

**MADISON COUNTY - STATE OF IDAHO
REXBURG, IDAHO
ANNUAL FINANCIAL REPORT
and
COMPLIANCE REPORTS
with
INDEPENDENT AUDITORS' REPORT
For the Year Ended September 30, 2011**

MADISON COUNTY - STATE OF IDAHO
BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2011

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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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these 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, 2011, 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 25, 2012 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 25, 2012

Madison County, Idaho

Management's Discussion & Analysis *September 30, 2011*

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, 2011. 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 2011 are as follows:

At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$7,592,297.

At the end of the current year, the fund balance for the General Fund was \$1,152,084, an increase of \$249,681 from the fund balance at September 30, 2010. The business-type activities reported net assets of \$909,607 a decrease of \$106,828 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, 2011

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, 2011

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 2011 and 2010.

	2011		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 8,450,780	\$ 491,415	\$ 8,942,195
Capital assets	5,911,504	703,936	6,615,440
Total assets	14,362,284	1,195,351	15,557,635
Long-term debt outstanding	2,027,861	68,640	2,096,501
Other liabilities	1,056,655	217,104	1,273,759
Total liabilities	3,084,516	285,744	3,370,260
Net assets			
Invested in capital assets, Net of related debt	3,883,643	635,296	4,518,939
Restricted	671,172	-	671,172
Unrestricted	6,722,953	274,311	6,997,264
Total net assets	\$ 11,277,768	\$ 909,607	\$12,187,375

	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

Total net assets of governmental activities increased by \$91,685. The increase was from change in net assets. The total liabilities of governmental activities increased by \$151,286 from an increase of debt.

The following shows the changes in net assets for 2011 and 2010.

Madison County, Idaho

Management's Discussion & Analysis September 30, 2011

	2011		
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues			
Charges for services	\$ 2,531,677	\$ 1,328,565	\$ 3,860,242
Operating & capital grants & contributions	2,187,634		2,187,634
General revenues			
Property taxes	8,752,153		8,752,153
Public service taxes	1,182,887		1,182,887
Intergovernmental revenues	3,348,991		3,348,991
Investment earnings	66,096		66,096
Other	350,236		350,236
Total revenues	18,419,674	1,328,565	19,748,239
Expenses			
General government	4,732,513		4,732,513
Public works	3,126,335		3,126,335
Public safety	8,321,375		8,321,375
Health and welfare	1,391,931		1,391,931
Recreation	189,955		189,955
Conservation	55,634		55,634
Interest on long-term debt	510,246		510,246
Solid waste	-	1,435,393	1,435,393
Total expenses	18,327,989	1,435,393	19,763,382
Increase (decrease) in net assets	\$ 91,685	\$ (106,828)	\$ (15,143)

Madison County, Idaho

Management's Discussion & Analysis September 30, 2011

	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	19,081,999	1,306,814	20,388,813
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	17,374,517	1,199,725	18,574,242
 Increase (decrease) in net Assets	 \$ 1,707,482	 \$ 107,089	 \$ 1,814,571

GOVERNMENTAL ACTIVITIES

The County's grant revenues from federal and state sources made up \$5,274,984 or 28% of total governmental revenues. The major recipient of intergovernmental program revenues was public safety.

The Road and Bridge accounted for \$3,349,740 of the \$19,042,602 total expenses for governmental activities, or 18% 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, 2011

	Total Cost of Services	Net Cost Of Service
General government	\$ 4,732,513	\$ 4,710,827
Public works	3,126,335	1,679,805
Public safety	8,321,375	5,411,007
Health and welfare	1,391,931	1,118,317
Recreation	189,955	122,842
Conservation	55,634	55,634
Interest on long-term debt	510,246	510,246
Total	<u>\$ 18,327,989</u>	<u>\$ 13,608,678</u>

Charges for services and operating and capital grants of \$4,719,311 (26% of the total costs of services) are received and used to fund the general government expenses of the County. The remaining \$13,608,678 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 decreased by \$106,828 during 2011 and the major revenue sources were charges for services of \$1,328,565.

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, unassigned 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, 2011, the County's governmental funds reported a combined ending fund balance of \$7,592,297, a decrease of \$183,069 in comparison with the prior year. Approximately 54% of this total \$4,038,826 constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is assigned to indicate that it is not available for new spending because it has already been assigned for a variety of assigned purposes (\$3,553,471).

The General Fund is the primary operating fund of the County. At the end of 2011, unassigned fund balance was \$1,152,084. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total expenditures. Unassigned fund balance represents 18% to total General Fund expenditures.

The County's General Fund balance has increased by \$249,681 during fiscal year 2011. That increase was budgeted for.

Madison County, Idaho

Management's Discussion & Analysis September 30, 2011

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, 2011, were \$274,311. Unrestricted net assets decreased by \$186,340.

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, 2011, amounts to \$6,615,440 (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 1% increase for governmental activities and a 1% increase for business-type activities).

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 483,235	\$ 198,000	\$107,973	\$107,973	\$ 591,208	\$ 305,973
Buildings & improvements	3,437,397	3,940,979	282,013	262,974	3,719,410	4,203,953
Machinery & equipment	1,958,786	1,717,633	313,950	253,477	2,272,736	1,971,110
Infrastructure	32,086	29,583			32,086	29,583
Construction in Progress	-	-			-	-
Total	\$ 5,911,504	\$ 5,886,195	\$703,936	\$624,424	\$ 6,615,440	\$ 6,510,619

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 2011.

Long-term Debt – At September 30, 2011, the County had total general obligation debt outstanding of \$2,020,992. The County's long-term debt decreased by \$283,100 or 12% during fiscal year 2011 in a large part explained by the payments of principal on debt.

Madison County, Idaho

Management's Discussion & Analysis September 30, 2011

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2009
Compensated absences & payroll	\$ 741,742	\$ 688,511	\$ 49,655	\$ 45,885	\$ 791,397	\$ 734,396
Capital leases	650,992	549,092			650,992	549,092
Leases			-	-	-	-
Contracts payable						
Bonds	1,370,000	1,755,000			1,370,000	1,755,000
Total	\$2,762,734	\$2,992,603	\$49,655	\$45,885	\$2,812,389	\$3,038,488

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

In the past year Madison County obtained a Community Development Block grant to construct a parking lot on a property previously contaminated with hazardous material. The parking lot is almost complete and is a great asset to the community. Madison County has met the in-kind match contributions, but did encounter expense for power poles. The property adjacent to the parking lot is under construction for a new building that was purchased from the County by Morgan Construction. We continue to anticipate jobs created and increased revenue, as well as the aesthetic improvement to the corner lot on Main Street in Rexburg. .

We are currently in the process of seeking a grant to replace the entire bridge structure at Twin Bridges. This area has been a focus as spring runoff in the past few years has created major flooding concerns. The County is also seeking grants to update two of our County Parks. Beaver Dick Park has a restroom in a low area of the Park that gets flooded on an annual basis during the spring run-off. We would like to replace the restroom on higher ground as well as add additional lighting and much needed improvements to this park as well as the Twin Bridges Park and campground.

In the upcoming budget year, we are looking at funds to convert our old microfilm and microfiche to more update safe storage devices. We are finding it increasingly difficult to find machines and parts to access these old records and see the definite need to preserve these valuable records. In the upcoming year we will also be trying to reserve funds to replace the outdated phone system, begin a justice fund to free up our tight general fund and build reserves for the future.

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.

The State of Idaho continues to discuss elimination of personal property tax. This would be devastating to Madison County. We will continue to look for ways to cut deeper into the budget and watch carefully to see if the State replaces these funds.

Madison County, Idaho

Management's Discussion & Analysis *September 30, 2011*

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, 2011

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
ASSETS				
Cash - County Treasurer	\$ 6,954,523	\$ 381,745	\$ 7,336,268	\$ 1,025,211
Taxes receivable	373,181	-	373,181	-
Receivables	159,562	109,670	269,232	8,068,874
Due from other governmental agencies	952,205	-	952,205	-
Inventories	-	-	-	2,440,959
Other assets	11,309	-	11,309	1,090,982
Other assets limited as to use	-	-	-	21,466,305
Capital Assets				
Land and improvements not being depreciated	483,235	107,973	591,208	4,463,969
Infrastructure and infrastructure in progress, net of depreciation	40,616	-	40,616	-
Buildings	8,470,327	710,919	9,181,246	69,926,048
Equipment and furniture	7,677,923	902,372	8,580,295	34,651,519
Construction in progress	-	-	-	-
Less: accumulated depreciation	<u>(10,760,597)</u>	<u>(1,017,328)</u>	<u>(11,777,925)</u>	<u>(38,253,664)</u>
Total Capital Assets	<u>5,911,504</u>	<u>703,936</u>	<u>6,615,440</u>	<u>70,787,872</u>
TOTAL ASSETS	<u>\$ 14,362,284</u>	<u>\$ 1,195,351</u>	<u>\$ 15,557,635</u>	<u>\$ 104,880,203</u>

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
LIABILITIES				
Accounts payable and accrued expenses	\$ 1,823	\$ -	\$ 1,823	\$ 3,403,469
Warrants payable	313,090	156,961	470,051	-
Deferred revenues	-	-	-	-
Long-term liabilities				
Due within one year				
Bonds, capital leases and contracts	670,798	-	670,798	3,085,613
Accrued interest	6,869	-	6,869	-
Accrued payroll & comp. absences	622,303	49,655	671,958	-
Accrued landfill closure costs	-	68,640	68,640	-
Due in more than one year				
Bonds, capital leases and contracts	1,350,194	-	1,350,194	54,501,600
Accrued interest	-	-	-	-
Compensated absences	119,439	10,488	129,927	-
TOTAL LIABILITIES	3,084,516	285,744	3,370,260	60,990,682
NET ASSETS				
Invested in capital assets, net of related debt	3,883,643	635,296	4,518,939	18,401,367
Restricted for:				
Debt service	671,172	-	671,172	3,731,343
Unrestricted	6,722,953	274,311	6,997,264	21,756,811
TOTAL NET ASSETS	\$ 11,277,768	\$ 909,607	\$ 12,187,375	\$ 43,889,521

MADISON COUNTY - STATE OF IDAHO
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2011

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUE		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General Government	\$ 4,732,513	\$ 21,686	\$ -	\$ -
Public Safety	8,321,375	2,216,199	694,169	-
Public Works	3,126,335	-	-	1,446,530
Health, Welfare and Sanitation	1,391,931	273,614	-	-
Culture and Recreation	189,955	20,178	46,935	-
Conservation/Economic Development	55,634	-	-	-
Interest on long-term debt	510,246	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	18,327,989	2,531,677	741,104	1,446,530
Business-type activities:				
Solid Waste	1,435,393	1,328,565	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,435,393	1,328,565	-	-
TOTAL PRIMARY GOVERNMENT	\$ 19,763,382	\$ 3,860,242	\$ 741,104	\$ 1,446,530
Component Units				
Madison Memorial Hospital	\$ 52,731,422	\$ 52,228,311	\$ 431,218	\$ -
TOTAL COMPONENT UNITS	\$ 52,731,422	\$ 52,228,311	\$ 431,218	\$ -
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Property taxes, levied for specific purpose				
Public service taxes				
Grants and contributions not restricted to specific program:				
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, 2010				
NET ASSETS, SEPTEMBER 30, 2011				

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

Primary Government			
Governmental Activities	Business- type Activities	Total	Component Units
\$ (4,710,827)	\$	\$ (4,710,827)	
(5,411,007)		(5,411,007)	
(1,679,805)		(1,679,805)	
(1,118,317)		(1,118,317)	
(122,842)		(122,842)	
(55,634)		(55,634)	
<u>(510,246)</u>		<u>(510,246)</u>	
<u>(13,608,678)</u>		<u>(13,608,678)</u>	
	<u>(106,828)</u>	<u>(106,828)</u>	
	<u>(106,828)</u>	<u>(106,828)</u>	
<u>(13,608,678)</u>	<u>(106,828)</u>	<u>(13,715,506)</u>	
			\$ <u>(71,893)</u>
			<u>(71,893)</u>
3,613,497	-	3,613,497	-
5,138,656	-	5,138,656	-
1,182,887	-	1,182,887	-
3,348,991	-	3,348,991	-
66,096	-	66,096	-
1,005,045	-	1,005,045	673,947
-	-	-	-
<u>(654,809)</u>	<u>-</u>	<u>(654,809)</u>	<u>-</u>
<u>13,700,363</u>	<u>-</u>	<u>13,700,363</u>	<u>673,947</u>
91,685	(106,828)	(15,143)	602,054
<u>11,186,083</u>	<u>1,016,435</u>	<u>12,202,518</u>	<u>43,287,467</u>
\$ <u>11,277,768</u>	\$ <u>909,607</u>	\$ <u>12,187,375</u>	\$ <u>43,889,521</u>

MADISON COUNTY - STATE OF IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2011

	GENERAL FUND	ROAD & BRIDGE	AMBULANCE
ASSETS			
Cash and cash equivalents	\$ 952,703	\$ 1,688,771	\$ 719,889
Taxes receivable, net	150,452	86,143	20,214
Due from other funds	18,496	-	-
Receivable from other governments	411,042	358,377	7,444
Other receivables	-	-	159,562
TOTAL ASSETS	\$ 1,532,693	\$ 2,133,291	\$ 907,109
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants payable	\$ 132,946	\$ 21,147	\$ 15,000
Due to other funds	-	-	-
Deferred revenue	124,803	71,485	16,837
Other accrued expenses	122,860	29,189	-
TOTAL LIABILITIES	380,609	121,821	31,837
FUND BALANCES			
Assigned to:			
Debt service	-	-	-
Other purposes	-	-	-
Unassigned	1,152,084	2,011,470	875,272
TOTAL FUND BALANCES	1,152,084	2,011,470	875,272
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,532,693	\$ 2,133,291	\$ 907,109

DEBT SERVICE JAIL BOND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 663,656	\$ 2,929,504	\$ 6,954,523
18,120	98,252	373,181
-	-	18,496
4,469	170,873	952,205
<u>-</u>	<u>-</u>	<u>159,562</u>
<u>\$ 686,245</u>	<u>\$ 3,198,629</u>	<u>\$ 8,457,967</u>
\$ -	\$ 143,997	\$ 313,090
-	18,496	18,496
15,073	81,620	309,818
<u>-</u>	<u>72,217</u>	<u>224,266</u>
<u>15,073</u>	<u>316,330</u>	<u>865,670</u>
671,172	-	671,172
-	2,882,299	2,882,299
<u>-</u>	<u>-</u>	<u>4,038,826</u>
<u>671,172</u>	<u>2,882,299</u>	<u>7,592,297</u>
<u>\$ 686,245</u>	<u>\$ 3,198,629</u>	<u>\$ 8,457,967</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, 2011

Total fund balance, governmental funds	\$	7,592,297
--	----	-----------

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.		5,911,504
---	--	-----------

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.		309,818
--	--	---------

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		11,309
--	--	--------

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>(2,547,160)</u>
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Net Assets of Governmental Activities in the Statement of Net Asset	\$	<u><u>11,277,768</u></u>
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MADISON COUNTY - STATE OF IDAHO
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2011

	GENERAL FUND	ROAD & BRIDGE	AMBULANCE
REVENUES			
Property taxes	\$ 3,606,965	\$ 2,213,378	\$ 510,200
Fees and fines	83,516	-	-
Licenses and permits	1,403,439	-	-
Intergovernmental	1,510,756	1,292,341	27,757
Charges for services	21,686	-	273,614
Investment earnings	66,096	-	-
Miscellaneous	6,464	252,343	-
	<u>6,698,922</u>	<u>3,758,062</u>	<u>811,571</u>
EXPENDITURES			
Current:			
General government	2,842,930	-	-
Public safety	3,015,062	-	-
Public works	421,974	2,890,621	-
Health and sanitation	17,346	-	965,062
Culture and recreation	-	-	-
Conservation/economic development	51,252	-	-
Debt Service:			
Principal	3,121	155,253	-
Interest and other charges	896	16,894	-
Capital outlay	96,660	286,972	-
	<u>6,449,241</u>	<u>3,349,740</u>	<u>965,062</u>
Excess (deficiency) of revenues over expenditures	249,681	408,322	(153,491)
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt, net	-	260,275	-
Transfers in	-	-	-
Transfers out	-	(654,809)	-
	-	(394,534)	-
SPECIAL ITEM			
Proceeds from sale of assets	-	-	-
Net change in fund balances	249,681	13,788	(153,491)
Fund Balances, October 1, 2010	<u>902,403</u>	<u>1,997,682</u>	<u>1,028,763</u>
FUND BALANCES, SEPT. 30, 2011	<u>\$ 1,152,084</u>	<u>\$ 2,011,470</u>	<u>\$ 875,272</u>

DEBT SERVICE JAIL BOND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 446,972	\$ 2,577,220	\$ 9,354,735
-	124,733	208,249
-	16,576	1,420,015
17,875	2,426,255	5,274,984
-	1,823,317	2,118,617
-	-	66,096
-	552,564	811,371
<u>464,847</u>	<u>7,520,665</u>	<u>19,254,067</u>
-	1,866,506	4,709,436
-	4,281,881	7,296,943
-	205,888	3,518,483
-	911,045	1,893,453
-	148,461	148,461
-	-	51,252
385,000	-	543,374
54,693	-	72,483
-	425,085	808,717
<u>439,693</u>	<u>7,838,866</u>	<u>19,042,602</u>
25,154	(318,201)	211,465
-	-	260,275
-	-	-
-	-	(654,809)
-	-	(394,534)
-	-	-
25,154	(318,201)	(183,069)
<u>646,018</u>	<u>3,200,500</u>	<u>7,775,366</u>
\$ <u><u>671,172</u></u>	\$ <u><u>2,882,299</u></u>	\$ <u><u>7,592,297</u></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, 2011

Net change in fund balances - total governmental funds: \$ (183,069)

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 \$808,717 exceeded depreciation \$673,292 in the current period. 135,425

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. 6,532

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. 385,000

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. 1,930

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. (217,693)

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. (36,440)

Change in net assets of governmental activities \$ 91,685

MADISON COUNTY - STATE OF IDAHO
STATEMENT OF PROPRIETARY NET ASSETS
PROPRIETARY FUND - SOLID WASTE
September 30, 2011

ASSETS

Current Assets

Cash - County Treasurer	\$ 381,745
Taxes receivable-special fee	14,575
Accounts receivable	95,095
Receivables from other agencies	-
	<hr/>
Total current assets	491,415

Noncurrent Assets

Land	107,973
Building and equipment	1,613,291
Less accumulated depreciation	(1,017,328)
	<hr/>
Total noncurrent assets	703,936

TOTAL ASSETS	<hr/> 1,195,351 <hr/>
--------------	-----------------------

LIABILITIES

Current Liabilities

Warrants payable	156,961
Accrued expenses	14,542
Current portion of compensated absences	35,113
Landfill closure liability	68,640
	<hr/>
Total current liabilities	275,256

Long-term Liabilities

Lease payable	-
Compensated absences payable	10,488
	<hr/>
Total long-term liabilities	10,488

TOTAL LIABILITIES	<hr/> 285,744 <hr/>
-------------------	---------------------

NET ASSETS

Investment in capital assets, net of related debt	635,296
Unrestricted	274,311
	<hr/>
TOTAL NET ASSETS	\$ 909,607

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, 2011

REVENUES, GAINS AND OTHER SUPPORT

Charges for services	\$ 1,272,464
Other revenue	56,101

TOTAL OPERATING REVENUES	<u>1,328,565</u>
--------------------------	------------------

EXPENSES

Salaries and wages	574,445
Professional fees	597,958
Supplies and other	88,868
Repairs and maintenance	101,650
Utilities	15,237
Depreciation and amortization	57,235
Provision for uncollectible accounts	-
Landfill closure and post closure expense	-
Miscellaneous	-

TOTAL OPERATING EXPENSES	<u>1,435,393</u>
--------------------------	------------------

INCOME (LOSS) FROM OPERATIONS	(106,828)
-------------------------------	-----------

OTHER INCOME (EXPENSE)

Investment income	-
Interest expense	-

NET OTHER INCOME AND EXPENSE	<u>-</u>
------------------------------	----------

CONTRIBUTIONS AND TRANSFERS

Capital contributions	-
Transfers in	-
Transfers out	-

NET CONTRIBUTIONS AND TRANSFERS	<u>-</u>
---------------------------------	----------

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u><u>\$ (106,828)</u></u>
---	----------------------------

CHANGES IN NET ASSETS

Balance, beginning	\$ 1,016,435
Excess (deficiency) of revenues over expenses	<u>(106,828)</u>

ENTERPRISE NET ASSETS - September 30, 2011	<u><u>\$ 909,607</u></u>
--	--------------------------

MADISON COUNTY - STATE OF IDAHO
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Year Ended September 30, 2011

	PROPRIETARY FUND	COMPONENT UNIT
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from service revenues	\$ 1,294,496	\$ 54,249,509
Cash received from other operating revenues	56,101	-
Cash paid for salaries and benefits	(560,187)	(23,244,315)
Cash paid for supplies, professional fees and other operating expenses	(697,210)	(22,112,360)
Net cash provided by operating activities	93,200	8,892,834
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	-	(227,000)
Purchase of property and equipment	(106,222)	(1,325,559)
Principal payments on long-term debt	-	(950,000)
Principal payments on capital lease obligations	-	-
Interest paid	-	-
Net cash used in capital and related financing activities	(106,222)	(2,502,559)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(12,259,076)
Disposal of investments	-	10,155,428
Purchase of intangibles in Surgical Center	-	-
Net cash provided by investing activities	-	(2,103,648)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,022)	4,286,627
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	394,767	3,976,692
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 381,745</u>	<u>\$ 8,263,319</u>

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

	PROPRIETARY FUND	COMPONENT UNIT
Excess (deficiency) of revenues over expenses	\$ (136,195)	\$ 470,934
Adjustments to reconcile loss from operations to net cash provided by operating activities		
Depreciation and amortization	57,235	5,779,417
Loss on investment	-	215,589
Gain on disposal of assets	-	-
Decrease (increase) in current assets		
Receivables		
Patient accounts, net	-	2,993,319
Other	20,874	(236,349)
Inventories	-	(134,449)
Prepaid expenses	-	49,707
Increase (decrease) in current liabilities		
Accounts payable	137,028	109,129
Payroll and related liabilities	4,206	(354,463)
Accrued vacation	10,052	-
Landfill closure liability	-	-
Net cash provided by operating activities	<u>\$ 93,200</u>	<u>\$ 8,892,834</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, 2011

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUNDS
ASSETS		
Cash - County Treasurer	\$ 788,709	\$ 620,085
Taxes receivable	-	471,740
Receivables from other agencies		106,931
TOTAL ASSETS	788,709	1,198,756
LIABILITIES		
Warrants payable	237,447	202,493
Payable to the State of Idaho	-	525
Payable to taxing districts	-	995,738
TOTAL LIABILITIES	237,447	1,198,756
NET ASSETS		
Held in trust for individuals, organizations and other governments	\$ 551,262	\$ -

MADISON COUNTY - STATE OF IDAHO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
September 30, 2011

	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS	
Taxes	\$ 194,744
Licenses and permits	2,559,847
Intergovernmental revenues	170,099
Charges for services	-
Fines and forfeitures	1,636,236
Investment interest	-
Misc and contributions	368
Transfers from other funds	-
	<hr/>
Total additions	4,561,294
	<hr/>
DEDUCTIONS	
Trust operating expenses	4,416,008
Transfers to other funds	-
	<hr/>
Total deductions	4,416,008
	<hr/>
Change in net assets	145,286
Net assets - October 1, 2010	405,976
	<hr/>
Net assets - September 30, 2011	\$ 551,262
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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, 2011

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1. Summary of Significant Accounting Policies
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MADISON COUNTY - STATE OF IDAHO
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For the Year Ended September 30, 2011

- 16. Contingent Liabilities
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- 23. Joint Venture/Jointly Governed Organization
- 24. Subsequent Events

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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, 2011

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, 2011

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, 2011

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, 2011

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, 2011

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, 2011

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, 2011

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 expended when earned. The entire amount of compensated absences is reported as a liability.

At September 30, 2011, total compensated absences payable by the County is \$564,900. Of this amount, \$519,299 arises from governmental activity operations, and \$45,601 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, 2011

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, 2011 totaled \$ 8,745,062 of which \$6,755,221 represent demand and savings deposits and CD's and \$1,989,841 represented investments in government backed securities. Of the total deposits for the County, \$6,954,523 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 \$6,762,814 and the bank balance was \$6,418,287. The amount not covered by FDIC insurance was \$6,119,228.

Investments

The fair value of the County's investments at year end was \$1,982,248. The amount not covered by SPIC or FDIC insurance was \$739,771.

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, 2011, \$6,119,228 of the government's bank balance of \$6,762,814 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized of \$6,119,228 for a total of \$6,119,228.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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	\$ 638,032	\$ -	\$ 268,805	\$ 369,227	\$ 637,169	S&P AAA	32.2%
FHLB	200,297	-	-	200,297	201,408	S&P AAA	10.1%
FNMA	470,257	-	-	470,257	457,767	S&P AAA	23.7%
Tennessee VY	34,714	-	-	34,714	34,201	S&P AAA	1.8%
Certificates of Deposits	<u>638,948</u>	<u>281,469</u>	<u>357,479</u>	<u>-</u>	<u>638,948</u>	Not Rated	<u>32.2%</u>
Total Investments	<u>\$ 1,982,248</u>	<u>\$ 281,469</u>	<u>\$ 626,284</u>	<u>\$ 1,074,495</u>	<u>\$ 1,969,493</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, 2011. 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, 2011 the carrying amounts of the Hospital's deposits were \$3,685,726 and the bank balances totaled \$10,275,686.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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, 2011, \$211,673 of the total deposits of \$10,275,686 were not covered by federal depository insurance, and thus were exposed to custodial credit risk.

Investments-As of June 30, 2011 the Hospital had the following investments and maturities:

Investment Type	Fair Value	< 1 year	1-5 years	6-10 years	>10 years
Corporate Bonds	\$ 808,245	\$ 593,039	\$ 215,206	\$ -	\$ -
Municipal Bonds	558,517	326,002	205,966	-	26,549
US Treasuries	4,589,477	4,589,477	-	-	-
US Agencies	5,917,281	2,974,306	2,915,881	-	27,094
State Pool	6,336,112	6,336,112	-	-	-
Total Invest.	<u>\$18,209,632</u>	<u>\$ 14,818,936</u>	<u>\$ 3,337,053</u>	<u>\$ -</u>	<u>\$ 53,643</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, 2011 is the General Obligation Bonds, 1995 series in the amount of \$1,560,000, which is considered defeased.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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
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	-	-	-
2017	-	-	-
Total	<u>\$ 1,370,000</u>	<u>\$ 94,584</u>	<u>\$ 1,464,584</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, 2011, the following changes occurred in general long-term debt:

	Balance 9/30/2010	Additions	Deletions	Balance 9/30/2011	Amounts due within one year
Governmental activities					
Bonds payable	\$ 1,755,000	\$ -	\$ 385,000	\$ 1,370,000	\$ 400,000
Compensated absences	482,859	36,440	-	519,299	399,860
Capital leases	549,092	260,275	158,375	650,992	270,798
Leases	-	-	-	-	-
Contracts payable	-	-	-	-	-
Total governmental act.	<u>\$ 2,786,951</u>	<u>\$ 296,715</u>	<u>\$ 543,375</u>	<u>\$ 2,540,291</u>	<u>\$ 1,070,658</u>
Business activities					
Compensated absences	\$ 35,549	\$ 10,052	\$ -	\$ 45,601	\$ 27,373
Capital leases	-	-	-	-	-
Total business act.	<u>\$ 35,549</u>	<u>\$ 10,052</u>	<u>\$ -</u>	<u>\$ 45,601</u>	<u>\$ 27,373</u>

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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, 2011. 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, 2011:

	Governmental Activities	Business-type Activities	Capital Assets Under Capital Leases
Building and Improvements	\$ -	\$ -	\$ -
Machinery, equipment, and other	1,485,061	-	1,485,061
Total assets under capital leases	<u>\$ 1,485,061</u>	<u>\$ -</u>	<u>\$ 1,485,061</u>

Obligations of governmental activities under capital leases and contracts as of September 30, 2011, are as follows:

Year Ended September 30,	Principal	Interest	Total
2012	\$ 270,798	\$ 26,666	\$ 297,464
2013	180,767	13,769	194,536
2014	19,042	5,146	24,188
2015	19,534	4,654	24,188
2016	160,851	4,149	165,000
Total	<u>\$ 650,992</u>	<u>\$ 54,384</u>	<u>\$ 705,376</u>

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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, 2011, includes discretely presented financial information from the component unit, Madison Memorial Hospital. The long-term debt for the year ended September 30, 2011, for the Hospital is \$52,320,000. The capital lease obligations, net of current maturities, is \$51,320,000 at September 30, 2011.

6. INTERFUND RECEIVABLES AND PAYABLES/ INTERFUND TRANSFERS

The interfund balances at September 30, 2011, amount to:

General interfund receivable	\$	18,496
Nonmajor governmental funds interfund payable-Upper Valley Crime Task Force	\$	(18,496)

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

Transfers were made to transfer money to the various funds.

The following transfers were made:

	<u>Transfer In</u>	<u>Transfer Out</u>
Road & Bridge	\$ -	\$ 654,809
Fiduciary Funds-Agency Funds	<u>654,809</u>	<u>-</u>
Total	<u>\$ 654,809</u>	<u>\$ 654,809</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, 2011

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, 2011, 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 \$651,478, \$651,150, and \$652,190 for the three years ended September 30, 2011, 2010, and 2009 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 \$806,422 for the year ended September 30, 2011.

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, 2011

9. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 was as follows:

Governmental Activities	Balance 10/01/10	Additions	Deletions	Balance 9/30/11
Capital assets, being depreciated				
Buildings and improvements	\$ 8,834,918	\$ -	\$ (364,591)	\$ 8,470,327
Machinery and equipment	7,137,672	844,333	(304,082)	7,677,923
Infrastructure	35,616	5,000	-	40,616
Total capital assets, being depreciated	16,008,206	849,333	(668,673)	16,188,866
Less accumulated depreciation for				
Buildings and improvements	(4,893,939)	(248,756)	109,765	(5,032,930)
Machinery and equipment	(5,420,039)	(422,039)	122,941	(5,719,137)
Infrastructure	(6,033)	(2,497)	-	(8,530)
Total accumulated depreciation	(10,320,011)	(673,292)	232,706	(10,760,597)
Total capital assets, being depreciated, net	5,688,195	176,041	(435,967)	5,428,269
Capital assets, not being depreciated				
Land	198,000	285,235	-	483,235
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	198,000	285,235	-	483,235
Government activity capital assets, net	<u>\$ 5,886,195</u>	<u>\$ 461,276</u>	<u>\$ (435,967)</u>	<u>\$ 5,911,504</u>

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

9. CAPITAL ASSETS (Continued)

	Balance 10/01/10	Additions	Deletions	Balance 9/30/11
Business-type Activities (Solid Waste)				
Capital assets, being depreciated				
Buildings and improvements	\$ 666,554	\$ 44,365	\$ -	\$ 710,919
Machinery and equipment	905,895	141,313	(144,836)	902,372
Total capital assets, being depreciated	1,572,449	185,678	(144,836)	1,613,291
Less accumulated depreciation for				
Buildings and improvements	(403,580)	(25,326)	-	(428,906)
Machinery and equipment	(652,418)	(37,042)	101,038	(588,422)
Total accumulated depreciation	(1,055,998)	(62,368)	101,038	(1,017,328)
Total capital assets, being depreciated, net	516,451	123,310	(43,798)	595,963
Capital assets, not being depreciated				
Land	69,473	38,500	-	107,973
Business-type activity capital assets, net	\$ 585,924	\$ 161,810	\$ (43,798)	\$ 703,936

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

Governmental Activities	
General Government	\$ 41,496
Health and Welfare	-
Public Safety	382,619
Public Works	206,350
Recreation	42,827
Total Governmental Activities	\$ 673,292
Business-type Activities	
Solid Waste	\$ 62,368
Total Business-type Activities	\$ 62,368

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, 2011

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. NONSPENDABLE AND SPENDABLE FUND BALANCES AND NET ASSETS

Fund Balance and net assets are divided into multiple designations.

Fund balance is separated into nonspendable and spendable fund balance. Nonspendable fund balance includes amounts that cannot be spent because they are either: (1) not in spendable form; or (2) legally or contractually required to be maintained intact. Spendable amounts are classified into restricted, committed, assigned, and unassigned. The following is a list of nonspendable and spendable fund balance designations for Madison County.

Assigned for Debt Service. The fund balance is assigned by approval of the County Commissioners to the servicing of debt and will be spent for future debt services expenditures.

Assigned for Other Purposes. The fund balance is assigned by approval of the County Commissioners to various other purposes and will be spent for the various other purposes expenditures.

Unassigned. This fund balance is not assigned to any specific purpose. Madison County will use the unassigned fund balance for expenditures in the subsequent fiscal year.

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

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

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, 2011

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, 2011, 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, 2011. 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, 2011:

Upper Valley Crime Task Force \$ 20,037

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:

	<u>General</u>	<u>Road & Bridge</u>	<u>Ambulance</u>	<u>Jail Bond</u>
Budget basis revenues over expenditures after other financing sources (uses)	\$ 346,023	\$ (99,428)	\$ (126,804)	\$ 19,732
Revenue accruals	(87,694)	372,714	(26,687)	5,422
Expenditure accruals	<u>(8,648)</u>	<u>(259,498)</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenditures, modified accrual basis	<u>\$ 249,681</u>	<u>\$ 13,788</u>	<u>\$ (153,491)</u>	<u>\$ 25,154</u>

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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 2011 was \$436,055. The expense was paid out of the District Court special revenue fund. Total expenses for the Detention Center were \$2,076,511 for the fiscal year ended September 30, 2011.

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 2010 to September 2011 Madison County's share consisted of all expenses attributed to the ambulance which totaled \$965,062.

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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, 2011, include the following:

Patients and third party payers	\$ 11,065,419
Less allowance for doubtful accounts	<u>(4,420,455)</u>
Total	<u><u>\$ 6,644,964</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, 2011, is as follows:

Interest income and finance charges	\$ 619,122
Contributions and grants	398,975
Other income	142,023
Joint Venture Loss	(216,558)
Interest expense	<u>(2,741,797)</u>
Total nonoperating revenues and expenses	<u><u>\$(1,798,235)</u></u>

MADISON COUNTY – STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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	\$ 359,051
Less current portion	<u>(359,051)</u>
Long-term receivables net of current portion	<u>\$ -</u>

22. COMPONENT UNIT: NET PATIENT SERVICE REVENUE

A summary of gross and net patient service revenue for the year ended September 30, 2011 is as follows:

Gross patient service revenue	\$ 75,932,882
Deductions from revenue	
Medicare contractual adjustment	11,808,317
Medicaid contractual adjustment	3,351,806
Other deductions	<u>9,227,720</u>
	<u>24,387,843</u>
Net patient service revenue	<u>\$ 51,545,039</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.

23. SUBSEQUENT EVENTS

Subsequent events have been considered through the date of this report. There are no known subsequent events that will have a material impact on the operation of the County.

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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, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 3,551,032	\$ 3,551,032	\$ 3,574,657	\$ 23,625
Licenses and permits	-	-	1,403,374	1,403,374
Intergovernmental revenues	3,664,406	3,664,406	1,638,346	(2,026,060)
Charges for services	-	-	19,563	19,563
Fines and forfeitures	-	-	83,516	83,516
Investment interest	-	-	66,096	66,096
Misc. and contributions	-	-	1,064	1,064
	<u>7,215,438</u>	<u>7,215,438</u>	<u>6,786,616</u>	<u>(428,822)</u>
EXPENDITURES				
Current:				
General government	3,352,036	3,351,036	2,846,947	504,089
Public safety	3,233,602	3,233,602	3,006,414	227,188
Public health	19,465	19,465	17,346	2,119
Street and public improvement	435,974	435,974	413,378	22,596
Parks, recreation, public property	10,000	10,000	8,596	1,404
Conservation/Economic development	53,861	54,861	51,252	3,609
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	<u>110,500</u>	<u>110,500</u>	<u>96,660</u>	<u>13,840</u>
	<u>7,215,438</u>	<u>7,215,438</u>	<u>6,440,593</u>	<u>774,845</u>
Revenues over (under) expenditures	-	-	346,023	\$ <u>346,023</u>
Estimated beginning cash balance	<u>-</u>	<u>-</u>	<u>-</u>	
Excess (deficiency) of revenues and cash balance over expenditures	\$ <u>-</u>	\$ <u>-</u>	346,023	
OTHER FINANCING SOURCES (USES)				
Transfers in			-	
Transfers out			-	
NET INCREASE (DECREASE) IN REVENUE ACCRUALS			(87,694)	
NET (INCREASE) DECREASE IN EXPENDITURE ACCRUALS			<u>(8,648)</u>	
Net change in fund balances			249,681	
Fund Balances, October 1, 2010			<u>902,403</u>	
FUND BALANCES, SEPT. 30, 2011			\$ <u>1,152,084</u>	

MADISON COUNTY - STATE OF IDAHO
BUDGET AND ACTUAL (WITH VARIANCES) - CASH BASIS
ROAD AND BRIDGE
For the year ended September 30, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 2,187,621	\$ 2,187,621	\$ 2,195,047	\$ 7,426
Licenses and permits	-	-	40	40
Intergovernmental revenues	968,929	968,929	937,958	(30,971)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment interest	-	-	-	-
Misc. and contributions	-	-	252,303	252,303
	<u>3,156,550</u>	<u>3,156,550</u>	<u>3,385,348</u>	<u>228,798</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public health	-	-	-	-
Street and public improvement	3,100,970	3,100,970	3,063,545	37,425
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	<u>55,580</u>	<u>55,580</u>	<u>26,697</u>	<u>28,883</u>
	<u>3,156,550</u>	<u>3,156,550</u>	<u>3,090,242</u>	<u>66,308</u>
Revenues over (under) expenditures	-	-	295,106	\$ <u>295,106</u>
Estimated beginning cash balance	<u>-</u>	<u>-</u>	<u>-</u>	
Excess (deficiency) of revenues and cash balance over expenditures	\$ <u>-</u>	\$ <u>-</u>	295,106	
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases			260,275	
Transfers in			-	
Transfers out			(654,809)	
NET INCREASE (DECREASE) IN REVENUE ACCRUALS			372,714	
NET (INCREASE) DECREASE IN EXPENDITURE ACCRUALS			<u>(259,498)</u>	
Net change in fund balances			13,788	
Fund Balances, October 1, 2010			<u>1,997,682</u>	
FUND BALANCES, SEPT. 30, 2011			\$ <u>2,011,470</u>	

MADISON COUNTY - STATE OF IDAHO
BUDGET AND ACTUAL (WITH VARIANCES) - CASH BASIS
AMBULANCE
For the year ended September 30, 2011

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	BUDGETARY	FINAL BUDGET-
			BASIS	POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 504,162	\$ 504,162	\$ 505,384	\$ 1,222
Licenses and permits	-	-	-	-
Intergovernmental revenues	9,828	9,828	27,407	17,579
Charges for services	453,210	453,210	305,467	(147,743)
Fines and forfeitures	-	-	-	-
Investment interest	-	-	-	-
Misc. and contributions	-	-	-	-
	<u>967,200</u>	<u>967,200</u>	<u>838,258</u>	<u>(128,942)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public health	910,066	910,066	908,762	1,304
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>56,300</u>	<u>834</u>
	<u>967,200</u>	<u>967,200</u>	<u>965,062</u>	<u>2,138</u>
Revenues over (under) expenditures	-	-	(126,804)	<u><u>\$ (126,804)</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>	(126,804)	
OTHER FINANCING SOURCES (USES)				
Transfers in			-	
Transfers out			-	
NET INCREASE (DECREASE) IN REVENUE ACCRUALS			(26,687)	
NET (INCREASE) DECREASE IN EXPENDITURE ACCRUALS			<u>-</u>	
Net change in fund balances			(153,491)	
Fund Balances, October 1, 2010			<u>1,028,763</u>	
FUND BALANCES, SEPT. 30, 2011			<u><u>\$ 875,272</u></u>	

MADISON COUNTY - STATE OF IDAHO
BUDGET AND ACTUAL (WITH VARIANCES)-CASH BASIS
DEBT SERVICE-JAIL BOND
For the year ended September 30, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 440,193	\$ 440,193	\$ 441,550	\$ 1,357
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>459,425</u>	<u>19,232</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public health	-	-	-	-
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Debt Service:				
Principal	440,193	440,193	385,000	55,193
Interest and other charges	-	-	54,693	(54,693)
Capital outlay	-	-	-	-
	<u>440,193</u>	<u>440,193</u>	<u>439,693</u>	<u>500</u>
Revenues over (under) expenditures	-	-	19,732	\$ <u>19,732</u>
Estimated beginning cash balance	-	-	-	
Excess (deficiency) of revenues and cash balance over expenditures	\$ <u>-</u>	\$ <u>-</u>	19,732	
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases			-	
Transfers in			-	
Transfers out			-	
NET INCREASE (DECREASE) IN REVENUE ACCRUALS			5,422	
NET (INCREASE) DECREASE IN EXPENDITURE ACCRUALS			<u>-</u>	
Net change in fund balances			25,154	
Fund Balances, October 1, 2010			<u>646,018</u>	
FUND BALANCES, SEPT. 30, 2011			\$ <u>671,172</u>	

MADISON COUNTY - STATE OF IDAHO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2011

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, 2011

	DISTRICT COURT	FAIR GROUNDS & BUILDINGS	HEALTH DISTRICT	INDIGENT AND CHARITY
ASSETS				
Cash - County Treasurer	\$ 502,398	\$ 8,218	\$ 33,711	\$ 540,337
Taxes receivable	22,417	4,080	6,545	12,950
Accounts receivable	-	-	-	-
Receivables from other agencies	42,336	606	770	1,715
	<u>\$ 567,151</u>	<u>\$ 12,904</u>	<u>\$ 41,026</u>	<u>\$ 555,002</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ 1,490	\$ 3,680	\$ -	\$ 1,167
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Accrued expenses	7,184	1,608	-	1,021
Deferred revenue	18,661	3,395	5,444	10,782
	<u>27,335</u>	<u>8,683</u>	<u>5,444</u>	<u>12,970</u>
FUND BALANCES				
Reserved fund balances designated for specific purposes	-	-	-	-
Unreserved fund balances	539,816	4,221	35,582	542,032
	<u>539,816</u>	<u>4,221</u>	<u>35,582</u>	<u>542,032</u>
	<u>\$ 567,151</u>	<u>\$ 12,904</u>	<u>\$ 41,026</u>	<u>\$ 555,002</u>

	PARKS AND RECREATION	RE- VALUATION	TORT	WEEDS	FEDERAL & STATE GRANTS	MENTAL HEALTH ENHANCE
\$	25,326	\$ 91,770	\$ 87,375	\$ 97,820	\$ 114,382	\$ 8,050
	3,669	17,717	7,506	3,633	-	-
	-	-	-	-	-	-
	464	864	1,110	540	112,499	-
\$	<u>29,459</u>	<u>\$ 110,351</u>	<u>\$ 95,991</u>	<u>\$ 101,993</u>	<u>\$ 226,881</u>	<u>\$ 8,050</u>

\$	76	\$ 41,929	\$ 199	\$ 1,864	\$ 29,507	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,429	6,178	-	1,823	18,079	-
	3,051	14,592	6,233	3,030	-	-
	<u>4,556</u>	<u>62,699</u>	<u>6,432</u>	<u>6,717</u>	<u>47,586</u>	<u>-</u>
	-	-	-	-	-	-
	<u>24,903</u>	<u>47,652</u>	<u>89,559</u>	<u>95,276</u>	<u>179,295</u>	<u>8,050</u>
	<u>24,903</u>	<u>47,652</u>	<u>89,559</u>	<u>95,276</u>	<u>179,295</u>	<u>8,050</u>
\$	<u>29,459</u>	<u>\$ 110,351</u>	<u>\$ 95,991</u>	<u>\$ 101,993</u>	<u>\$ 226,881</u>	<u>\$ 8,050</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2011

	MOSQUITO ABATEMENT	911 EMERGENCY	MAJOR CRIME TASK FORCE	7TH JUDICIAL DRUG COURT
ASSETS				
Cash - County Treasurer	\$ 277,943	\$ 232,756	\$ -	\$ 374,714
Taxes receivable	19,735	-	-	-
Accounts receivable	-	-	-	-
Receivables from other agencies	5,611	-	-	-
	<u>\$ 303,289</u>	<u>\$ 232,756</u>	<u>\$ -</u>	<u>\$ 374,714</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ 2,488	\$ 13,218	\$ 155	\$ 41,594
Accounts payable	-	-	-	-
Due to other funds	-	-	18,496	-
Accrued expenses	4,640	3,432	1,386	25,437
Deferred revenue	16,432	-	-	-
	<u>23,560</u>	<u>16,650</u>	<u>20,037</u>	<u>67,031</u>
FUND BALANCES				
Reserved fund balances designated for specific purposes	-	-	-	-
Unreserved fund balances	279,729	216,106	(20,037)	307,683
	<u>279,729</u>	<u>216,106</u>	<u>(20,037)</u>	<u>307,683</u>
	<u>\$ 303,289</u>	<u>\$ 232,756</u>	<u>\$ -</u>	<u>\$ 374,714</u>

<u>SNOWMOBILE</u>	<u>CLERK</u>	<u>INTERLOCK/ MONITORING</u>	<u>SHERIFF'S REVOLVING</u>	<u>WATERWAYS</u>	<u>SHERIFF GRANTS</u>
\$ 68,962	\$ 58,127	\$ 2,418	\$ 100,261	\$ 12,125	\$ 263,521
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,360	-	1,998
<u>\$ 68,962</u>	<u>\$ 58,127</u>	<u>\$ 2,418</u>	<u>\$ 102,621</u>	<u>\$ 12,125</u>	<u>\$ 265,519</u>
\$ 259	\$ 6,231	\$ -	\$ -	\$ -	\$ 140
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>259</u>	<u>6,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140</u>
-	-	-	-	-	-
<u>68,703</u>	<u>51,896</u>	<u>2,418</u>	<u>102,621</u>	<u>12,125</u>	<u>265,379</u>
<u>68,703</u>	<u>51,896</u>	<u>2,418</u>	<u>102,621</u>	<u>12,125</u>	<u>265,379</u>
<u>\$ 68,962</u>	<u>\$ 58,127</u>	<u>\$ 2,418</u>	<u>\$ 102,621</u>	<u>\$ 12,125</u>	<u>\$ 265,519</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2011

	SHERIFF'S CONCEALED WEAPONS	TOTAL NONMAJOR SPECIAL REVENUE
ASSETS		
Cash - County Treasurer	\$ 29,290	\$ 2,929,504
Taxes receivable	-	98,252
Accounts receivable	-	-
Receivables from other agencies	-	170,873
	<u>\$ 29,290</u>	<u>\$ 3,198,629</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Warrants payable	\$ -	\$ 143,997
Accounts payable	-	-
Due to other funds	-	18,496
Accrued expenses	-	72,217
Deferred revenue	-	81,620
	<u>-</u>	<u>316,330</u>
FUND BALANCES		
Reserved fund balances designated for specific purposes	-	-
Unreserved fund balances	29,290	2,882,299
	<u>29,290</u>	<u>2,882,299</u>
	<u>\$ 29,290</u>	<u>\$ 3,198,629</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, 2011

	<u>DISTRICT COURT</u>	<u>FAIR GROUNDS & BUILDINGS</u>	<u>HEALTH DISTRICT</u>	<u>INDIGENT AND CHARITY</u>
REVENUES				
Taxes	\$ 553,597	\$ 107,693	\$ 161,129	\$ 340,964
Licenses and permits	-	-	-	-
Intergovernmental revenues	391,958	2,422	3,080	6,862
Charges for services	-	-	-	-
Fines and forfeitures	113,295	-	-	-
Investment interest	-	-	-	-
Misc. and contributions	49,145	1,213	-	37,400
	<u>1,107,995</u>	<u>111,328</u>	<u>164,209</u>	<u>385,226</u>
EXPENDITURES				
General government	-	-	-	-
Public safety	991,829	-	-	-
Public health	-	-	158,814	307,941
Street and public improvement	-	117,466	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Intergovernment expenditures	-	-	-	-
Sanitation	-	-	-	-
Capital outlay	10,338	3,444	-	-
Trust remittance	-	-	-	-
	<u>1,002,167</u>	<u>120,910</u>	<u>158,814</u>	<u>307,941</u>
Excess (deficiency) of revenues over expenditures	105,828	(9,582)	5,395	77,285
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	105,828	(9,582)	5,395	77,285
Fund Balances, Oct. 1, 2010	<u>433,988</u>	<u>13,803</u>	<u>30,187</u>	<u>464,747</u>
FUND BALANCES, Sept. 30, 2011	<u><u>\$ 539,816</u></u>	<u><u>\$ 4,221</u></u>	<u><u>\$ 35,582</u></u>	<u><u>\$ 542,032</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>
\$ 94,526	\$ 546,046	\$ 192,297	\$ 98,367	\$ -	\$ -
-	-	-	-	-	-
681	3,456	4,440	(6,738)	1,135,333	-
3,694	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,063	-	-	29,704	422,657	-
<u>99,964</u>	<u>549,502</u>	<u>196,737</u>	<u>121,333</u>	<u>1,557,990</u>	<u>-</u>
-	539,380	-	-	-	-
-	-	174,910	-	1,036,247	-
-	-	-	-	-	-
-	-	-	88,422	-	-
94,597	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	380,559	-
-	-	-	-	-	-
<u>94,597</u>	<u>539,380</u>	<u>174,910</u>	<u>88,422</u>	<u>1,416,806</u>	<u>-</u>
5,367	10,122	21,827	32,911	141,184	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,367	10,122	21,827	32,911	141,184	-
<u>19,536</u>	<u>37,530</u>	<u>67,732</u>	<u>62,365</u>	<u>38,111</u>	<u>8,050</u>
\$ <u>24,903</u>	\$ <u>47,652</u>	\$ <u>89,559</u>	\$ <u>95,276</u>	\$ <u>179,295</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, 2011

	<u>MOSQUITO ABATEMENT</u>	<u>911 EMERGENCY</u>	<u>MAJOR CRIME TASK FORCE</u>	<u>7TH JUDICIAL DRUG COURT</u>
REVENUES				
Taxes	\$ 482,601	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	16,727	-	70,333	19,594
Charges for services	-	333,625	-	1,485,000
Fines and forfeitures	-	-	-	-
Investment interest	-	-	-	-
Misc. and contributions	6,978	-	-	-
	<u>506,306</u>	<u>333,625</u>	<u>70,333</u>	<u>1,504,594</u>
EXPENDITURES				
General government	-	-	-	-
Public safety	-	288,350	64,877	1,642,468
Public health	444,290	-	-	-
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Intergovernment expenditures	-	-	-	-
Sanitation	-	-	-	-
Capital outlay	-	30,744	-	-
Trust remittance	-	-	-	-
	<u>444,290</u>	<u>319,094</u>	<u>64,877</u>	<u>1,642,468</u>
Excess (deficiency) of revenues over expenditures	62,016	14,531	5,456	(137,874)
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	62,016	14,531	5,456	(137,874)
Fund Balances, Oct. 1, 2010	<u>217,713</u>	<u>201,575</u>	<u>(25,493)</u>	<u>445,557</u>
FUND BALANCES, Sept. 30, 2011	<u>\$ 279,729</u>	<u>\$ 216,106</u>	<u>\$ (20,037)</u>	<u>\$ 307,683</u>

<u>SNOWMOBILE</u>	<u>CLERK</u>	<u>INTERLOCK/ MONITORING</u>	<u>SHERIFF'S REVOLVING</u>	<u>WATERWAYS</u>	<u>SHERIFF GRANTS</u>
\$ -	\$ -	\$ -	\$ -	\$ -	-
16,576	-	-	-	-	-
48,746	739,460	-	49,535	9,465	13,399
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,124	-	-	4,278
<u>65,322</u>	<u>739,460</u>	<u>1,124</u>	<u>49,535</u>	<u>9,465</u>	<u>17,677</u>
-	1,327,126	-	-	-	-
-	-	-	81,060	-	68,840
-	-	-	-	-	-
-	-	-	-	-	-
49,349	-	-	-	4,515	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>49,349</u>	<u>1,327,126</u>	<u>-</u>	<u>81,060</u>	<u>4,515</u>	<u>68,840</u>
15,973	(587,666)	1,124	(31,525)	4,950	(51,163)
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
15,973	(587,666)	1,124	(31,525)	4,950	(51,163)
<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><u>68,703</u></u>	\$ <u><u>51,896</u></u>	\$ <u><u>2,418</u></u>	\$ <u><u>102,621</u></u>	\$ <u><u>12,125</u></u>	\$ <u><u>265,379</u></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, 2011

	SHERIFF'S CONCEALED WEAPONS	TOTAL NONMAJOR SPECIAL REVENUE
REVENUES		
Taxes	\$ -	\$ 2,577,220
Licenses and permits	-	16,576
Intergovernmental revenues	-	2,508,753
Charges for services	-	1,822,319
Fines and forfeitures	11,438	124,733
Investment interest	-	-
Misc. and contributions	-	553,562
	<u>11,438</u>	<u>7,603,163</u>
EXPENDITURES		
General government	-	1,866,506
Public safety	15,798	4,364,379
Public health	-	911,045
Street and public improvement	-	205,888
Parks, recreation, public property	-	148,461
Conservation/Economic development	-	-
Intergovernment expenditures	-	-
Sanitation	-	-
Capital outlay	-	425,085
Trust remittance	-	-
	<u>15,798</u>	<u>7,921,364</u>
Excess (deficiency) of revenues over expenditures	(4,360)	(318,201)
OTHER FINANCIAL SOURCES (USES)		
Statutory transfers in	-	-
Statutory transfers out	-	-
	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	(4,360)	(318,201)
Fund Balances, Oct. 1, 2010	<u>33,650</u>	<u>3,200,500</u>
FUND BALANCES, Sept. 30, 2011	<u><u>\$ 29,290</u></u>	<u><u>\$ 2,882,299</u></u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES - PRIVATE PURPOSE TRUST FUNDS
September 30, 2011

	COURT FACILITY TRUST	DISTRICT COURT TRUST	MAGISTRATE COURT TRUST	INSURANCE TRUST
ASSETS				
Cash - County Treasurer	\$ 77,056	\$ 33,297	\$ 178,196	\$ -
	<u>\$ 77,056</u>	<u>\$ 33,297</u>	<u>\$ 178,196</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ -	\$ -	\$ 52,518	\$ -
Accrued expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>52,518</u>	<u>-</u>
FUND BALANCES				
Unreserved fund balances	<u>77,056</u>	<u>33,297</u>	<u>125,678</u>	<u>-</u>
	<u>\$ 77,056</u>	<u>\$ 33,297</u>	<u>\$ 178,196</u>	<u>\$ -</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES - PRIVATE PURPOSE TRUST FUNDS
September 30, 2011

	JUVENILE PROBATION TRUST	PLANNING AND ZONING TRUST	UNCLAIMED PROPERTY TRUST	CLOUD SEEDING TRUST
ASSETS				
Cash - County Treasurer	\$ 25,161	\$ 2,377	\$ 6,541	\$ -
	<u>\$ 25,161</u>	<u>\$ 2,377</u>	<u>\$ 6,541</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ 152	\$ -	\$ -	\$ -
Accrued expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>152</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Unreserved fund balances	<u>25,009</u>	<u>2,377</u>	<u>6,541</u>	<u>-</u>
	<u>\$ 25,161</u>	<u>\$ 2,377</u>	<u>\$ 6,541</u>	<u>\$ -</u>

FAIR BOARD TRUST	TAYLOR GRAZING TRUST	AMBULANCE TRUST	MADISON PERSI TRUST	EMERGENCY FOOD AND SHELTER TRUST	DISTRICT COURT INV. POOL TRUST
\$ 17,159	\$ 1,641	\$ -	\$ 133,205	\$ -	\$ -
<u>\$ 17,159</u>	<u>\$ 1,641</u>	<u>\$ -</u>	<u>\$ 133,205</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>
17,159	1,641	-	133,205	-	-
<u>\$ 17,159</u>	<u>\$ 1,641</u>	<u>\$ -</u>	<u>\$ 133,205</u>	<u>\$ -</u>	<u>\$ -</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES - PRIVATE PURPOSE TRUST FUNDS
September 30, 2011

	TAX COLLECTOR'S TRUST	TAX REFUND TRUST	HOMELAND SECURITY TRUST	SHERIFF'S TRUST
ASSETS				
Cash - County Treasurer	\$ 91,665	\$ -	\$ 21,880	\$ 14,925
	<u>\$ 91,665</u>	<u>\$ -</u>	<u>\$ 21,880</u>	<u>\$ 14,925</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>91,665</u>	<u>-</u>	<u>21,880</u>	<u>14,925</u>
	<u>\$ 91,665</u>	<u>\$ -</u>	<u>\$ 21,880</u>	<u>\$ 14,925</u>

MOTOR VEHICLES AND DL TRUST	TOTAL PRIVATE PURPOSE TRUST FUNDS
\$ <u>185,606</u>	\$ <u>788,709</u>
\$ <u><u>185,606</u></u>	\$ <u><u>788,709</u></u>
\$ 184,777	\$ 237,447
<u>-</u>	<u>-</u>
<u>184,777</u>	<u>237,447</u>
<u>829</u>	<u>551,262</u>
\$ <u><u>185,606</u></u>	\$ <u><u>788,709</u></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, 2011

	COURT FACILITY TRUST	DISTRICT COURT TRUST	MAGISTRATE COURT TRUST	INSURANCE TRUST
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	8,700	2,321	1,183,966	-
Investment interest	-	-	-	-
Misc. and contributions	-	-	-	-
	<u>8,700</u>	<u>2,321</u>	<u>1,183,966</u>	<u>-</u>
EXPENDITURES				
General government	-	-	1,204,036	507
Public safety	-	-	-	-
Public health	-	-	-	-
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Intergovernment expenditures	-	-	-	-
Sanitation	-	-	-	-
Capital outlay	-	-	-	-
Trust remittance	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,204,036</u>	<u>507</u>
Excess (deficiency) of revenues over expenditures	8,700	2,321	(20,070)	(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	8,700	2,321	(20,070)	(507)
Fund Balances, Oct. 1, 2010	<u>68,356</u>	<u>30,976</u>	<u>145,748</u>	<u>507</u>
FUND BALANCES, Sept. 30, 2011	<u><u>\$ 77,056</u></u>	<u><u>\$ 33,297</u></u>	<u><u>\$ 125,678</u></u>	<u><u>\$ -</u></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, 2011

	JUVENILE PROBATION TRUST	PLANNING AND ZONING TRUST	UNCLAIMED PROPERTY TRUST	CLOUD SEEDING TRUST
REVENUES				
Taxes	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	16,851	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment interest	-	-	-	-
Misc. and contributions	-	230	138	-
	<u>16,851</u>	<u>230</u>	<u>138</u>	<u>-</u>
EXPENDITURES				
General government	-	200	-	-
Public safety	10,908	-	-	-
Public health	-	-	-	-
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Intergovernment expenditures	-	-	-	-
Sanitation	-	-	-	-
Capital outlay	-	-	-	-
Trust remittance	-	-	-	-
	<u>10,908</u>	<u>200</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	5,943	30	138	-
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	5,943	30	138	-
Fund Balances, Oct. 1, 2010	<u>19,066</u>	<u>2,347</u>	<u>6,403</u>	<u>-</u>
FUND BALANCES, Sept. 30, 2011	<u><u>\$ 25,009</u></u>	<u><u>\$ 2,377</u></u>	<u><u>\$ 6,541</u></u>	<u><u>-</u></u>

FAIR BOARD TRUST	TAYLOR GRAZING TRUST	AMBULANCE TRUST	MADISON PERSI TRUST	EMERGENCY FOOD AND SHELTER TRUST	DISTRICT COURT INV. POOL TRUST
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-
5,000	673	-	136,805	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,000	673	-	136,805	-	-
-	-	-	3,600	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	287	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	287	-	3,600	-	-
5,000	386	-	133,205	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,000	386	-	133,205	-	-
12,159	1,255	-	-	-	-
\$ 17,159	\$ 1,641	\$ -	\$ 133,205	\$ -	-

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, 2011

	TAX COLLECTOR'S TRUST	TAX REFUND TRUST	HOMELAND SECURITY TRUST	SHERIFF'S TRUST
REVENUES				
Taxes	\$ 194,744	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	10,770	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	441,249
Investment interest	-	-	-	-
Misc. and contributions	-	-	-	-
	<u>194,744</u>	<u>-</u>	<u>10,770</u>	<u>441,249</u>
EXPENDITURES				
General government	195,291	-	-	-
Public safety	-	-	8,403	432,985
Public health	-	-	-	-
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Intergovernment expenditures	-	-	-	-
Sanitation	-	-	-	-
Capital outlay	-	-	-	-
Trust remittance	-	-	-	-
	<u>195,291</u>	<u>-</u>	<u>8,403</u>	<u>432,985</u>
Excess (deficiency) of revenues over expenditures	(547)	-	2,367	8,264
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	(547)	-	2,367	8,264
Fund Balances, Oct. 1, 2010	<u>92,212</u>	<u>-</u>	<u>19,513</u>	<u>6,661</u>
FUND BALANCES, Sept. 30, 2011	<u><u>\$ 91,665</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,880</u></u>	<u><u>\$ 14,925</u></u>

MOTOR VEHICLES AND DL TRUST	TOTAL PRIVATE PURPOSE TRUST FUNDS
\$ -	\$ 194,744
2,559,847	2,559,847
-	170,099
-	-
-	1,636,236
-	-
-	368
<u>2,559,847</u>	<u>4,561,294</u>
2,559,791	3,963,425
-	452,296
-	-
-	-
-	287
-	-
-	-
-	-
-	-
-	-
<u>2,559,791</u>	<u>4,416,008</u>
56	145,286
-	-
-	-
<u>56</u>	<u>145,286</u>
<u>773</u>	<u>405,976</u>
\$ <u>829</u>	\$ <u>551,262</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES - AGENCY FUNDS
September 30, 2011

	DEPARTMENT OF			
	STATE REMITTANCE	TRANS- PORTATION	CITIES	SCHOOL DISTRICTS
ASSETS				
Cash - County Treasurer	\$ 36,799	\$ 104,282	\$ 25,994	\$ 27,356
Taxes receivable	-	-	122,796	236,490
Receivables from other agencies	-	-	77,627	29,304
	<u>\$ 36,799</u>	<u>\$ 104,282</u>	<u>\$ 226,417</u>	<u>\$ 293,150</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ 36,274	\$ 104,282	\$ 25,994	\$ 27,356
Due to other agencies	525	-	200,423	265,794
	<u>\$ 36,799</u>	<u>\$ 104,282</u>	<u>\$ 226,417</u>	<u>\$ 293,150</u>

<u>LIBRARIES</u>	<u>CEMETERIES</u>	<u>FIRE DISTRICTS</u>	<u>FLOOD DISTRICTS</u>	<u>FAIR BOARD</u>	<u>HISTORICAL SOCIETY</u>
\$ 4,951	\$ 1,046	\$ 1,694	\$ 1	\$ 236	\$ 42
40,038	4,111	23,162	16	745	350
-	-	-	-	-	-
<u>\$ 44,989</u>	<u>\$ 5,157</u>	<u>\$ 24,856</u>	<u>\$ 17</u>	<u>\$ 981</u>	<u>\$ 392</u>

\$ 4,951	\$ 1,046	\$ 1,694	\$ 1	\$ 236	\$ 42
40,038	4,111	23,162	16	745	350
<u>\$ 44,989</u>	<u>\$ 5,157</u>	<u>\$ 24,856</u>	<u>\$ 17</u>	<u>\$ 981</u>	<u>\$ 392</u>

MADISON COUNTY - STATE OF IDAHO
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES - AGENCY FUNDS
September 30, 2011

	VETERAN'S MEMORIAL	AIRPORT	VARIOUS OTHER AGENCY FUNDS	TOTAL AGENCY FUNDS
ASSETS				
Cash - County Treasurer	\$ 43	\$ 13	\$ 417,628	\$ 620,085
Taxes receivable	375	113	43,544	471,740
Receivables from other agencies	-	-	-	106,931
	<u>\$ 418</u>	<u>\$ 126</u>	<u>\$ 461,172</u>	<u>\$ 1,198,756</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ 43	\$ 13	\$ 561	\$ 202,493
Due to other agencies	375	113	460,611	996,263
	<u>\$ 418</u>	<u>\$ 126</u>	<u>\$ 461,172</u>	<u>\$ 1,198,756</u>

OTHER SUPPLEMENTARY INFORMATION

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CURRENT EXPENSE			
<i>Clerk/Auditor</i>			
Salary - officer	\$ 52,007	\$ 52,582	\$ (575)
Salary - deputies	311,296	282,069	29,227
Total A	363,303	334,651	28,652
Travel	1,000	3,435	(2,435)
Supplies	6,000	6,249	(249)
Repairs & maintenance	5,100	3,208	1,892
Dues/membership	315	830	(515)
Microfilm/microfiche	30,000	1,992	28,008
Miscellaneous	1,183	1,165	18
Utilities	540	669	(129)
Capital outlay	-	-	-
Total B	44,138	17,548	26,590
Department totals	407,441	352,199	55,242
<i>Assessor</i>			
Salary - officer	-	-	-
Salary - deputy	96,143	95,833	310
Total A	96,143	95,833	310
Travel	-	-	-
Supplies	-	-	-
Repairs & maintenance	1,200	360	840
Dues/membership	800	-	800
Miscellaneous	4,940	5,907	(967)
Utilities	1,860	2,013	(153)
Capital outlay	-	-	-
Total B	8,800	8,280	520
Department totals	\$ 104,943	\$ 104,113	\$ 830

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CURRENT EXPENSE (Continued)			
<i>Treasurer/Tax Collector</i>			
Salary - officer	\$ 50,602	\$ 50,554	\$ 48
Salary - deputies	70,827	71,871	(1,044)
Salary - employee, part-time	1,435	403	1,032
Salary - overtime	-	-	-
Total A	122,864	122,828	36
Travel	2,000	1,512	488
Supplies	3,875	3,007	868
Professional services-tax billing	4,545	4,252	293
Repairs & maintenance	1,000	195	805
Advertising	500	252	248
Dues/membership	100	100	-
Miscellaneous	1,000	1,231	(231)
Capital outlay	-	-	-
Total B	13,020	10,549	2,471
Department Totals	135,884	133,377	2,507
<i>Commissioners</i>			
Salary - commissioners	82,497	82,497	-
Total A	82,497	82,497	-
Travel	9,000	8,210	790
Supplies	1,350	1,330	20
Vehicles fuel	1,000	1,007	(7)
Dues/membership	2,050	1,565	485
Utilities	1,440	1,000	440
Capital outlay	-	-	-
Total B	14,840	13,112	1,728
Department Totals	\$ 97,337	\$ 95,609	\$ 1,728

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CURRENT EXPENSE (Continued)			
<i>Coroner</i>			
Salary - coroner	\$ 11,572	\$ 11,572	\$ -
Salary - deputy	913	913	-
Total A	12,485	12,485	-
Travel	400	579	(179)
Supplies	500	487	13
Utilities/telephone	780	1,069	(289)
Repairs & maintenance	-	-	-
Coroner	5,300	2,726	2,574
Capital outlay	-	-	-
Total B	6,980	4,861	2,119
Department Totals	19,465	17,346	2,119
<i>Sheriff</i>			
Salary - officer	60,309	63,196	(2,887)
Salary - deputies	2,095,316	1,917,161	178,155
Salary - employee, part-time	70,000	82,213	(12,213)
Salary - overtime	71,000	69,048	1,952
Salary - other	-	-	-
Total A	2,296,625	2,131,618	165,007
Extraditions	2,000	1,942	58
Supplies	26,000	26,035	(35)
Utilities/telephone	23,000	20,276	2,724
Vehicles	129,000	122,781	6,219
Repairs & maintenance	5,500	3,836	1,664
Jail	341,000	299,932	41,068
Dues/membership	3,200	3,450	(250)
Uniforms	19,000	18,158	842
Weapons/ammunition	14,000	13,894	106
Miscellaneous	6,000	5,990	10
Swat team expenses	500	445	55
Training	20,000	19,459	541
Contracts	13,000	11,991	1,009
Telex/supplies	9,250	8,380	870
Community watch	1,000	613	387
Information technology	61,000	60,536	464
Juvenile expenses	4,000	2,476	1,524
Capital outlay	98,000	87,927	10,073
Total B	775,450	708,121	67,329
Department Totals	\$ 3,072,075	\$ 2,839,739	\$ 232,336

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CURRENT EXPENSE (Continued)			
<i>Building & Grounds</i>			
Salary - supervisor	\$ 90,474	\$ 83,275	\$ 7,199
Salary - asst maint	-	1,549	(1,549)
Salary - other personnel	-	2,358	(2,358)
Total A	90,474	87,182	3,292
Supplies	8,500	8,416	84
Utilities	223,000	188,938	34,062
Repairs & maintenance	94,000	109,294	(15,294)
Miscellaneous	-	-	-
Contracts	20,000	19,548	452
Capital outlay	-	-	-
Total B	345,500	326,196	19,304
Department Totals	435,974	413,378	22,596
<i>Prosecuting Attorney</i>			
Salary - officer	93,000	93,000	-
Salary - deputies	58,633	58,633	-
Salary-civil attorney	48,000	48,000	-
Salary-other	-	2,001	(2,001)
Salary - employee, full-time	54,690	48,984	5,706
Total A	254,323	250,618	3,705
Travel	8,000	7,018	982
Supplies	6,000	4,837	1,163
Repairs & maintenance	1,000	960	40
Dues/membership	3,200	5,726	(2,526)
Miscellaneous	700	51	649
Capital outlay	2,000	1,938	62
Total B	20,900	20,530	370
Department Totals	\$ 275,223	\$ 271,148	\$ 4,075

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CURRENT EXPENSE (Continued)			
<i>County Agent</i>			
Salary - deputies	\$ 32,042	\$ 31,688	\$ 354
Salary - employee, part-time	7,069	7,014	55
Total A	39,111	38,702	409
County Agent expenses	3,000	2,728	272
Supplies	1,650	1,156	494
Vehicles	3,600	2,496	1,104
Repairs & maintenance	400	542	(142)
Miscellaneous	-	-	-
Home Agent expenses	3,100	3,590	(490)
Contracts	3,000	1,500	1,500
Cell phones	1,000	538	462
Capital outlay	5,500	4,382	1,118
Total B	21,250	16,932	4,318
Department Totals	60,361	55,634	4,727
<i>Data Processing</i>			
Salary - supervisor	-	-	-
Salary - employee, part-time	-	-	-
Total A	-	-	-
Travel	-	-	-
Supplies	-	-	-
Capital outlay	-	-	-
Total B	-	-	-
Department Totals	\$ -	\$ -	\$ -

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CURRENT EXPENSE (Continued)			
<i>Elections</i>			
Salary - employee, full-time	\$ 25,834	\$ 9,938	\$ 15,896
Salary - employee, part-time	-	-	-
Total A	25,834	9,938	15,896
Travel	500	27	473
Repairs & maintenance	7,125	8,042	(917)
Election-workers	12,000	8,291	3,709
Election-expenses	22,000	23,653	(1,653)
Capital outlay	2,500	-	2,500
Total B	44,125	40,013	4,112
Department Totals	69,959	49,951	20,008
<i>County General</i>			
Personnel benefits	627,500	587,462	40,038
Insurance	793,525	782,901	10,624
Medical insurance buydown	125,000	107,964	17,036
Professional services	29,000	28,875	125
Contingency account	116,436	900	115,536
Dues & membership	29,993	29,684	309
Postage	13,000	15,212	(2,212)
Printing	9,000	8,967	33
Miscellaneous	13,569	24,742	(11,173)
Building fund reserve	-	-	-
Special funds	35,000	24,480	10,520
Soil Conservation	5,000	5,000	-
Senior Citizens Center	12,000	12,000	-
Project funds	178,294	28,571	149,723
D.A.R.E. program	7,500	7,500	-
Capital crimes defense fund	13,102	-	13,102
Capital outlay	-	-	-
Total B	2,007,919	1,664,258	343,661
Department Totals	\$ 2,007,919	\$ 1,664,258	\$ 343,661

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CURRENT EXPENSE (Continued)			
<i>Planning and Zoning</i>			
Salary - building inspector	\$ 38,480	\$ 33,226	\$ 5,254
Salary - employee, full time	48,806	50,057	(1,251)
Salary - other	26,910	30,734	(3,824)
Total A	114,196	114,017	179
Travel	11,000	7,555	3,445
Supplies	2,000	762	1,238
Dues & membership	1,200	995	205
Printing	3,000	1,358	1,642
Miscellaneous	1,600	1,565	35
Education & training	5,000	2,279	2,721
Contracts - other	40,000	9,857	30,143
Utilities	1,200	1,675	(475)
Capital outlay	-	-	-
Total B	65,000	26,046	38,954
Department Totals	179,196	140,063	39,133
<i>Homeland Security</i>			
Salary - officer	27,000	26,999	1
Salary - employee, part-time	-	-	-
Total A	27,000	26,999	1
Travel	1,500	1,383	117
Supplies	1,000	883	117
Repairs, maintenance & fuel	2,400	1,400	1,000
Dues	500	450	50
Contracts	600	555	45
Capital outlay	2,500	2,413	87
Total B	8,500	7,084	1,416
Department Totals	\$ 35,500	\$ 34,083	\$ 1,417

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CURRENT EXPENSE (Continued)			
<i>GIS</i>			
Salary - employee, full time	\$ -	\$ -	\$ -
Salary - employee, part time	-	-	-
Total A	-	-	-
Fringe Benefits-other	-	-	-
Travel	10,000	8,596	1,404
Supplies	-	-	-
GIS software maintenance	-	-	-
Miscellaneous	-	-	-
Professional services	-	-	-
City space rent	-	-	-
Total B	10,000	8,596	1,404
Department Totals	10,000	8,596	1,404
<i>Information Technology</i>			
Salary - employee, full time	45,381	43,014	2,367
Salary - employee supervisor	60,049	57,910	2,139
Total A	105,430	100,924	4,506
Travel	6,000	2,849	3,151
Supplies	4,000	3,256	744
Project - Law Enforcement	6,000	2,309	3,691
Software & hardware	168,377	137,503	30,874
Project	-	-	-
Software & hardware - Law Enforcement	-	-	-
Total B	184,377	145,917	38,460
Department Totals	\$ 289,807	\$ 246,841	\$ 42,966

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CURRENT EXPENSE (Continued)			
<i>Information Tech-Sheriff</i>			
Software & hardware	\$ -	\$ -	\$ -
Total B	-	-	-
Department Totals	-	-	-
<i>Service officer</i>			
Salary - employee, full time	13,604	13,603	1
Total B	13,604	13,603	1
Travel	400	457	(57)
Supplies	200	198	2
Utilities	50	-	50
Miscellaneous	100	-	100
Total B	750	655	95
Department Totals	14,354	14,258	96
Auditors' adjustment	-	-	-
TOTAL CURRENT EXPENSE	\$ 7,215,438	\$ 6,440,593	\$ 774,845

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
ROAD AND BRIDGE			
Salary - supervisor	\$ 40,000	\$ 37,692	\$ 2,308
Salary - foreman	45,747	46,655	(908)
Salary - employee, full time	804,824	786,702	18,122
Salary - employee, part-time	-	-	-
Total A	890,571	871,049	19,522
Personnel benefits	443,800	423,946	19,854
Travel	-	-	-
Supplies	7,500	7,204	296
Utilities	44,840	41,287	3,553
Vehicles	358,000	348,872	9,128
Repairs & maintenance	246,121	273,289	(27,168)
Rent/lease	255,672	169,338	86,334
Transportation plan	449,909	496,821	(46,912)
Freight	1,500	2,786	(1,286)
Computer software	-	-	-
Dues	-	-	-
Miscellaneous	45,000	45,330	(330)
Education	5,500	8,616	(3,116)
Signs	15,450	13,206	2,244
Road oil	267,606	282,202	(14,596)
Concrete	-	-	-
Paint	-	-	-
Culverts	-	-	-
Crushed gravel	-	-	-
Plant asphalt mix	-	-	-
Contracts	-	-	-
Contributions to cities	-	-	-
Weed	-	-	-
UST testing & leak detection	-	-	-
Contingency account	69,501	79,599	(10,098)
Capital outlay	55,580	26,697	28,883
Total B	2,265,979	2,219,193	46,786
Total Road and Bridge	\$ 3,156,550	\$ 3,090,242	\$ 66,308

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
AMBULANCE			
Salary - employee, part time	\$ -	\$ -	\$ -
Salary - overtime	-	-	-
Salary - employee, full time	<u>737,064</u>	<u>736,762</u>	<u>302</u>
Total A	<u>737,064</u>	<u>736,762</u>	<u>302</u>
Personnel benefits	-	35,000	(35,000)
Supplies	-	-	-
Travel	-	-	-
Uniforms	-	-	-
Miscellaneous	150,984	117,000	33,984
Utilities	-	-	-
Repairs & maintenance	-	-	-
Printing	-	-	-
Education	-	-	-
Contingency account	22,018	20,000	2,018
Capital outlay	<u>57,134</u>	<u>56,300</u>	<u>834</u>
Total B	<u>230,136</u>	<u>228,300</u>	<u>1,836</u>
Total Ambulance	<u>\$ 967,200</u>	<u>\$ 965,062</u>	<u>\$ 2,138</u>
FAIR, GROUNDS AND BUILDINGS			
Salary - employee, full time	\$ 30,500	\$ 30,731	\$ (231)
Salary - employee, part-time	<u>20,000</u>	<u>18,886</u>	<u>1,114</u>
Total A	<u>50,500</u>	<u>49,617</u>	<u>883</u>
Personnel benefits	22,310	23,618	(1,308)
Utilities	10,950	11,419	(469)
Vehicles	1,400	659	741
Repairs & maintenance	5,500	6,692	(1,192)
Miscellaneous	26,740	25,399	1,341
Capital outlay	<u>3,450</u>	<u>3,444</u>	<u>6</u>
Total B	<u>70,350</u>	<u>71,231</u>	<u>(881)</u>
Total Fair, Grounds and Buildings	<u>\$ 120,850</u>	<u>\$ 120,848</u>	<u>\$ 2</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
DISTRICT COURT			
<i>District & Magistrate</i>			
Salary - employee, full time	\$ 95,641	\$ 84,053	\$ 11,588
Total A	95,641	84,053	11,588
Personnel benefits	38,168	36,781	1,387
Travel	4,000	3,697	303
Supplies	15,000	17,627	(2,627)
Repairs	2,000	3,723	(1,723)
Professional services	3,000	1,624	1,376
Contingency account	8,096	5,275	2,821
Law library	14,040	14,365	(325)
Postage	6,000	14,512	(8,512)
Miscellaneous	4,000	1,292	2,708
Victim offender match	1,288	-	1,288
Jury	41,380	40,739	641
Public defender	65,000	83,563	(18,563)
Utilities	-	-	-
Juvenile detention	468,000	436,055	31,945
Capital outlay	-	-	-
Total B	669,972	659,253	10,719
Department Totals	765,613	743,306	22,307
<i>Juvenile Probation</i>			
Salary - supervisor	53,981	53,489	492
Salary - employee, full time	38,192	37,869	323
Intensive officer	32,700	33,389	(689)
Intensive secretary	9,761	10,055	(294)
Salary - employee, part-time	21,684	17,253	4,431
Total A	156,318	152,055	4,263
Personnel benefits	65,380	59,609	5,771
Travel	200	250	(50)
Supplies	700	781	(81)
Cell phones	3,300	3,500	(200)
Printing	300	291	9
Vehicles	6,000	5,799	201
Miscellaneous	10,000	9,491	509
Professional services	6,000	6,349	(349)
Drug screens	1,000	736	264
Training	4,000	4,274	(274)
Grants and assesement	8,756	9,052	(296)
Capital outlay	8,000	7,338	662
Total B	113,636	107,470	6,166
Department Totals	269,954	259,525	10,429
Total District Court	\$ 1,035,567	\$ 1,002,831	\$ 32,736

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH DISTRICT			
Utilities	\$ -	\$ -	\$ -
Repairs & maintenance	-	-	-
Miscellaneous	-	-	-
Building payments	158,814	158,814	-
Capital outlay	-	-	-
Total B	158,814	158,814	-
Total Health District	\$ 158,814	\$ 158,814	\$ -
INDIGENT AND CHARITY			
Salary - employee, full time	\$ 24,960	\$ 24,480	\$ 480
Salary - employee, part time	-	-	-
Total A	24,960	24,480	480
Personnel benefits	15,803	14,488	1,315
Travel	1,400	1,052	348
Supplies	2,000	-	2,000
Hospital	183,693	211,158	(27,465)
Miscellaneous	30,000	30,000	-
Medical	-	-	-
Professional	-	-	-
Special Funds	20,000	-	20,000
Food & housing	8,000	5,068	2,932
Utilities	2,500	2,550	(50)
Burials	3,900	3,000	900
Crisis Center	1,700	1,360	340
Catastrophic	90,000	14,587	75,413
Capital outlay	-	-	-
Total B	358,996	283,263	75,733
Total Indigent	\$ 383,956	\$ 307,743	\$ 76,213

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PARKS AND RECREATION			
Salary - employee, full-time	\$ 25,834	\$ 25,196	\$ 638
Salary - employee, part-time	15,384	15,262	122
Total A	41,218	40,458	760
Personnel benefits	32,954	30,433	2,521
Travel	-	-	-
Supplies - other	4,095	5,687	(1,592)
Utilities	2,500	1,462	1,038
Vehicles	7,000	3,108	3,892
Repairs & maintenance	3,648	7,635	(3,987)
Miscellaneous	6,800	5,744	1,056
Contingency	-	-	-
Grant expenditures	-	-	-
Insurance	100	100	-
Capital outlay	-	-	-
Total B	57,097	54,169	2,928
Total Parks and Recreation	\$ 98,315	\$ 94,627	\$ 3,688
REVALUATION			
Salary - employee, full-time	\$ 87,868	\$ 93,151	\$ (5,283)
Salary - employee, part-time	134,308	127,317	6,991
Salary - officer	46,880	47,858	(978)
Total A	269,056	268,326	730
Personnel benefits	124,800	113,663	11,137
Travel	5,500	6,278	(778)
Supplies	4,800	4,480	320
Vehicles	4,500	1,873	2,627
Miscellaneous	20,400	20,000	400
Contracts - appraisals	80,284	79,904	380
Dues	-	755	(755)
GIS expenses	41,550	41,532	18
Total B	281,834	268,485	13,349
Total Revaluation	\$ 550,890	\$ 536,811	\$ 14,079

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TORT LIABILITY			
Insurance-liability	\$ 170,525	\$ 170,724	\$ (199)
Judgements	-	-	-
Miscellaneous	<u>20,000</u>	<u>4,186</u>	<u>15,814</u>
Total Tort Liability	<u>\$ 190,525</u>	<u>\$ 174,910</u>	<u>\$ 15,615</u>
WEEDS			
Salary - employee, part-time	\$ 25,902	\$ 27,692	\$ (1,790)
Salary - supervisor	<u>15,940</u>	<u>-</u>	<u>15,940</u>
Total A	<u>41,842</u>	<u>27,692</u>	<u>14,150</u>
Personnel benefits	16,700	12,687	4,013
Travel	1,500	2,537	(1,037)
Supplies	1,500	1,098	402
Utilities	4,100	1,111	2,989
Vehicles	5,000	7,210	(2,210)
Repairs & maintenance	5,000	7,725	(2,725)
Contingency account	-	-	-
Miscellaneous	10,000	10,000	-
Information and education	-	-	-
Chemicals/Contracts	15,000	16,539	(1,539)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>58,800</u>	<u>58,907</u>	<u>(107)</u>
Total Weeds	<u>\$ 100,642</u>	<u>\$ 86,599</u>	<u>\$ 14,043</u>
DRUG COURT GRANT			
Salaries - supervisor	\$ 25,000	\$ 23,077	\$ 1,923
Salary - other	<u>-</u>	<u>-</u>	<u>-</u>
Total A	<u>25,000</u>	<u>23,077</u>	<u>1,923</u>
Personnel benefits	-	(10)	10
Medical-drug testing	-	-	-
Supplies	-	-	-
Utilities	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>-</u>	<u>(10)</u>	<u>10</u>
Total Drug Court Grant	<u>\$ 25,000</u>	<u>\$ 23,067</u>	<u>\$ 1,933</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
DRUG INTERDICTION DEPUTY-FEDERAL			
Salaries - employees	\$ -	\$ -	\$ -
Total A	-	-	-
Personnel benefits	-	-	-
Travel	-	-	-
Supplies	-	-	-
Capital outlay	-	181	(181)
Total B	-	181	(181)
Total Drug Interdiction Deputy-Federal	\$ -	\$ 181	\$ (181)
DOMESTIC VIOLENCE			
Salary - other	\$ 12,604	\$ 8,475	\$ 4,129
Total A	12,604	8,475	4,129
Personnel benefits	1,503	1,400	103
Travel	1,500	112	1,388
Supplies	-	-	-
Training	-	-	-
Miscellaneous	-	-	-
Capital outlay	-	-	-
Total B	3,003	1,512	1,491
Total Domestic Violence	\$ 15,607	\$ 9,987	\$ 5,620
CONSOLIDATED ELECTIONS			
Salaries - employees	\$ 42,058	\$ 4,391	\$ 37,667
Total A	42,058	4,391	37,667
Personnel benefits	13,190	947	12,243
Travel	-	-	-
Repairs & maintenance	9,000	2,895	6,105
Election expenses	33,000	9,758	23,242
Total B	55,190	13,600	41,590
Total Drug Interdiction Deputy-State	\$ 97,248	\$ 17,991	\$ 79,257

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TRI-COUNTY MSD. PROBATION			
Salaries	\$ 269,846	\$ 255,272	\$ 14,574
Salary - other	-	11,827	(11,827)
Total A	<u>269,846</u>	<u>267,099</u>	<u>2,747</u>
Personnel benefits	127,770	130,443	(2,673)
Travel	20,000	-	20,000
Supplies	8,500	-	8,500
Consultants	30,000	-	30,000
Operating expenses	12,800	-	12,800
Education classes	1,950	-	1,950
Utilities	6,200	-	6,200
Capital outlay	<u>117,000</u>	<u>-</u>	<u>117,000</u>
Total B	<u>324,220</u>	<u>130,443</u>	<u>193,777</u>
Total Tri-County Msd. Probation	<u>\$ 594,066</u>	<u>\$ 397,542</u>	<u>\$ 196,524</u>
MOSQUITO ABATEMENT			
Salaries-supervisor	\$ 31,877	\$ 31,307	\$ 570
Salary - employee, part-time	<u>102,480</u>	<u>89,239</u>	<u>13,241</u>
Total A	<u>134,357</u>	<u>120,546</u>	<u>13,811</u>
Travel-meetings	4,000	2,363	1,637
Supplies-office	2,000	2,295	(295)
Personnel benefits	25,100	24,046	1,054
Vehicles	20,000	15,755	4,245
Chemicals	100,000	131,653	(31,653)
Miscellaneous	131,859	105,750	26,109
Repairs & maintenance	40,000	24,645	15,355
Utilities	4,100	3,201	899
Capital outlay	<u>16,000</u>	<u>13,211</u>	<u>2,789</u>
Total B	<u>343,059</u>	<u>322,919</u>	<u>20,140</u>
Total Mosquito Abatement	<u>\$ 477,416</u>	<u>\$ 443,465</u>	<u>\$ 33,951</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
MAJOR CRIMES TASK FORCE			
Salary - employee, part-time	\$ 72,238	\$ 43,816	\$ 28,422
Total A	72,238	43,816	28,422
Personnel benefits	42,787	19,675	23,112
Supplies	3,000	-	3,000
Vehicle	3,100	-	3,100
Miscellaneous	1,200	-	1,200
Total B	50,087	19,675	30,412
Total Transport Grant	\$ 122,325	\$ 63,491	\$ 58,834
VARIOUS GRANTS			
Salaries	\$ 36,000	\$ 26,215	\$ 9,785
Total A	36,000	26,215	9,785
Personnel benefits	3,474	5,295	(1,821)
Repairs & maintenance	-	-	-
Miscellaneous	5,500	-	5,500
Capital outlay	540,952	572,830	(31,878)
Total B	549,926	578,125	(28,199)
Total Health and Welfare	\$ 585,926	\$ 604,340	\$ (18,414)
911 EMERGENCY			
Salaries - director	\$ 24,617	\$ 27,471	\$ (2,854)
Salaries - employees	41,982	41,506	476
Total A	66,599	68,977	(2,378)
Personnel benefits	39,612	24,921	14,691
Travel	10,000	273	9,727
Training	5,000	1,679	3,321
Contracts	127,471	112,351	15,120
Supplies	2,000	293	1,707
Dues	500	-	500
Miscellaneous	-	66,827	(66,827)
Repairs & maintenance	10,000	9,597	403
Capital outlay	195,000	30,744	164,256
Total B	389,583	246,685	142,898
Total Enhanced 911 Emergency	\$ 456,182	\$ 315,662	\$ 140,520

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
HWY DEPUTY-FED & STATE			
Salaries - deputies	\$ 75,130	\$ 71,992	\$ 3,138
Total A	<u>75,130</u>	<u>71,992</u>	<u>3,138</u>
Personnel benefits	44,500	32,590	11,910
Supplies	-	482	(482)
Capital outlay	<u>73,471</u>	<u>962</u>	<u>72,509</u>
Total B	<u>117,971</u>	<u>34,034</u>	<u>83,937</u>
Total Upper Valley Crime Task Force	<u>\$ 193,101</u>	<u>\$ 106,026</u>	<u>\$ 87,075</u>
SNOWMOBILE			
Salaries - employee, part-time	\$ 3,995	\$ 3,994	\$ 1
Salaries - other	<u>12,500</u>	<u>8,809</u>	<u>3,691</u>
Total A	<u>16,495</u>	<u>12,803</u>	<u>3,692</u>
Personnel benefits	1,608	936	672
Supplies	3,000	82	2,918
Vehicle	13,500	9,311	4,189
Repairs & maintenance	15,000	14,633	367
Utilities	1,500	-	1,500
Miscellaneous	7,600	11,584	(3,984)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total B	<u>42,208</u>	<u>36,546</u>	<u>5,662</u>
Total Snowmobile	<u>\$ 58,703</u>	<u>\$ 49,349</u>	<u>\$ 9,354</u>
7TH JUDICIAL DRUG COURT TREATMENT			
Salaries - clinical director	\$ 81,427	\$ 78,749	\$ 2,678
Salary - other personnel	<u>722,000</u>	<u>633,300</u>	<u>88,700</u>
Total A	<u>803,427</u>	<u>712,049</u>	<u>91,378</u>
Personnel benefits	357,485	260,502	96,983
Travel	69,000	41,623	27,377
Supplies	52,000	55,788	(3,788)
Utilities	22,000	21,544	456
Contingency	20,000	-	20,000
Rent	100,864	71,855	29,009
Professional services	371,838	461,425	(89,587)
Dues	12,000	6,636	5,364
Capital outlay	<u>21,000</u>	<u>8,712</u>	<u>12,288</u>
Total B	<u>1,026,187</u>	<u>928,085</u>	<u>98,102</u>
Total 7th Judicial Drug Court Treatment	<u>\$ 1,829,614</u>	<u>\$ 1,640,134</u>	<u>\$ 189,480</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CLERK			
General government	\$ -	\$ 1,327,126	\$ (1,327,126)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total Clerk	\$ <u>-</u>	\$ <u>1,327,126</u>	\$ <u>(1,327,126)</u>
INTERLOCK/MONITORING			
Public safety	\$ -	\$ -	\$ -
Total Interlock/Monitoring	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
SHERIFF'S REVOLVING			
Public safety	\$ -	\$ 81,060	\$ (81,060)
Total Sheriff's Revolving	\$ <u>-</u>	\$ <u>81,060</u>	\$ <u>(81,060)</u>
WATERWAYS TRUST			
Salaries	\$ 2,000	\$ 1,211	\$ 789
Personnel benefits	411	385	26
Supplies	500	30	470
Repair & maintenance	1,000	920	80
Miscellaneous	600	990	(390)
Capital outlay	<u>3,000</u>	<u>979</u>	<u>2,021</u>
Total Waterways Trust	\$ <u>7,511</u>	\$ <u>4,515</u>	\$ <u>2,996</u>
SHERIFF'S CONCEALED WEAPONS			
Public safety	\$ -	\$ 15,798	\$ (15,798)
Total Sheriff's Concealed Weapons	\$ <u>-</u>	\$ <u>15,798</u>	\$ <u>(15,798)</u>

MADISON COUNTY - STATE OF IDAHO
ANALYSIS OF EXPENDITURES BY FUND
For the Year Ended September 30, 2011

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CONTRACT CARRY OVER			
Salaries	\$ 84,522	\$ 72,426	\$ 12,096
Personnel benefits	<u>51,163</u>	<u>48,423</u>	<u>2,740</u>
Total Contract Carry Over	\$ <u>135,685</u>	\$ <u>120,849</u>	\$ <u>14,836</u>
GRANTS-EQUIPMENT			
Travel	\$ -	\$ 2,892	\$ (2,892)
Capital outlay	<u>-</u>	<u>52,645</u>	<u>(52,645)</u>
Total Grants-Equipment	\$ <u>-</u>	\$ <u>55,537</u>	\$ <u>(55,537)</u>
SHERIFF GRANTS & CONTRACTS			
Salaries - employee, full-time	\$ <u>50,500</u>	\$ <u>53,596</u>	\$ <u>(3,096)</u>
Total A	<u>50,500</u>	<u>53,596</u>	<u>(3,096)</u>
Personnel benefits	9,400	10,966	(1,566)
Travel	-	-	-
Supplies	13,835	3,407	10,428
Project-E ticketing	550,000	-	550,000
Capital outlay	<u>8,000</u>	<u>871</u>	<u>7,129</u>
Total B	<u>581,235</u>	<u>15,244</u>	<u>565,991</u>
Total Sheriff Grants & Contracts	\$ <u>631,735</u>	\$ <u>68,840</u>	\$ <u>562,895</u>
TOTAL SPECIAL REVENUE	\$ <u>11,993,428</u>	\$ <u>11,883,447</u>	\$ <u>109,981</u>
JAIL BOND REDEMPTION			
Jail Bond Payment	\$ <u>440,193</u>	\$ <u>439,693</u>	\$ <u>500</u>
Total Jail Bond Redemption	\$ <u>440,193</u>	\$ <u>439,693</u>	\$ <u>500</u>
TOTAL GOVERNMENTAL FUND TYPES	\$ <u>19,649,059</u>	\$ <u>18,763,733</u>	\$ <u>885,326</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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents and have issued our report thereon dated June 25, 2012. 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 2011-1 and 2011-2 to be material weaknesses.

2011-1 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.

2011-2 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 25, 2012.

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 25, 2012

**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, 2011. 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, 2011.

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.

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 responses 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 25, 2012

MADISON COUNTY- STATE OF IDAHO
SCHEDULE OF FEDERAL AWARDS
For the Year Ended September 30, 2011

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	DISBURSE- MENTS
US DEPARTMENT OF JUSTICE		
PASSED THROUGH THE STATE OF IDAHO		
Juvenile Accountability Incentive		
Block Grant	16.523	\$ 6,926
Juvenile Justice & Delinquency Prevention Allocation	16.540	10,000
Crime Victim Assistance	16.575	10,475
Enforcing Underage Drinking Laws Program	16.727	6,491
Edward Byrne Memorial Justice	16.738	111,646
ARRA-Edward Byrne Memorial Justice Assit. Grant	16.803	61,486
DIRECT FROM JUSTICE DEPT.		
Office of Justice Programs		
SCAAP	16.572	1,797
Bullet Proof Vest	16.607	11,653
Combating Rural Crime	16.810	55,718
ARRA-Assistance to Rural Law Enforcement	16.810	90,142
TOTAL US DEPT. OF JUSTICE		366,334
US DEPARTMENT OF HUD		
PASSED THROUGH THE STATE OF IDAHO		
Community Development Block Grant	14.228	843,927
US DEPARTMENT OF TRANSPORTATION		
PASSED THROUGH THE STATE OF IDAHO		
Highway Planning and Construction	20.205	15,285
State and Community Highway Safety	20.600	17,199
Alcohol Traffic Safety	20.601	5,940
State Traffic Safety Information System	20.610	266,324
Incentive Grant Program to Prohibit Racial Profiling	20.611	229,992
TOTAL US DEPT. OF TRANSPORTATION		534,740
US DEPARTMENT OF AGRICULTURE		
PASSED THROUGH THE STATE OF IDAHO		
ARRA-Fish, Wildlife and Plant Conservation	15.231	3,834
HEALTH AND WELFARE		
CDC and Prevention/Investigation	93.283	2,500
US DEPARTMENT OF HOMELAND SECURITY		
PASSED THROUGH THE STATE OF IDAHO		
Boat Safety Financial Assistance	97.012	2,049
Emergency Management Performance Grants	97.042	30,161
Military Division	97.067	52,336
TOTAL US DEPARTMENT OF HOMELAND SECURITY		84,546
TOTAL FEDERAL AWARDS ASSISTANCE		\$ 1,835,881

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, 2011

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> </u> Yes	<u> X </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:

14.228	Community Development Block Grant
16.810	Combating Rural Crime and Assistance to Rural Law Enforcement
20.600,1,10, & 11	Highway Safety Cluster

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 2011-1 and 2011-2 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, 2011

SECTION III-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**MADISON COUNTY-STATE OF IDAHO
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Finding 2010-1

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 was corrected during the year.

Finding 2010-2

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 2010-3

Condition The Clerk's office does not balance the taxes receivable amounts on the financial statements with the Treasurer's taxes receivable report each month.

Status This condition existed again in the current year.

Finding 2010-4

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

Status This condition was corrected during the year.