record as of June 24, 2002. The amount carried in the capital assets includes assets listed in the appraisal report including equipment, buildings, and transportation equipment, plus assets acquired after the date of the report. The infrastructure (i.e. roads and bridges) has been added if acquired after September 30, 2002. The County has not included infrastructure acquired prior to that date.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

10. WARRANTS PAYABLE

The County pays its claims by issuing a warrant ordering the County treasurer to pay for the warrant upon presentation. Warrants issued but not yet presented for payment are reported as warrants payable.

11. FUND EQUITY/NET ASSETS

Fund equity/net assets are divided into multiple designations.

Unrestricted net assets- No restriction. This is used for the proprietary fund.

Unreserved - Assigned Future Expenditures. This fund equity is assigned for future expenditures mainly for the general revenue fund, special revenue funds, capital project funds, and expendable trust funds.

Net assets invested in capital assets, net of related debt - This is used by the proprietary fund.

Reserved - This is used for fund equity including reservations for debt, snowmobile and interlock.

12. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The County funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in fixed annuity contracts administered by PEBSCO Deferred Compensation Plan Administrator.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

The County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

13. CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that Madison County, Idaho place a final cover on its Non-Municipal Solid Waste Site (NMSWS) when closed. The NMSWS is classified as a C and D site which only accepts certain types of refuse like trees, shrubs, wood, and concrete but no household refuse. In addition to operating expenses related to current activities of the NMSWS, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the NMSWS no longer accepts waste. The recognition of these NMSWS closure and post closure care costs is based on the amount of NMSWS used during the year. The estimated liability for NMSWS closure and post closure care costs has a balance of \$68,640 as of September 30, 2010, which is based on 22% usage (filled) of the NMSWS. It is estimated that an additional \$243,360 will be recognized as closure and post closure care expenses between the date of the balance sheet and the date the NMSWS is expected to be filled to capacity (2026). The estimated total current cost of the NMSWS closure and post closure care (\$312,000) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the NMSWS were acquired as of September 30, 2010. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

14. DEFICIT FUND BALANCES

The County had the following deficit fund balances at September 30, 2010:

Upper Valley Crime Task Force \$ 25,493

15. BUDGET TO ACTUAL COMPARISON

The budgets are prepared prior to the end of the year. Available cash is estimated and included in the budget. The budgets are prepared on a cash basis. The following schedule shows the reconciliation between budget basis and modified accrual basis:

	General	Road & Bridge	Ambulance	Jail Bond
Budget basis revenues over expenditures after other financing sources (uses)	\$ 251,207	\$ 418,559	\$ (21,381)	\$ 28,361
Revenue accruals	168,876	310,705	24,650	2,192
Expenditure accruals	(85,199)	1,286	-	-
Revenue over (under) expenditures, modified accrual basis	<u>\$ 334,884</u>	<u>\$ 730,550</u>	<u>\$ 3,269</u>	<u>\$ 30,553</u>

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

16. CONTINGENT LIABILITIES

The County participates in a number of federally assisted grant programs. The audits of these programs have been completed in compliance with single audit requirements. The County appears to be meeting the grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in several lawsuits. Although the outcome of the lawsuits is not presently determinable, in the opinion of the County attorney the resolution of these matters will not have a material effect on the financial condition of the County.

17. JOINT VENTURES

The County has entered into a joint venture, with Fremont, Teton, Clark, and Jefferson Counties, to construct and maintain a Five County Juvenile Detention Center. The construction of the Juvenile Detention Center was completed in 2003. The joint venture's new facility cost \$3,933,020 and has a debt of \$2,761,155 for which the counties are jointly liable. The previous building is located in Madison County and has been converted to a women's facility. Madison County is reimbursing the other counties for their interest in the building by allowing them to pay a reduced fee for housing inmates in this facility beginning in the 2004 fiscal year.

Fremont County is currently the trustee for all funds although Madison County was previously. The Detention Center is included in Fremont County's audit.

The operation of the Five County Juvenile Detention Center is funded by the five counties based on a predetermined percent.

Madison County's share of operation expenses in 2010 was \$411,055. The expense was paid out of the District Court special revenue fund. Total expenses for the Detention Center were \$1,958,199 for the fiscal year ended September 30, 2010.

In addition to the Five County Juvenile Detention Center, the County has entered into a joint venture with the City of Rexburg and the Fire District to construct and maintain an ambulance building. Construction was completed March 1999. The operation of the Ambulance building will be funded by the Fire District, City of Rexburg, and Madison County. The operational funds will be accounted for by the City of Rexburg. A quarterly reconciliation was completed for all expenses associated with the ambulance and fire station, and each entity will be responsible for their share of the total expenses. From October 2009 to September 2010 Madison County's share consisted of all expenses attributed to the ambulance which totaled \$844,633.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

17. JOINT VENTURES (Continued)

The Archer Fire Station was completed in 2002 by Madison County using County and grant funds. It is owned by the County and managed by the Madison Fire District, a separate entity.

18. ACCOUNTS RECEIVABLE

The County has no allowance for uncollectible accounts.

Component Unit:

Receivables at September 30, 2010, include the following:

Patients and third party payers	\$ 13,338,075
Less allowance for doubtful accounts	<u>(5,468,453)</u>
Total	<u><u>\$ 7,869,622</u></u>

19. CONCENTRATION OF CREDIT RISK

Component Unit:

The Hospital is engaged in providing medical services to individuals throughout the Upper Snake River Valley. Fluctuations in the economy in the area can affect the profit of the Hospital. Financial instruments that potentially subject the Hospital to concentrations of credit risk consist principally of accounts receivable, which are carefully monitored to reduce such risk.

20. NONOPERATING REVENUES AND EXPENSES

Component Unit:

Nonoperating revenues and expenses for the year ended September 30, 2010, is as follows:

Interest income and finance charges	\$ 832,669
Contributions and grants	506,201
Other income	10,497
Interest expense	<u>(2,782,210)</u>
Total nonoperating revenues and expenses	<u><u>\$(1,432,843)</u></u>

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

21. LONG-TERM RECEIVABLES

Component Unit:

The long-term receivables are from individuals. They are due within three years of the origination of the note with provisions of penalty for nonrepayment.

Long-term receivables	\$ 143,329
Less current portion	<u>(63,329)</u>
Long-term receivables net of current portion	<u>\$ 80,000</u>

22. COMPONENT UNIT: NET PATIENT SERVICE REVENUE

A summary of gross and net patient service revenue for the year ended September 30, 2010 is as follows:

Gross patient service revenue	\$ 72,379,432
Deductions from revenue	
Medicare contractual adjustment	11,329,125
Medicaid contractual adjustment	4,766,068
Other deductions	<u>8,382,647</u>
	<u>24,477,840</u>
Net patient service revenue	<u>\$ 47,901,592</u>

23. JOINT VENTURE/JOINTLY GOVERNED ORGANIZATION

Madison County, along with three other counties, created the Eastern Idaho Regional Solid Waste District, a separate government entity. One commissioner from each county serves on the board. Clark County is where the project will be located and has spent \$178,862 as funding for the District's start-up costs. The District will repay the County through grants they receive and a revenue bond. None of the counties will be responsible for any debt or financial claims against the District.

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REQUIRED SUPPLEMENTARY INFORMATION

MADISON COUNTY - STATE OF IDAHO
BUDGET AND ACTUAL (WITH VARIANCES) - CASH BASIS
GENERAL FUND
For the year ended September 30, 2010

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 3,551,032	\$ 3,551,032	\$ 3,641,530	\$ 90,498
Licenses and permits	1,400,000	1,400,000	1,295,316	(104,684)
Intergovernmental revenues	1,994,406	1,994,406	1,621,239	(373,167)
Charges for services	20,000	20,000	18,381	(1,619)
Fines and forfeitures	90,000	90,000	87,467	(2,533)
Investment interest	140,000	140,000	142,860	2,860
Misc. and contributions	20,000	20,000	19,240	(760)
	<u>7,215,438</u>	<u>7,215,438</u>	<u>6,826,033</u>	<u>(389,405)</u>
EXPENDITURES				
Current:				
General government	3,146,593	3,146,593	2,935,958	210,635
Public safety	3,233,602	3,233,602	3,080,664	152,938
Public health	19,465	19,465	15,205	4,260
Street and public improvement	435,974	435,974	368,474	67,500
Parks, recreation, public property	215,443	215,443	210,007	5,436
Conservation/Economic development	53,861	53,861	50,550	3,311
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	<u>110,500</u>	<u>110,500</u>	<u>99,433</u>	<u>11,067</u>
	<u>7,215,438</u>	<u>7,215,438</u>	<u>6,760,291</u>	<u>455,147</u>
Revenues over (under) expenditures	-	-	65,742	\$ <u>65,742</u>
Estimated beginning cash balance	<u>-</u>	<u>-</u>	<u>-</u>	
Excess (deficiency) of revenues and cash balance over expenditures	\$ <u>-</u>	\$ <u>-</u>	65,742	
OTHER FINANCING SOURCES (USES)				
Transfers in			185,465	
Transfers out			-	
NET INCREASE (DECREASE) IN REVENUE ACCRUALS			168,876	
NET (INCREASE) DECREASE IN EXPENDITURE ACCRUALS			<u>(85,199)</u>	
Net change in fund balances			334,884	
Fund Balances, October 1, 2009			<u>567,519</u>	
FUND BALANCES, SEPT. 30, 2010			\$ <u>902,403</u>	

MADISON COUNTY - STATE OF IDAHO
BUDGET AND ACTUAL (WITH VARIANCES) - CASH BASIS
ROAD AND BRIDGE
For the year ended September 30, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET-
			BUDGETARY	POSITIVE
			BASIS	(NEGATIVE)
REVENUES				
Taxes	\$ 2,187,621	\$ 2,187,621	\$ 1,930,451	\$ (257,170)
Licenses and permits	-	-	-	-
Intergovernmental revenues	908,929	908,929	1,001,038	92,109
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment interest	-	-	-	-
Misc. and contributions	60,000	60,000	54,612	(5,388)
	<u>3,156,550</u>	<u>3,156,550</u>	<u>2,986,101</u>	<u>(170,449)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public health	-	-	-	-
Street and public improvement	3,000,701	3,000,701	2,508,978	491,723
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	57,193	57,193	58,564	(1,371)
	<u>3,057,894</u>	<u>3,057,894</u>	<u>2,567,542</u>	<u>490,352</u>
Revenues over (under) expenditures	98,656	98,656	418,559	\$ <u>319,903</u>
Estimated beginning cash balance	-	-	-	
Excess (deficiency) of revenues and cash balance over expenditures	\$ <u>98,656</u>	\$ <u>98,656</u>	418,559	
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases			-	
Transfers in			-	
Transfers out			-	
NET INCREASE (DECREASE) IN REVENUE ACCRUALS			310,705	
NET (INCREASE) DECREASE IN EXPENDITURE ACCRUALS			<u>1,286</u>	
Net change in fund balances			730,550	
Fund Balances, October 1, 2009			<u>1,267,132</u>	
FUND BALANCES, SEPT. 30, 2010			\$ <u>1,997,682</u>	

MADISON COUNTY - STATE OF IDAHO
BUDGET AND ACTUAL (WITH VARIANCES) - CASH BASIS
AMBULANCE
For the year ended September 30, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET-
			BUDGETARY	POSITIVE
			BASIS	(NEGATIVE)
REVENUES				
Taxes	\$ 504,162	\$ 504,162	\$ 486,207	\$ (17,955)
Licenses and permits	-	-	-	-
Intergovernmental revenues	20,000	20,000	22,657	2,657
Charges for services	451,267	451,267	314,388	(136,879)
Fines and forfeitures	-	-	-	-
Investment interest	-	-	-	-
Misc. and contributions	-	-	-	-
	<u>975,429</u>	<u>975,429</u>	<u>823,252</u>	<u>(152,177)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public health	918,295	918,295	827,499	90,796
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	<u>57,134</u>	<u>57,134</u>	<u>17,134</u>	<u>40,000</u>
	<u>975,429</u>	<u>975,429</u>	<u>844,633</u>	<u>130,796</u>
Revenues over (under) expenditures	-	-	(21,381)	<u><u>\$ (21,381)</u></u>
Estimated beginning cash balance	<u>-</u>	<u>-</u>	<u>-</u>	
Excess (deficiency) of revenues and cash balance over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	(21,381)	
OTHER FINANCING SOURCES (USES)				
Transfers in			-	
Transfers out			-	
NET INCREASE (DECREASE) IN REVENUE ACCRUALS			24,650	
NET (INCREASE) DECREASE IN EXPENDITURE ACCRUALS			<u>-</u>	
Net change in fund balances			3,269	
Fund Balances, October 1, 2009			<u>1,025,494</u>	
FUND BALANCES, SEPT. 30, 2010			<u><u>\$ 1,028,763</u></u>	

MADISON COUNTY - STATE OF IDAHO
BUDGET AND ACTUAL (WITH VARIANCES)-CASH BASIS
DEBT SERVICE-JAIL BOND
For the year ended September 30, 2010

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET-
	ORIGINAL	FINAL	BUDGETARY BASIS	POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 440,193	\$ 440,193	\$ 445,129	\$ 4,936
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	17,875	17,875
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment interest	-	-	-	-
Misc. and contributions	-	-	-	-
	<u>440,193</u>	<u>440,193</u>	<u>463,004</u>	<u>22,811</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public health	-	-	-	-
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Debt Service:				
Principal	435,143	435,143	180,000	255,143
Interest and other charges	-	-	254,643	(254,643)
Capital outlay	-	-	-	-
	<u>435,143</u>	<u>435,143</u>	<u>434,643</u>	<u>500</u>
Revenues over (under) expenditures	5,050	5,050	28,361	<u>\$ 23,311</u>
Estimated beginning cash balance	-	-	-	
Excess (deficiency) of revenues and cash balance over expenditures	<u>\$ 5,050</u>	<u>\$ 5,050</u>	28,361	
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases			-	
Transfers in			-	
Transfers out			-	
NET INCREASE (DECREASE) IN REVENUE ACCRUALS			2,192	
NET (INCREASE) DECREASE IN EXPENDITURE ACCRUALS			-	
Net change in fund balances			30,553	
Fund Balances, October 1, 2009			<u>615,465</u>	
FUND BALANCES, SEPT. 30, 2010			<u>\$ 646,018</u>	

MADISON COUNTY - STATE OF IDAHO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2010

1. The legally adopted budget for Madison County – State of Idaho is based on the cash basis of accounting.
2. The difference between the cash basis of accounting and the modified accrual basis of accounting is reconciled at the bottom of each individual Budget to Actual (With Variances) statement.

SUPPLEMENTARY INFORMATION

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2010

	DISTRICT COURT	FAIR GROUNDS & BUILDINGS	HEALTH DISTRICT	INDIGENT AND CHARITY
ASSETS				
Cash - County Treasurer	\$ 394,494	\$ 13,651	\$ 27,341	\$ 461,234
Taxes receivable	26,261	4,160	7,831	12,258
Accounts receivable	-	-	-	-
Receivables from other agencies	46,410	606	770	1,715
	<u>\$ 467,165</u>	<u>\$ 18,417</u>	<u>\$ 35,942</u>	<u>\$ 475,207</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ 6,064	\$ 13	\$ -	\$ 561
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Accrued expenses	7,848	1,546	-	823
Deferred revenue	19,265	3,055	5,755	9,076
	<u>33,177</u>	<u>4,614</u>	<u>5,755</u>	<u>10,460</u>
FUND BALANCES				
Reserved fund balances designated for specific purposes	-	-	-	-
Unreserved fund balances	433,988	13,803	30,187	464,747
	<u>433,988</u>	<u>13,803</u>	<u>30,187</u>	<u>464,747</u>
	<u>\$ 467,165</u>	<u>\$ 18,417</u>	<u>\$ 35,942</u>	<u>\$ 475,207</u>

PARKS AND RECREATION	RE- VALUATION	TORT	WEEDS	FEDERAL & STATE GRANTS	MENTAL HEALTH ENHANCE
\$ 21,135	\$ 37,355	\$ 64,385	\$ 53,072	\$ -	\$ 8,050
3,748	11,931	8,406	3,143	-	-
-	-	-	-	-	-
1,639	864	1,110	9,436	165,572	-
<u>\$ 26,522</u>	<u>\$ 50,150</u>	<u>\$ 73,901</u>	<u>\$ 65,651</u>	<u>\$ 165,572</u>	<u>\$ 8,050</u>
\$ 2,757	\$ 248	\$ -	\$ 955	\$ 3,321	\$ -
-	-	-	-	-	-
-	-	-	-	104,849	-
1,459	3,609	-	-	19,291	-
2,770	8,763	6,169	2,331	-	-
<u>6,986</u>	<u>12,620</u>	<u>6,169</u>	<u>3,286</u>	<u>127,461</u>	<u>-</u>
-	-	-	-	-	-
19,536	37,530	67,732	62,365	38,111	8,050
<u>19,536</u>	<u>37,530</u>	<u>67,732</u>	<u>62,365</u>	<u>38,111</u>	<u>8,050</u>
\$ 26,522	\$ 50,150	\$ 73,901	\$ 65,651	\$ 165,572	\$ 8,050

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2010

	MOSQUITO ABATEMENT	ENHANCED 911 EMERGENCY	UPPER VALLEY CRIME TASK FORCE	7TH JUDICIAL DRUG COURT
ASSETS				
Cash - County Treasurer	\$ 224,591	\$ 206,647	\$ -	\$ 485,492
Taxes receivable	23,044	-	-	-
Accounts receivable	-	-	-	-
Receivables from other agencies	4,850	998	-	-
	<u>\$ 252,485</u>	<u>\$ 207,645</u>	<u>\$ -</u>	<u>\$ 485,492</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ 14,032	\$ 6,070	\$ 411	\$ 16,832
Accounts payable	-	-	-	-
Due to other funds	-	-	25,082	-
Accrued expenses	3,815	-	-	23,103
Deferred revenue	16,925	-	-	-
	<u>34,772</u>	<u>6,070</u>	<u>25,493</u>	<u>39,935</u>
FUND BALANCES				
Reserved fund balances designated for specific purposes	-	-	-	-
Unreserved fund balances	217,713	201,575	(25,493)	445,557
	<u>217,713</u>	<u>201,575</u>	<u>(25,493)</u>	<u>445,557</u>
	<u>\$ 252,485</u>	<u>\$ 207,645</u>	<u>\$ -</u>	<u>\$ 485,492</u>

<u>SNOWMOBILE</u>	<u>CLERK</u>	<u>INTERLOCK/ MONITORING</u>	<u>SHERIFF'S REVOLVING</u>	<u>WATERWAYS</u>	<u>SHERIFF GRANTS</u>
\$ 53,050	\$ 377,055	\$ 1,294	\$ 116,624	\$ 7,175	\$ 281,473
-	-	-	-	-	-
-	-	-	-	-	-
-	342,825	-	19,894	-	35,072
<u>\$ 53,050</u>	<u>\$ 719,880</u>	<u>\$ 1,294</u>	<u>\$ 136,518</u>	<u>\$ 7,175</u>	<u>\$ 316,545</u>
\$ 320	\$ 80,318	\$ -	\$ 2,372	\$ -	\$ 3
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>320</u>	<u>80,318</u>	<u>-</u>	<u>2,372</u>	<u>-</u>	<u>3</u>
-	-	-	-	-	-
<u>52,730</u>	<u>639,562</u>	<u>1,294</u>	<u>134,146</u>	<u>7,175</u>	<u>316,542</u>
<u>52,730</u>	<u>639,562</u>	<u>1,294</u>	<u>134,146</u>	<u>7,175</u>	<u>316,542</u>
<u>\$ 53,050</u>	<u>\$ 719,880</u>	<u>\$ 1,294</u>	<u>\$ 136,518</u>	<u>\$ 7,175</u>	<u>\$ 316,545</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2010

	SHERIFF'S CONCEALED WEAPONS	TOTAL NONMAJOR SPECIAL REVENUE
ASSETS		
Cash - County Treasurer	\$ 33,650	\$ 2,867,768
Taxes receivable	-	100,782
Accounts receivable	-	-
Receivables from other agencies	-	631,761
	<u>\$ 33,650</u>	<u>\$ 3,600,311</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Warrants payable	\$ -	\$ 134,277
Accounts payable	-	-
Due to other funds	-	129,931
Accrued expenses	-	61,494
Deferred revenue	-	74,109
	<u>-</u>	<u>399,811</u>
FUND BALANCES		
Reserved fund balances designated for specific purposes	-	-
Unreserved fund balances	<u>33,650</u>	<u>3,200,500</u>
	<u>33,650</u>	<u>3,200,500</u>
	<u>\$ 33,650</u>	<u>\$ 3,600,311</u>

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MADISON COUNTY - STATE OF IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2010

	DISTRICT COURT	FAIR GROUNDS & BUILDINGS	HEALTH DISTRICT	INDIGENT AND CHARITY
REVENUES				
Taxes	\$ 560,537	\$ 94,323	\$ 161,359	\$ 304,462
Licenses and permits	-	-	-	-
Intergovernmental revenues	285,049	2,422	3,080	6,862
Charges for services	-	-	-	-
Fines and forfeitures	96,263	-	-	-
Investment interest	-	-	-	-
Misc. and contributions	53,811	-	-	53,294
	<u>995,660</u>	<u>96,745</u>	<u>164,439</u>	<u>364,618</u>
EXPENDITURES				
General government	-	-	-	-
Public safety	930,750	-	-	-
Public health	-	-	157,381	211,871
Street and public improvement	-	86,798	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Intergovernment expenditures	-	-	-	-
Sanitation	-	-	-	-
Capital outlay	1,916	11,600	-	-
Trust remittance	-	-	-	-
	<u>932,666</u>	<u>98,398</u>	<u>157,381</u>	<u>211,871</u>
Excess (deficiency) of revenues over expenditures	62,994	(1,653)	7,058	152,747
OTHER FINANCIAL SOURCES (USES)				
Statutory transfers in	145	-	-	-
Statutory transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	63,139	(1,653)	7,058	152,747
Fund Balances, Oct. 1, 2009	<u>370,849</u>	<u>15,456</u>	<u>23,129</u>	<u>312,000</u>
FUND BALANCES, Sept. 30, 2010	<u><u>\$ 433,988</u></u>	<u><u>\$ 13,803</u></u>	<u><u>\$ 30,187</u></u>	<u><u>\$ 464,747</u></u>

<u>PARKS AND RECREATION</u>	<u>RE- VALUATION</u>	<u>TORT</u>	<u>WEEDS</u>	<u>FEDERAL & STATE GRANTS</u>	<u>MENTAL HEALTH ENHANCE</u>
\$ 85,954	\$ 251,185	\$ 171,586	\$ 85,410	\$ -	\$ -
-	-	-	-	-	-
3,032	3,457	4,440	10,864	661,092	-
883	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
167	-	-	29,887	378,419	-
<u>90,036</u>	<u>254,642</u>	<u>176,026</u>	<u>126,161</u>	<u>1,039,511</u>	<u>-</u>
-	237,343	-	-	-	-
-	-	149,468	-	481,647	-
-	-	-	-	-	-
-	-	-	67,650	321,045	-
82,978	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,911	105,058	-
-	-	-	-	-	-
<u>82,978</u>	<u>237,343</u>	<u>149,468</u>	<u>75,561</u>	<u>907,750</u>	<u>-</u>
7,058	17,299	26,558	50,600	131,761	-
-	-	321	-	305	-
-	-	-	-	-	-
7,058	17,299	26,879	50,600	132,066	-
<u>12,478</u>	<u>20,231</u>	<u>40,853</u>	<u>11,765</u>	<u>(93,955)</u>	<u>8,050</u>
\$ <u>19,536</u>	\$ <u>37,530</u>	\$ <u>67,732</u>	\$ <u>62,365</u>	\$ <u>38,111</u>	\$ <u>8,050</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2010

	<u>MOSQUITO ABATEMENT</u>	<u>ENHANCED 911 EMERGENCY</u>	<u>UPPER VALLEY CRIME TASK FORCE</u>	<u>7TH JUDICIAL DRUG COURT</u>
REVENUES				
Taxes	\$ 486,698	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	14,626	-	158,980	2,462
Charges for services	-	-	-	1,647,821
Fines and forfeitures	-	-	-	-
Investment interest	-	-	-	-
Misc. and contributions	350	363,764	-	-
	<u>501,674</u>	<u>363,764</u>	<u>158,980</u>	<u>1,650,283</u>
EXPENDITURES				
General government	-	-	-	-
Public safety	-	448,839	107,927	1,660,661
Public health	326,452	-	-	-
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Intergovernment expenditures	-	-	-	-
Sanitation	-	-	-	-
Capital outlay	29,800	-	-	-
Trust remittance	-	-	-	-
	<u>356,252</u>	<u>448,839</u>	<u>107,927</u>	<u>1,660,661</u>
Excess (deficiency) of revenues over expenditures	145,422	(85,075)	51,053	(10,378)
OTHER FINANCIAL SOURCES (USES)				
Statutory transfers in	-	-	-	-
Statutory transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	145,422	(85,075)	51,053	(10,378)
Fund Balances, Oct. 1, 2009	<u>72,291</u>	<u>286,650</u>	<u>(76,546)</u>	<u>455,935</u>
FUND BALANCES, Sept. 30, 2010	<u>\$ 217,713</u>	<u>\$ 201,575</u>	<u>\$ (25,493)</u>	<u>\$ 445,557</u>

<u>SNOWMOBILE</u>	<u>CLERK</u>	<u>INTERLOCK/ MONITORING</u>	<u>SHERIFF'S REVOLVING</u>	<u>WATERWAYS</u>	<u>SHERIFF GRANTS</u>
\$ -	\$ -	\$ -	\$ -	\$ -	-
22,876	-	-	-	-	-
-	1,223,820	-	88,101	5,624	179,927
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	897	-	-	-
<u>22,876</u>	<u>1,223,820</u>	<u>897</u>	<u>88,101</u>	<u>5,624</u>	<u>179,927</u>
-	1,146,570	-	-	-	-
-	-	-	77,296	-	34,284
-	-	-	-	-	-
51,217	-	-	-	10,800	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>51,217</u>	<u>1,146,570</u>	<u>-</u>	<u>77,296</u>	<u>10,800</u>	<u>34,284</u>
(28,341)	77,250	897	10,805	(5,176)	145,643
7,481	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(20,860)	77,250	897	10,805	(5,176)	145,643
<u>73,590</u>	<u>562,312</u>	<u>397</u>	<u>123,341</u>	<u>12,351</u>	<u>170,899</u>
\$ <u>52,730</u>	\$ <u>639,562</u>	\$ <u>1,294</u>	\$ <u>134,146</u>	\$ <u>7,175</u>	\$ <u>316,542</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2010

	SHERIFF'S CONCEALED WEAPONS	TOTAL NONMAJOR SPECIAL REVENUE
REVENUES		
Taxes	\$ -	\$ 2,201,514
Licenses and permits	-	22,876
Intergovernmental revenues	-	2,653,838
Charges for services	-	1,648,704
Fines and forfeitures	13,056	109,319
Investment interest	-	-
Misc. and contributions	-	880,589
	<u>13,056</u>	<u>7,516,840</u>
EXPENDITURES		
General government	-	1,383,913
Public safety	6,900	3,897,772
Public health	-	695,704
Street and public improvement	-	475,493
Parks, recreation, public property	-	144,995
Conservation/Economic development	-	-
Intergovernment expenditures	-	-
Sanitation	-	-
Capital outlay	-	156,285
Trust remittance	-	-
	<u>6,900</u>	<u>6,754,162</u>
Excess (deficiency) of revenues over expenditures	6,156	762,678
OTHER FINANCIAL SOURCES (USES)		
Statutory transfers in	-	8,252
Statutory transfers out	-	-
	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	6,156	770,930
Fund Balances, Oct. 1, 2009	<u>27,494</u>	<u>2,429,570</u>
FUND BALANCES, Sept. 30, 2010	<u>\$ 33,650</u>	<u>\$ 3,200,500</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES - PRIVATE PURPOSE TRUST FUNDS
September 30, 2010

	COURT FACILITY TRUST	DISTRICT COURT TRUST	MAGISTRATE COURT TRUST	INSURANCE TRUST
ASSETS				
Cash - County Treasurer	\$ 68,356	\$ 30,976	\$ 223,442	\$ 507
	<u>\$ 68,356</u>	<u>\$ 30,976</u>	<u>\$ 223,442</u>	<u>\$ 507</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ -	\$ -	\$ 77,694	\$ -
Accrued expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>77,694</u>	<u>-</u>
FUND BALANCES				
Unreserved fund balances	<u>68,356</u>	<u>30,976</u>	<u>145,748</u>	<u>507</u>
	<u>\$ 68,356</u>	<u>\$ 30,976</u>	<u>\$ 223,442</u>	<u>\$ 507</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES - PRIVATE PURPOSE TRUST FUNDS
September 30, 2010

	JUVENILE PROBATION TRUST	PLANNING AND ZONING TRUST	UNCLAIMED PROPERTY TRUST	CLOUD SEEDING TRUST
ASSETS				
Cash - County Treasurer	\$ 19,366	\$ 2,347	\$ 6,403	\$ -
	<u>\$ 19,366</u>	<u>\$ 2,347</u>	<u>\$ 6,403</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ 300	\$ -	\$ -	\$ -
Accrued expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Unreserved fund balances	<u>19,066</u>	<u>2,347</u>	<u>6,403</u>	<u>-</u>
	<u>\$ 19,366</u>	<u>\$ 2,347</u>	<u>\$ 6,403</u>	<u>\$ -</u>

FAIR BOARD TRUST	TAYLOR GRAZING TRUST	AMBULANCE TRUST	MADISON PERSI TRUST	EMERGENCY FOOD AND SHELTER TRUST	DISTRICT COURT INV. POOL TRUST
\$ 12,159	\$ 1,255	\$ -	\$ -	\$ -	\$ -
<u>\$ 12,159</u>	<u>\$ 1,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
12,159	1,255	-	-	-	-
<u>\$ 12,159</u>	<u>\$ 1,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES - PRIVATE PURPOSE TRUST FUNDS
September 30, 2010

	TAX COLLECTOR'S TRUST	TAX REFUND TRUST	HOMELAND SECURITY TRUST	SHERIFF'S TRUST
ASSETS				
Cash - County Treasurer	\$ 92,212	\$ -	\$ 19,513	\$ 6,661
	<u>\$ 92,212</u>	<u>\$ -</u>	<u>\$ 19,513</u>	<u>\$ 6,661</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ -	\$ -	\$ -	\$ -
Accrued expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Unreserved fund balances	<u>92,212</u>	<u>-</u>	<u>19,513</u>	<u>6,661</u>
	<u>\$ 92,212</u>	<u>\$ -</u>	<u>\$ 19,513</u>	<u>\$ 6,661</u>

MOTOR VEHICLES AND DL TRUST	TOTAL PRIVATE PURPOSE TRUST FUNDS
\$ <u>181,032</u>	\$ <u>664,229</u>
\$ <u>181,032</u>	\$ <u>664,229</u>
\$ <u>180,259</u>	\$ <u>258,253</u>
<u>-</u>	<u>-</u>
<u>180,259</u>	<u>258,253</u>
<u>773</u>	<u>405,976</u>
\$ <u>181,032</u>	\$ <u>664,229</u>

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MADISON COUNTY - STATE OF IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FIDUCIARY FUND TYPES - PRIVATE PURPOSE TRUST FUNDS
For the Year Ended September 30, 2010

	COURT FACILITY TRUST	DISTRICT COURT TRUST	MAGISTRATE COURT TRUST	INSURANCE TRUST
REVENUES				
Taxes	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	9,700	4,860	1,088,364	-
Investment interest	-	-	-	-
Misc. and contributions	-	-	-	507
	<u>9,700</u>	<u>4,860</u>	<u>1,088,364</u>	<u>507</u>
EXPENDITURES				
General government	-	-	1,141,622	-
Public safety	1,092	-	-	-
Public health	-	-	-	-
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Intergovernment expenditures	-	-	-	-
Sanitation	-	-	-	-
Capital outlay	-	-	-	-
Trust remittance	-	-	-	-
	<u>1,092</u>	<u>-</u>	<u>1,141,622</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	8,608	4,860	(53,258)	507
OTHER FINANCIAL SOURCES (USES)				
Statutory transfers in	-	-	-	-
Statutory transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	8,608	4,860	(53,258)	507
Fund Balances, Oct. 1, 2009	<u>59,748</u>	<u>26,116</u>	<u>199,006</u>	<u>-</u>
FUND BALANCES, Sept. 30, 2010	<u>\$ 68,356</u>	<u>\$ 30,976</u>	<u>\$ 145,748</u>	<u>\$ 507</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FIDUCIARY FUND TYPES - PRIVATE PURPOSE TRUST FUNDS
For the Year Ended September 30, 2010

	JUVENILE PROBATION TRUST	PLANNING AND ZONING TRUST	UNCLAIMED PROPERTY TRUST	CLOUD SEEDING TRUST
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	37,990	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment interest	-	-	-	-
Misc. and contributions	-	1,673	607	-
	<u>37,990</u>	<u>1,673</u>	<u>607</u>	<u>-</u>
EXPENDITURES				
General government	-	2,529	-	-
Public safety	39,393	-	-	-
Public health	-	-	-	-
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Intergovernment expenditures	-	-	-	-
Sanitation	-	-	-	-
Capital outlay	-	-	-	-
Trust remittance	-	-	-	-
	<u>39,393</u>	<u>2,529</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(1,403)	(856)	607	-
OTHER FINANCIAL SOURCES (USES)				
Statutory transfers in	-	-	-	-
Statutory transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	(1,403)	(856)	607	-
Fund Balances, Oct. 1, 2009	<u>20,469</u>	<u>3,203</u>	<u>5,796</u>	<u>-</u>
FUND BALANCES, Sept. 30, 2010	<u>\$ 19,066</u>	<u>\$ 2,347</u>	<u>\$ 6,403</u>	<u>\$ -</u>

FAIR BOARD TRUST	TAYLOR GRAZING TRUST	AMBULANCE TRUST	MADISON PERSI TRUST	EMERGENCY FOOD AND SHELTER TRUST	DISTRICT COURT INV. POOL TRUST
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-
9,550	259	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,550	259	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,296	-
-	259	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	259	-	-	1,296	-
9,550	-	-	-	(1,296)	-
-	-	-	-	-	-
-	-	-	-	-	-
9,550	-	-	-	(1,296)	-
2,609	1,255	-	-	1,296	-
\$ 12,159	\$ 1,255	\$ -	\$ -	\$ -	-

MADISON COUNTY - STATE OF IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FIDUCIARY FUND TYPES - PRIVATE PURPOSE TRUST FUNDS
For the Year Ended September 30, 2010

	TAX COLLECTOR'S TRUST	TAX REFUND TRUST	HOMELAND SECURITY TRUST	SHERIFF'S TRUST
REVENUES				
Taxes	\$ 204,051	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	14,184	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	976,495
Investment interest	-	-	-	-
Misc. and contributions	-	-	-	-
	<u>204,051</u>	<u>-</u>	<u>14,184</u>	<u>976,495</u>
EXPENDITURES				
General government	193,119	-	-	-
Public safety	-	-	19,242	979,406
Public health	-	-	-	-
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Intergovernment expenditures	-	-	-	-
Sanitation	-	-	-	-
Capital outlay	-	-	-	-
Trust remittance	-	-	-	-
	<u>193,119</u>	<u>-</u>	<u>19,242</u>	<u>979,406</u>
Excess (deficiency) of revenues over expenditures	10,932	-	(5,058)	(2,911)
OTHER FINANCIAL SOURCES (USES)				
Statutory transfers in	-	-	-	-
Statutory transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	10,932	-	(5,058)	(2,911)
Fund Balances, Oct. 1, 2009	<u>81,280</u>	<u>-</u>	<u>24,571</u>	<u>9,572</u>
FUND BALANCES, Sept. 30, 2010	<u><u>\$ 92,212</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 19,513</u></u>	<u><u>\$ 6,661</u></u>

MOTOR VEHICLES AND DL TRUST	TOTAL PRIVATE PURPOSE TRUST FUNDS
\$ -	\$ 204,051
2,450,750	2,450,750
-	61,983
-	-
-	2,079,419
-	-
-	2,787
<u>2,450,750</u>	<u>4,798,990</u>
2,450,862	3,788,132
-	1,039,133
-	1,296
-	-
-	259
-	-
-	-
-	-
-	-
<u>2,450,862</u>	<u>4,828,820</u>
(112)	(29,830)
-	-
<u>-</u>	<u>-</u>
(112)	(29,830)
<u>885</u>	<u>435,806</u>
\$ <u><u>773</u></u>	\$ <u><u>405,976</u></u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES - AGENCY FUNDS
September 30, 2010

	DEPARTMENT OF			
	STATE REMITTANCE	TRANS- PORTATION	CITIES	SCHOOL DISTRICTS
ASSETS				
Cash - County Treasurer	\$ 41,131	\$ 104,035	\$ 29,526	\$ 28,797
Taxes receivable	-	-	132,043	277,459
Receivables from other agencies	-	-	96,885	377,521
	<u>\$ 41,131</u>	<u>\$ 104,035</u>	<u>\$ 258,454</u>	<u>\$ 683,777</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ 41,131	\$ 104,035	\$ 29,526	\$ 28,797
Due to other agencies	-	-	228,928	654,980
	<u>\$ 41,131</u>	<u>\$ 104,035</u>	<u>\$ 258,454</u>	<u>\$ 683,777</u>

<u>LIBRARIES</u>	<u>CEMETERIES</u>	<u>FIRE DISTRICTS</u>	<u>FLOOD DISTRICTS</u>	<u>FAIR BOARD</u>	<u>HISTORICAL SOCIETY</u>
\$ 4,816	\$ 1,662	\$ 1,198	\$ (1)	\$ 84	\$ 81
47,010	4,793	26,571	19	908	353
-	-	-	-	-	-
<u>\$ 51,826</u>	<u>\$ 6,455</u>	<u>\$ 27,769</u>	<u>\$ 18</u>	<u>\$ 992</u>	<u>\$ 434</u>

\$ 4,816	\$ 1,661	\$ 1,198	\$ -	\$ 84	\$ 81
47,010	4,794	26,571	18	908	353
<u>\$ 51,826</u>	<u>\$ 6,455</u>	<u>\$ 27,769</u>	<u>\$ 18</u>	<u>\$ 992</u>	<u>\$ 434</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES - AGENCY FUNDS
September 30, 2010

	VETERAN'S MEMORIAL	AIRPORT	VARIOUS OTHER AGENCY FUNDS	TOTAL AGENCY FUNDS
ASSETS				
Cash - County Treasurer	\$ 41	\$ 13	\$ 164,076	\$ 375,459
Taxes receivable	441	139	57,490	547,226
Receivables from other agencies	-	-	-	474,406
	<u>\$ 482</u>	<u>\$ 152</u>	<u>\$ 221,566</u>	<u>\$ 1,397,091</u>

LIABILITIES AND FUND BALANCES

LIABILITIES				
Warrants payable	\$ 41	\$ 13	\$ 2,296	\$ 213,679
Due to other agencies	441	139	219,270	1,183,412
	<u>\$ 482</u>	<u>\$ 152</u>	<u>\$ 221,566</u>	<u>\$ 1,397,091</u>

OTHER SUPPLEMENTARY INFORMATION

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CURRENT EXPENSE			
<i>Clerk/Auditor</i>			
Salary - officer	\$ 52,007	\$ 52,007	\$ -
Salary - deputies	<u>311,296</u>	<u>258,503</u>	<u>52,793</u>
Total A	<u>363,303</u>	<u>310,510</u>	<u>52,793</u>
Travel	1,500	720	780
Supplies	5,800	9,849	(4,049)
Repairs & maintenance	5,100	1,797	3,303
Dues/membership	150	465	(315)
Microfilm/microfiche	30,000	30,018	(18)
Miscellaneous	1,000	264	736
Utilities	588	-	588
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>44,138</u>	<u>43,113</u>	<u>1,025</u>
Department totals	<u>407,441</u>	<u>353,623</u>	<u>53,818</u>
<i>Assessor</i>			
Salary - officer	46,880	46,880	-
Salary - deputy	<u>93,143</u>	<u>93,306</u>	<u>(163)</u>
Total A	<u>140,023</u>	<u>140,186</u>	<u>(163)</u>
Travel	-	397	(397)
Supplies	-	-	-
Repairs & maintenance	1,200	330	870
Dues/membership	600	410	190
Miscellaneous	200	-	200
Utilities	1,500	1,611	(111)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>3,500</u>	<u>2,748</u>	<u>752</u>
Department totals	<u>\$ 143,523</u>	<u>\$ 142,934</u>	<u>\$ 589</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CURRENT EXPENSE (Continued)			
<i>Treasurer/Tax Collector</i>			
Salary - officer	\$ 49,102	\$ 49,101	\$ 1
Salary - deputies	69,327	69,326	1
Salary - employee, part-time	-	-	-
Salary - overtime	-	-	-
Total A	118,429	118,427	2
Travel	2,375	1,502	873
Supplies	3,875	5,166	(1,291)
Professional services-tax billing	4,545	4,186	359
Repairs & maintenance	2,000	824	1,176
Advertising	530	-	530
Dues/membership	100	100	-
Miscellaneous	1,030	1,018	12
Capital outlay	-	-	-
Total B	14,455	12,796	1,659
Department Totals	132,884	131,223	1,661
<i>Commissioners</i>			
Salary - commissioners	82,497	82,497	-
Total A	82,497	82,497	-
Travel	9,000	8,706	294
Supplies	350	395	(45)
Vehicles fuel	2,000	-	2,000
Dues/membership	2,050	2,796	(746)
Utilities	1,440	1,538	(98)
Capital outlay	-	-	-
Total B	14,840	13,435	1,405
Department Totals	\$ 97,337	\$ 95,932	\$ 1,405

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CURRENT EXPENSE (Continued)			
<i>Coroner</i>			
Salary - coroner	\$ 11,572	\$ 11,572	\$ -
Salary - deputy	913	913	-
Total A	<u>12,485</u>	<u>12,485</u>	<u>-</u>
Travel	400	381	19
Supplies	500	182	318
Utilities/telephone	780	753	27
Repairs & maintenance	-	-	-
Coroner	5,300	1,404	3,896
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>6,980</u>	<u>2,720</u>	<u>4,260</u>
Department Totals	<u>19,465</u>	<u>15,205</u>	<u>4,260</u>
<i>Sheriff</i>			
Salary - officer	60,309	60,309	-
Salary - deputies	2,095,316	1,989,894	105,422
Salary - employee, part-time	70,000	65,070	4,930
Salary - overtime	71,000	70,565	435
Salary - other	<u>-</u>	<u>-</u>	<u>-</u>
Total A	<u>2,296,625</u>	<u>2,185,838</u>	<u>110,787</u>
Extraditions	2,000	57	1,943
Supplies	26,000	27,650	(1,650)
Utilities/telephone	23,000	23,262	(262)
Vehicles	129,000	115,139	13,861
Repairs & maintenance	5,500	2,666	2,834
Jail	341,000	323,889	17,111
Dues/membership	3,200	3,048	152
Uniforms	19,000	17,230	1,770
Weapons/ammunition	14,000	13,735	265
Miscellaneous	6,000	6,338	(338)
Swat team expenses	500	395	105
Training	20,000	19,982	18
Contracts	13,000	10,408	2,592
Telex/supplies	9,250	7,774	1,476
Community watch	1,000	805	195
Information technology	61,000	61,000	-
Juvenile expenses	4,000	3,588	412
Capital outlay	<u>98,000</u>	<u>89,433</u>	<u>8,567</u>
Total B	<u>775,450</u>	<u>726,399</u>	<u>49,051</u>
Department Totals	<u>\$ 3,072,075</u>	<u>\$ 2,912,237</u>	<u>\$ 159,838</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CURRENT EXPENSE (Continued)			
<i>Building & Grounds</i>			
Salary - supervisor	\$ 53,217	\$ 63,441	\$ (10,224)
Salary - asst maint	40,257	37,015	3,242
Salary - other personnel	-	-	-
Total A	<u>93,474</u>	<u>100,456</u>	<u>(6,982)</u>
Supplies	8,500	4,708	3,792
Utilities	220,000	178,527	41,473
Repairs & maintenance	94,000	67,097	26,903
Miscellaneous	-	-	-
Contracts	20,000	17,686	2,314
Capital outlay	-	-	-
Total B	<u>342,500</u>	<u>268,018</u>	<u>74,482</u>
Department Totals	<u>435,974</u>	<u>368,474</u>	<u>67,500</u>
<i>Prosecuting Attorney</i>			
Salary - officer	93,000	93,000	-
Salary - deputies	58,633	58,633	-
Salary-civil attorney	48,000	47,000	1,000
Salary-other	-	-	-
Salary - employee, full-time	54,690	56,321	(1,631)
Total A	<u>254,323</u>	<u>254,954</u>	<u>(631)</u>
Travel	8,000	7,681	319
Supplies	6,000	5,817	183
Repairs & maintenance	1,000	2,294	(1,294)
Dues/membership	3,200	1,205	1,995
Miscellaneous	700	37	663
Capital outlay	2,000	1,921	79
Total B	<u>20,900</u>	<u>18,955</u>	<u>1,945</u>
Department Totals	<u>\$ 275,223</u>	<u>\$ 273,909</u>	<u>\$ 1,314</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CURRENT EXPENSE (Continued)			
<i>County Agent</i>			
Salary - deputies	\$ 31,042	\$ 31,054	\$ (12)
Salary - employee, part-time	<u>7,069</u>	<u>5,125</u>	<u>1,944</u>
Total A	<u>38,111</u>	<u>36,179</u>	<u>1,932</u>
County Agent expenses	3,000	2,657	343
Supplies	1,650	1,143	507
Vehicles	3,600	3,650	(50)
Repairs & maintenance	400	444	(44)
Miscellaneous	-	-	-
Home Agent expenses	3,100	2,604	496
Contracts	3,000	3,000	-
Cell phones	1,000	873	127
Capital outlay	<u>5,500</u>	<u>4,500</u>	<u>1,000</u>
Total B	<u>21,250</u>	<u>18,871</u>	<u>2,379</u>
Department Totals	<u>59,361</u>	<u>55,050</u>	<u>4,311</u>
<i>Data Processing</i>			
Salary - supervisor	-	-	-
Salary - employee, part-time	<u>-</u>	<u>-</u>	<u>-</u>
Total A	<u>-</u>	<u>-</u>	<u>-</u>
Travel	-	-	-
Supplies	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>-</u>	<u>-</u>	<u>-</u>
Department Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CURRENT EXPENSE (Continued)			
<i>Elections</i>			
Salary - employee, full-time	\$ 25,834	\$ 8,736	\$ 17,098
Salary - employee, part-time	<u>4,000</u>	<u>7,073</u>	<u>(3,073)</u>
Total A	<u>29,834</u>	<u>15,809</u>	<u>14,025</u>
Travel	500	-	500
Repairs & maintenance	7,125	7,659	(534)
Election-workers	12,000	9,436	2,564
Election-expenses	18,000	35,975	(17,975)
Capital outlay	<u>2,500</u>	<u>1,079</u>	<u>1,421</u>
Total B	<u>40,125</u>	<u>54,149</u>	<u>(14,024)</u>
Department Totals	<u>69,959</u>	<u>69,958</u>	<u>1</u>
<i>County General</i>			
Personnel benefits	686,398	617,831	68,567
Insurance	742,250	773,129	(30,879)
Medical insurance buydown	150,000	154,258	(4,258)
Professional services	29,000	27,738	1,262
Contingency account	52,296	6,269	46,027
Dues & membership	29,752	23,055	6,697
Postage	15,000	14,553	447
Printing	7,000	8,162	(1,162)
Miscellaneous	10,700	20,136	(9,436)
Building fund reserve	-	-	-
Special funds	20,000	29,184	(9,184)
Soil Conservation	6,000	6,000	-
Senior Citizens Center	12,000	12,000	-
Cloud seeding	-	-	-
D.A.R.E. program	7,500	7,500	-
Capital crimes defense fund	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>1,767,896</u>	<u>1,699,815</u>	<u>68,081</u>
Department Totals	<u>\$ 1,767,896</u>	<u>\$ 1,699,815</u>	<u>\$ 68,081</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CURRENT EXPENSE (Continued)			
<i>Planning and Zoning</i>			
Salary - building inspector	\$ 46,000	\$ 34,607	\$ 11,393
Salary - employee, full time	41,286	41,285	1
Salary - other	26,910	26,914	(4)
	<u>114,196</u>	<u>102,806</u>	<u>11,390</u>
Total A			
Travel	11,000	7,617	3,383
Supplies	2,000	887	1,113
Dues & membership	1,200	736	464
Printing	3,000	1,403	1,597
Miscellaneous	1,600	1,833	(233)
Education & training	5,000	3,645	1,355
Contracts - other	40,000	39,951	49
Utilities	1,200	1,220	(20)
Capital outlay	-	-	-
	<u>65,000</u>	<u>57,292</u>	<u>7,708</u>
Total B			
Department Totals	<u>179,196</u>	<u>160,098</u>	<u>19,098</u>
<i>Homeland Security</i>			
Salary - officer	27,000	26,987	13
Salary - employee, part-time	-	-	-
	<u>27,000</u>	<u>26,987</u>	<u>13</u>
Total A			
Travel	1,500	1,549	(49)
Supplies	1,500	1,500	-
Repairs & maintenance	2,400	2,240	160
Grants	-	-	-
Utilities	600	493	107
Capital outlay	2,500	2,500	-
	<u>8,500</u>	<u>8,282</u>	<u>218</u>
Total B			
Department Totals	<u>\$ 35,500</u>	<u>\$ 35,269</u>	<u>\$ 231</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CURRENT EXPENSE (Continued)			
<i>GIS</i>			
Salary - employee, full time	\$ 136,943	\$ 125,856	\$ 11,087
Salary - employee, part time	<u>3,500</u>	<u>3,727</u>	<u>(227)</u>
Total A	<u>140,443</u>	<u>129,583</u>	<u>10,860</u>
Fringe Benefits-other	46,600	45,863	737
Travel	10,000	12,000	(2,000)
Supplies	5,400	6,900	(1,500)
GIS software maintenance	10,500	11,174	(674)
Miscellaneous	1,250	1,946	(696)
Professional services	-	-	-
City space rent	<u>1,250</u>	<u>2,541</u>	<u>(1,291)</u>
Total B	<u>75,000</u>	<u>80,424</u>	<u>(5,424)</u>
Department Totals	<u>215,443</u>	<u>210,007</u>	<u>5,436</u>
<i>Information Technology</i>			
Salary - employee, full time	45,381	50,380	(4,999)
Salary - employee supervisor	<u>57,181</u>	<u>62,181</u>	<u>(5,000)</u>
Total A	<u>102,562</u>	<u>112,561</u>	<u>(9,999)</u>
Travel	5,000	1,129	3,871
Supplies	4,000	2,933	1,067
Project - Law Enforcement	6,000	1,900	4,100
Software & hardware	172,245	103,931	68,314
Project	-	-	-
Software & hardware - Law Enforcement	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>187,245</u>	<u>109,893</u>	<u>77,352</u>
Department Totals	<u>\$ 289,807</u>	<u>\$ 222,454</u>	<u>\$ 67,353</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CURRENT EXPENSE (Continued)			
<i>Information Tech-Sheriff</i>			
Software & hardware	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total B	<u>-</u>	<u>-</u>	<u>-</u>
Department Totals	<u>-</u>	<u>-</u>	<u>-</u>
<i>Service officer</i>			
Salary - employee, full time	<u>13,604</u>	<u>13,603</u>	<u>1</u>
	<u>13,604</u>	<u>13,603</u>	<u>1</u>
Travel	400	400	-
Supplies	200	50	150
Utilities	50	-	50
Miscellaneous	<u>100</u>	<u>50</u>	<u>50</u>
Total B	<u>750</u>	<u>500</u>	<u>250</u>
Department Totals	<u>14,354</u>	<u>14,103</u>	<u>251</u>
Auditors' adjustment	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CURRENT EXPENSE	<u>\$ 7,215,438</u>	<u>\$ 6,760,291</u>	<u>\$ 455,147</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
ROAD AND BRIDGE			
Salary - supervisor	\$ 52,110	\$ 23,971	\$ 28,139
Salary - foreman	45,747	48,247	(2,500)
Salary - employee, full time	804,824	786,943	17,881
Salary - employee, part-time	-	-	-
Total A	<u>902,681</u>	<u>859,161</u>	<u>43,520</u>
Personnel benefits	421,814	398,810	23,004
Travel	-	-	-
Supplies	7,745	16,815	(9,070)
Utilities	46,840	40,130	6,710
Vehicles	364,399	353,262	11,137
Repairs & maintenance	246,121	233,639	12,482
Rent/lease	255,672	271,695	(16,023)
Transportation plan	449,909	283,391	166,518
Freight	1,500	13	1,487
Computer software	-	-	-
Dues	-	-	-
Miscellaneous	15,000	10,809	4,191
Education	5,500	5,500	-
Signs	15,914	15,323	591
Road oil	267,606	20,430	247,176
Concrete	-	-	-
Paint	-	-	-
Culverts	-	-	-
Crushed gravel	-	-	-
Plant asphalt mix	-	-	-
Contracts	-	-	-
Contributions to cities	-	-	-
Weed	-	-	-
UST testing & leak detection	-	-	-
Grant-mitigation	-	-	-
Capital outlay	<u>57,193</u>	<u>58,564</u>	<u>(1,371)</u>
Total B	<u>2,155,213</u>	<u>1,708,381</u>	<u>446,832</u>
Total Road and Bridge	<u>\$ 3,057,894</u>	<u>\$ 2,567,542</u>	<u>\$ 490,352</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
AMBULANCE			
Salary - employee, part time	\$ -	\$ -	\$ -
Salary - overtime	-	-	-
Salary - employee, full time	<u>737,064</u>	<u>671,119</u>	<u>65,945</u>
Total A	<u>737,064</u>	<u>671,119</u>	<u>65,945</u>
Personnel benefits	-	-	-
Supplies	-	-	-
Travel	-	-	-
Uniforms	-	-	-
Miscellaneous	150,984	134,044	16,940
Utilities	-	-	-
Repairs & maintenance	-	-	-
Printing	-	-	-
Education	-	-	-
Contingency account	30,247	22,336	7,911
Capital outlay	<u>57,134</u>	<u>17,134</u>	<u>40,000</u>
Total B	<u>238,365</u>	<u>173,514</u>	<u>64,851</u>
Total Ambulance	<u>\$ 975,429</u>	<u>\$ 844,633</u>	<u>\$ 130,796</u>
FAIR, GROUNDS AND BUILDINGS			
Salary - employee, full time	\$ 27,500	\$ 28,489	\$ (989)
Salary - employee, part-time	<u>10,000</u>	<u>10,860</u>	<u>(860)</u>
Total A	<u>37,500</u>	<u>39,349</u>	<u>(1,849)</u>
Personnel benefits	20,600	21,617	(1,017)
Utilities	10,950	12,931	(1,981)
Vehicles	1,400	74	1,326
Repairs & maintenance	5,500	5,648	(148)
Miscellaneous	5,900	5,633	267
Capital outlay	<u>15,000</u>	<u>11,600</u>	<u>3,400</u>
Total B	<u>59,350</u>	<u>57,503</u>	<u>1,847</u>
Total Fair, Grounds and Buildings	<u>\$ 96,850</u>	<u>\$ 96,852</u>	<u>\$ (2)</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
DISTRICT COURT			
<i>District & Magistrate</i>			
Salary - employee, full time	\$ 80,000	\$ 80,004	\$ (4)
Total A	80,000	80,004	(4)
Personnel benefits	36,895	34,169	2,726
Travel	1,500	9,571	(8,071)
Supplies	17,000	16,930	70
Repairs	3,000	1,704	1,296
Professional services	4,000	1,205	2,795
Contingency account	10,000	9,324	676
Law library	14,000	14,497	(497)
Postage	9,000	8,942	58
Miscellaneous	5,000	3,092	1,908
Victim offender match	1,288	-	1,288
Jury	20,504	17,776	2,728
Public defender	75,000	71,437	3,563
Utilities	-	-	-
Juvenile detention	450,594	411,055	39,539
Capital outlay	-	-	-
Total B	647,781	599,702	48,079
Department Totals	727,781	679,706	48,075
<i>Juvenile Probation</i>			
Salary - supervisor	52,537	52,537	-
Salary - employee, full time	10,374	36,899	(26,525)
Intensive officer	31,670	33,463	(1,793)
Intensive secretary	9,477	9,482	(5)
Salary - employee, part-time	19,511	19,489	22
Total A	123,569	151,870	(28,301)
Personnel benefits	59,549	57,165	2,384
Travel	500	191	309
Supplies	800	800	-
Cell phones	4,000	3,179	821
Printing	1,000	391	609
Vehicles	5,100	6,918	(1,818)
Miscellaneous	7,800	5,712	2,088
Professional services	8,000	6,477	1,523
Drug screens	2,000	2,556	(556)
Training	4,300	4,151	149
Grants and assesement	8,390	8,368	22
Capital outlay	2,000	1,916	84
Total B	103,439	97,824	5,615
Department Totals	227,008	249,694	(22,686)
Total District Court	\$ 954,789	\$ 929,400	\$ 25,389

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH DISTRICT			
Utilities	\$ -	\$ -	\$ -
Repairs & maintenance	-	-	-
Miscellaneous	-	-	-
Building payments	157,381	157,381	-
Capital outlay	-	-	-
	<u>157,381</u>	<u>157,381</u>	<u>-</u>
Total B	<u>157,381</u>	<u>157,381</u>	<u>-</u>
Total Health District	<u>\$ 157,381</u>	<u>\$ 157,381</u>	<u>\$ -</u>
INDIGENT AND CHARITY			
Salary - employee, full time	\$ 24,960	\$ 10,692	\$ 14,268
Salary - employee, part time	-	4,329	(4,329)
	<u>24,960</u>	<u>15,021</u>	<u>9,939</u>
Total A	<u>24,960</u>	<u>15,021</u>	<u>9,939</u>
Personnel benefits	15,696	2,013	13,683
Travel	1,200	1,462	(262)
Supplies	2,000	2,907	(907)
Hospital	174,000	135,659	38,341
Miscellaneous	20,000	15,000	5,000
Medical	-	2,716	(2,716)
Professional	-	-	-
Special Funds	-	-	-
Food & housing	8,000	5,965	2,035
Utilities	2,500	3,137	(637)
Burials	3,900	1,500	2,400
Crisis Center	1,700	1,821	(121)
Catastrophic	110,000	23,847	86,153
Capital outlay	-	-	-
	<u>338,996</u>	<u>196,027</u>	<u>142,969</u>
Total B	<u>338,996</u>	<u>196,027</u>	<u>142,969</u>
Total Indigent	<u>\$ 363,956</u>	<u>\$ 211,048</u>	<u>\$ 152,908</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
PARKS AND RECREATION			
Salary - employee, full-time	\$ 25,834	\$ 27,178	\$ (1,344)
Salary - employee, part-time	<u>15,384</u>	<u>15,596</u>	<u>(212)</u>
Total A	<u>41,218</u>	<u>42,774</u>	<u>(1,556)</u>
Personnel benefits	29,067	24,005	5,062
Travel	-	-	-
Supplies - other	2,982	2,680	302
Utilities	2,500	2,085	415
Vehicles	7,000	6,290	710
Repairs & maintenance	3,648	3,312	336
Miscellaneous	1,800	2,262	(462)
Contingency	-	-	-
Grant expenditures	-	-	-
Insurance	100	100	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>47,097</u>	<u>40,734</u>	<u>6,363</u>
Total Parks and Recreation	<u>\$ 88,315</u>	<u>\$ 83,508</u>	<u>\$ 4,807</u>
REVALUATION			
Salary - employee, full-time	\$ 85,868	\$ 60,729	\$ 25,139
Salary - employee, part-time	-	13,492	(13,492)
Salary - other	<u>-</u>	<u>13,368</u>	<u>(13,368)</u>
Total A	<u>85,868</u>	<u>87,589</u>	<u>(1,721)</u>
Personnel benefits	44,519	35,883	8,636
Travel	5,500	3,636	1,864
Supplies	4,800	8,295	(3,495)
Vehicles	4,500	1,847	2,653
Miscellaneous	10,000	8,000	2,000
Contracts - appraisals	95,000	89,926	5,074
Dues	-	1,160	(1,160)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>164,319</u>	<u>148,747</u>	<u>15,572</u>
Total Revaluation	<u>\$ 250,187</u>	<u>\$ 236,336</u>	<u>\$ 13,851</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TORT LIABILITY			
Insurance-liability	\$ 147,331	\$ 147,331	\$ -
Judgements	-	-	-
Miscellaneous	<u>20,000</u>	<u>2,137</u>	<u>17,863</u>
Total Tort Liability	<u>\$ 167,331</u>	<u>\$ 149,468</u>	<u>\$ 17,863</u>
WEEDS			
Salary - employee, part-time	\$ 28,000	\$ 18,261	\$ 9,739
Salary - other	<u>-</u>	<u>-</u>	<u>-</u>
Total A	<u>28,000</u>	<u>18,261</u>	<u>9,739</u>
Personnel benefits	5,142	5,113	29
Travel	1,000	717	283
Supplies	1,000	1,035	(35)
Utilities	-	-	-
Vehicles	10,000	8,980	1,020
Repairs & maintenance	8,000	10,116	(2,116)
Contingency account	-	-	-
Miscellaneous	-	-	-
Information and education	-	-	-
Chemicals/Contracts	25,000	23,428	1,572
Capital outlay	<u>10,000</u>	<u>7,911</u>	<u>2,089</u>
Total B	<u>60,142</u>	<u>57,300</u>	<u>2,842</u>
Total Weeds	<u>\$ 88,142</u>	<u>\$ 75,561</u>	<u>\$ 12,581</u>
DRUG COURT GRANT			
Salaries - supervisor	\$ -	\$ -	\$ -
Salary - other	<u>-</u>	<u>25,335</u>	<u>(25,335)</u>
Total A	<u>-</u>	<u>25,335</u>	<u>(25,335)</u>
Personnel benefits	-	9,680	(9,680)
Medical-drug testing	-	-	-
Supplies	-	-	-
Utilities	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>-</u>	<u>9,680</u>	<u>(9,680)</u>
Total Drug Court Grant	<u>\$ -</u>	<u>\$ 35,015</u>	<u>\$ (35,015)</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
DRUG INTERDICTION DEPUTY-FEDERAL			
Salaries - employees	\$ -	\$ 23,078	\$ (23,078)
Total A	-	23,078	(23,078)
Personnel benefits	-	8,565	(8,565)
Travel	-	1,340	(1,340)
Supplies	-	-	-
Capital outlay	-	70,558	(70,558)
Total B	-	80,463	(80,463)
Total Drug Interdiction Deputy-Federal	\$ -	\$ 103,541	\$ (103,541)
DOMESTIC VIOLENCE			
Salary - other	\$ 13,104	\$ 10,064	\$ 3,040
Total A	13,104	10,064	3,040
Personnel benefits	1,003	1,091	(88)
Travel	1,500	592	908
Supplies	-	-	-
Training	-	-	-
Miscellaneous	-	-	-
Capital outlay	-	-	-
Total B	2,503	1,683	820
Total Domestic Violence	\$ 15,607	\$ 11,747	\$ 3,860
DRUG INTERDICTION DEPUTY-STATE			
Salaries - employees	\$ -	\$ 36,269	\$ (36,269)
Total A	-	36,269	(36,269)
Personnel benefits	-	13,873	(13,873)
Travel	-	-	-
Supplies	-	-	-
Capital outlay	-	13,363	(13,363)
Total B	-	27,236	(27,236)
Total Drug Interdiction Deputy-State	\$ -	\$ 63,505	\$ (63,505)

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TRI-COUNTY MSD. PROBATION			
Salaries	\$ -	\$ 108,834	\$ (108,834)
Salary - other	-	138,860	(138,860)
Total A	-	247,694	(247,694)
Personnel benefits	-	90,831	(90,831)
Travel	-	-	-
Supplies	-	-	-
Consultants	-	-	-
Operating expenses	-	-	-
Capital outlay	-	-	-
Total B	-	90,831	(90,831)
Total Tri-County Msd. Probation	\$ -	\$ 338,525	\$ (338,525)
MOSQUITO ABATEMENT			
Salaries-supervisor	\$ 45,540	\$ 48,087	\$ (2,547)
Salary - employee, part-time	78,000	46,622	31,378
Total A	123,540	94,709	28,831
Travel-meetings	3,000	2,527	473
Supplies-office	10,000	9,168	832
Personnel benefits	25,876	23,194	2,682
Vehicles	25,000	8,965	16,035
Chemicals	120,000	96,361	23,639
Miscellaneous	50,000	38,838	11,162
Repairs & maintenance	60,000	50,251	9,749
Capital outlay	60,000	29,800	30,200
Total B	353,876	259,104	94,772
Total Mosquito Abatement	\$ 477,416	\$ 353,813	\$ 123,603

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
FEDERAL TRANSPORT GRANT			
Salary - employee, part-time	\$ -	\$ 8,786	\$ (8,786)
Total A	-	8,786	(8,786)
Personnel benefits	-	1,555	(1,555)
Travel	-	1,022	(1,022)
Total B	-	2,577	(2,577)
Total Transport Grant	\$ -	\$ 11,363	\$ (11,363)
HEALTH AND WELFARE			
Salary - employee, part-time	\$ -	\$ -	\$ -
Total A	-	-	-
Personnel benefits	-	-	-
Repairs & maintenance	-	-	-
Miscellaneous	-	-	-
Contracts	-	-	-
Capital outlay	-	-	-
Total B	-	-	-
Total Health and Welfare	\$ -	\$ -	\$ -
ENHANCED 911 EMERGENCY			
Salaries - deputies	\$ -	\$ -	\$ -
Salaries - employee, part-time	-	-	-
Total A	-	-	-
Personnel benefits	-	23,676	(23,676)
Vehicles	-	-	-
Chemicals	-	-	-
Miscellaneous	-	425,163	(425,163)
Repairs & maintenance	-	-	-
Total B	-	448,839	(448,839)
Total Enhanced 911 Emergency	\$ -	\$ 448,839	\$ (448,839)

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
UPPER VALLEY CRIME TASK FORCE			
Salaries - deputies	\$ -	\$ 73,972	\$ (73,972)
Salaries - overtime	-	-	-
Total A	-	73,972	(73,972)
Personnel benefits	-	33,955	(33,955)
Capital outlay	-	-	-
Total B	-	33,955	(33,955)
Total Upper Valley Crime Task Force	\$ -	\$ 107,927	\$ (107,927)
SNOWMOBILE			
Salaries - employee, part-time	\$ 4,000	\$ 8,533	\$ (4,533)
Salaries - other	17,000	5,335	11,665
Total A	21,000	13,868	7,132
Personnel benefits	1,608	772	836
Supplies	3,000	1,124	1,876
Vehicle	13,500	8,551	4,949
Repairs & maintenance	15,000	22,631	(7,631)
Utilities	1,500	-	1,500
Miscellaneous	3,100	4,271	(1,171)
Capital outlay	-	-	-
Total B	37,708	37,349	359
Total Snowmobile	\$ 58,708	\$ 51,217	\$ 7,491
7TH JUDICIAL DRUG COURT TREATMENT			
Salaries - clinical director	\$ 81,427	\$ 83,176	\$ (1,749)
Salary - other personnel	762,018	658,251	103,767
Total A	843,445	741,427	102,018
Personnel benefits	375,036	262,678	112,358
Travel	49,500	85,216	(35,716)
Supplies	52,000	52,206	(206)
Utilities	18,650	19,264	(614)
Contingency	55,388	-	55,388
Rent	96,864	87,681	9,183
Professional services	200,838	371,687	(170,849)
Dues	12,000	9,182	2,818
Capital outlay	21,000	8,217	12,783
Total B	881,276	896,131	(14,855)
Total 7th Judicial Drug Court Treatment	\$ 1,724,721	\$ 1,637,558	\$ 87,163

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CLERK			
General government	\$ -	\$ 1,146,570	\$ (1,146,570)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total Clerk	<u>\$ -</u>	<u>\$ 1,146,570</u>	<u>\$ (1,146,570)</u>
INTERLOCK/MONITORING			
Public safety	\$ -	\$ -	\$ -
Total Interlock/Monitoring	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SHERIFF'S REVOLVING			
Public safety	\$ -	\$ 77,296	\$ (77,296)
Total Sheriff's Revolving	<u>\$ -</u>	<u>\$ 77,296</u>	<u>\$ (77,296)</u>
WATERWAYS TRUST			
Personnel benefits	\$ -	\$ 844	\$ (844)
Miscellaneous	<u>-</u>	<u>9,956</u>	<u>(9,956)</u>
Total Waterways Trust	<u>\$ -</u>	<u>\$ 10,800</u>	<u>\$ (10,800)</u>
SHERIFF'S CONCEALED WEAPONS			
Public safety	\$ -	\$ 6,900	\$ (6,900)
Total Sheriff's Concealed Weapons	<u>\$ -</u>	<u>\$ 6,900</u>	<u>\$ (6,900)</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2010

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
FOREST SERVICE STIMULUS			
Personnel benefits	\$ -	\$ -	\$ -
Miscellaneous	<u>-</u>	<u>321,045</u>	<u>(321,045)</u>
Total Forest Service Stimulus	<u>\$ -</u>	<u>\$ 321,045</u>	<u>\$ (321,045)</u>
GRANTS-EQUIPMENT			
Travel	\$ -	\$ 1,872	\$ (1,872)
Capital outlay	<u>-</u>	<u>21,137</u>	<u>(21,137)</u>
Total Grants-Equipment	<u>\$ -</u>	<u>\$ 23,009</u>	<u>\$ (23,009)</u>
SHERIFF GRANTS & CONTRACTS			
Salaries - employee, full-time	\$ <u>80,000</u>	\$ <u>28,961</u>	\$ <u>51,039</u>
Total A	<u>80,000</u>	<u>28,961</u>	<u>51,039</u>
Personnel benefits	14,704	5,323	9,381
Travel	-	-	-
Supplies	-	-	-
Contracts	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>14,704</u>	<u>5,323</u>	<u>9,381</u>
Total Sheriff Grants & Contracts	<u>\$ 94,704</u>	<u>\$ 34,284</u>	<u>\$ 60,420</u>
TOTAL SPECIAL REVENUE	<u>\$ 8,571,430</u>	<u>\$ 10,134,683</u>	<u>\$ (1,563,253)</u>
JAIL BOND REDEMPTION			
Jail Bond Payment	\$ <u>435,143</u>	\$ <u>434,643</u>	\$ <u>500</u>
Total Jail Bond Redemption	<u>\$ 435,143</u>	<u>\$ 434,643</u>	<u>\$ 500</u>
TOTAL GOVERNMENTAL FUND TYPES	<u>\$ 16,222,011</u>	<u>\$ 17,329,617</u>	<u>\$ (1,107,606)</u>

SINGLE AUDIT SECTION

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

**The Honorable Board of Commissioners
Madison County – State of Idaho
Rexburg, Idaho**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Idaho as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents and have issued our report thereon dated June 13, 2011. Our report includes a reference to 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. Other auditors audited the financial statements of Madison Memorial Hospital, a component unit as described in our report on Madison County, Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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 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.. We considered the deficiencies described below as Finding 2010-1, 2010-2, and 2010-3 to be material weaknesses.

2010-1 Finding: Madison County outsources the preparation of its audited annual financial statements to be drafted in accordance with the correct application of U.S. generally accepted accounting principles and reporting standards as required by the Government Accountability Office (GAO). Because this accounting function is outsourced, there is a risk that a misapplication of correct accounting principles which are more than remote and more than inconsequential, could occur and not be detected in the normal review process by management.

Responses: Management recognizes the risks involved in outsourcing the preparation of its annual financial

statements for audit, but believe that the additional costs in time, personnel and training do not justify the benefit of internally producing the financial statements in accordance with the above mentioned standards.

2010-2 Finding: The Assessor's office does not have sufficient monitoring over the motor vehicle turnover.

Responses: The Assessor is implementing procedures to monitor motor vehicle turnover and make the process better.

2010-3 Finding: The Clerk's office does not balance the taxes receivable amounts on the financial statements with the Treasurer's taxes receivable report on a monthly basis.

Responses: The Clerk is implementing procedures to balance the taxes receivable amounts on the financial statements with the Treasurer's taxes receivable report each month.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County, Idaho'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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management of Madison County in a separate letter dated June 13, 2011.

This report is intended solely for the information and use of the management, others within the organization, County Commissioners, 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.

Searle Hart & Associates PLLC

June 13, 2011

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

The Honorable Board of County Commissioners
Madison County-State of Idaho
Rexburg, Idaho 83440

Compliance

We have audited Madison County, Idaho's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Madison County's major federal programs for the year ended September 30, 2010. Madison County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Madison County's management. Our responsibility is to express an opinion on Madison County's compliance based on our audit.

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

In our opinion, Madison County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Internal Control over Compliance

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

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

possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item Finding 2010-4. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Madison County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Madison County's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the management, others within the organization, County Commissioners, 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.

Searle Hart & Associates PLLC

June 13, 2011

MADISON COUNTY- STATE OF IDAHO
SCHEDULE OF FEDERAL AWARDS
For the Year Ended September 30, 2010

<u>FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>DISBURSE- MENTS</u>
US DEPARTMENT OF JUSTICE		
PASSED THROUGH THE STATE OF IDAHO		
Juvenile Accountability Incentive		
Block Grant	16.523	\$ 4,949
Crime Victim Assistance	16.575	8,095
Enforcing Underage Drinking Laws Program	16.727	6,413
Edward Byrne Memorial Justice	16.738	129,064
ARRA-Edward Byrne Memorial Justice Assit. Grant	16.803	82,414
DIRECT FROM JUSTICE DEPT.		
Office of Justice Programs		
SCAAP	16.572	8,444
Bullet Proof Vest	16.607	3,885
Cop Grants	16.710	19,774
TOTAL US DEPT. OF JUSTICE		<u>263,038</u>
US DEPARTMENT OF HUD		
PASSED THROUGH THE STATE OF IDAHO		
Community Development Block Grant	14.228	<u>65,670</u>
US DEPARTMENT OF TRANSPORTATION		
PASSED THROUGH THE STATE OF IDAHO		
Highway Planning and Construction	20.205	123,137
Recreational Trails Program	20.219	7,395
State and Community Highway Safety	20.600	14,092
Alcohol Traffic Safety	20.601	10,023
TOTAL US DEPT. OF TRANSPORTATION		<u>154,647</u>
US DEPARTMENT OF AGRICULTURE		
PASSED THROUGH THE STATE OF IDAHO		
ARRA-Fish, Wildlife and Plant Conservation	15.231	1,166
DIRECT FROM AGRICULTURE DEPT.		
ARRA-Forest Service Recovery Act Agreement Number		
09-RO-110482B1-003	10.687	287,253
TOTAL US DEPT. OF AGRICULTURE		<u>288,419</u>
GENERAL SERVICE ADMINISTRATION		
PASSED THROUGH THE STATE OF IDAHO		
Election Reform Payments	39.011	<u>31,450</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY		
Emergency Food and Shelter Grants	97.024	<u>1,296</u>
US DEPARTMENT OF HOMELAND SECURITY		
PASSED THROUGH THE STATE OF IDAHO		
Boat Safety Financial Assistance	97.012	1,720
Emergency Management Performance Grants	97.042	601
Military Division	97.067	109,103
TOTAL US DEPARTMENT OF HOMELAND SECURITY		<u>111,424</u>
TOTAL FEDERAL AWARDS ASSISTANCE		<u>\$ 915,944</u>

NOTES TO THE SCHEDULE OF FEDERAL AWARDS

1. The Schedule of Federal Awards is prepared on the cash basis of accounting.

MADISON COUNTY-STATE OF IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SECTION 1-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal Control Over Financial Reporting:

Material weaknesses identified	<u> X </u> Yes	<u> </u> No
Significant deficiencies identified that are not considered to be material weaknesses	<u> </u> Yes	<u> X </u> No
Noncompliance material to financial statements noted	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal Control Over Major Programs:

Material weaknesses identified	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses	<u> X </u> Yes	<u> </u> No

Type of Auditor's Report Issued on Compliance For Major Programs: Unqualified

Audit Findings Required to be reported in accordance with section 510(a) of Circular A-133	<u> </u> Yes	<u> X </u> No
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Identification of Major Programs:

10.687	ARRA-Forest Service Recovery Act Agreement
16.738	Edward Byrne Memorial Justice
16.803	ARRA-Edward Byrne Memorial Justice Assist. Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee Qualified as Low-Risk Auditee Yes X No

SECTION II-FINANCIAL STATEMENT FINDINGS

See finding 2010-1, 2010-2, and 2010-3 reported in the Report on Internal Control and on
Compliance in Accordance with *Government Auditing Standards* .

MADISON COUNTY-STATE OF IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SECTION III-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2010-4

<i>Condition</i>	The Schedule of Federal Awards was prepared with help from the auditor.
<i>Criteria</i>	The County does not have the personnel on staff to prepare the schedule without help from the auditor.
<i>Effect</i>	The County does not have personnel on staff with the expertise to totally prepare and catch mistakes in this schedule.
<i>Cause</i>	The County does not have the financial resources to hire personnel that has the expertise to totally prepare this schedule.
<i>Recommendation</i>	We recommend that the County hire personnel or train current personnel to prepare this schedule without help from the auditor.
<i>Managements Response</i>	Management recognizes the risks involved in having the auditor help prepare the Schedule of Federal Awards, but believe that the additional costs in time, personnel and training do not justify the benefit of preparing the schedule internally.

**MADISON COUNTY-STATE OF IDAHO
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Finding 2009-1

Condition The County outsources the preparation of its audited annual financial statements to be drafted in accordance with the correct application of U.S. generally accepted accounting principles and reporting standards as required by the Government Accountability Office (GAO).

Status This condition existed again in the current year.

Finding 2009-2

Condition The Assessor's office does not have sufficient monitoring over the motor vehicle turnover.

Status This condition existed again in the current year.

Finding 2009-3

Condition The first quarterly report ending September 30, 2009 for the Forest Service Recovery Act Agreement was not filed.

Status This condition was corrected during the year.

Finding 2009-4

Condition The Schedule of Federal Awards was prepared with help from the auditor.

Status This condition existed again in the current year.