

JEROME COUNTY
BASIC FINANCIAL STATEMENTS
AND
SELECTED OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Jerome County
Jerome, Idaho 83338

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jerome County, as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jerome County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

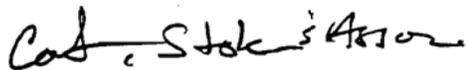
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jerome County as of September 30, 2012, and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2013, on our consideration of Jerome County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 12 and 32 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jerome County's financial statements as a whole. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the 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, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Condie, Stoker & Associates
January 14, 2013



**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**

Jerome County Commissioners
Jerome County, Idaho

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jerome County, as of and for the year ended September 30, 2012, which collectively comprise Jerome County's basic financial statements and have issued our report thereon dated January 14, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was 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.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

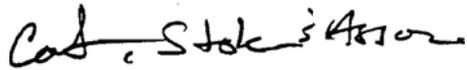
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jerome County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Jerome County, in a separate letter dated January 14, 2013.

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

A handwritten signature in black ink, appearing to read "Condie, Stoker & Associates". The signature is written in a cursive, somewhat stylized font.

Condie, Stoker and Associates
January 14, 2013



**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2012
(Unaudited)**

The Governmental Accounting Standards Board (GASB) was created in 1984. Its mission is to determine "generally accepted accounting principles" (GAAP) for state and local government finances or reporting.

When the County hires an outside accounting firm to audit their financial statements, they are primarily paying for the auditor's opinion as to whether their financial statements fairly present the results of operations in accordance with GAAP.

In 1999, GASB issued its Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments which makes a number of significant changes in the way we report, such as: 1) Emphasis on the government as a whole and fund information, rather than just fund type information; 2) Changes in how governments measure what they do; and 3) requiring the reporting of infrastructure and general depreciation thereof.

Jerome County is required by GASB No. 34 to implement the above accounting practices beginning September 30, 2004.

As management of Jerome County, we offer readers of Jerome County's financial statements this narrative overview and analysis of the financial activities of Jerome County for the fiscal year ended September 30, 2012.

Financial Highlights of the Past Year

The assets of Jerome County exceeded its liabilities at the close of the 2011-2012 fiscal year by \$13,319,352 (Net Assets). Of this amount, \$7,132,677 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

Over the past fiscal year, Jerome County's net assets increased \$903,853.

Jerome County Airport has continued their efforts toward implementing the Master Plan by proceeding with apron project. In addition, the old residence was removed from the airport grounds and replaced with a newer residence.

The Jerome County Fairgrounds has undergone several renovations. The old chain link fence was replaced with a pipe fence at the rodeo grounds. The old ticket window was replaced and the electrical wiring up-graded.

The Jerome County Commissioners established a Commerce Authority Board in an effort to promote economic development.

New security cameras were installed at the Jerome County Judicial Annex in the courtrooms and in the parking lot. Existing cameras and software were upgraded.

Misdemeanor Probation installed a new software program with which to better track probationers.

The Jerome County Commissioners, the Jerome County Sheriff's Office, Ormond Builders and interested citizens are continuing to work toward a resolution of the jail issues which continue to confront county.

Financial Statements Overview

Government-wide Financial Statements:

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

The Statement of Net Assets presents information on all of Jerome County's assets and liabilities, with the differences between the two reported as net assets. With this report readers for the first time will be able to determine whether Jerome County is better off at the end of the fiscal period than it was at the beginning.

In order to enhance analysis, comparative information is generally provided for assets, liabilities, net equity, revenues, and expenses.

JEROME COUNTY'S NET ASSETS

Assets:	2010-11	2011-12
Current and other Assets	7,411,014	8,251,948
Capital Assets	5,874,193	5,673,507
Construction in progress/prepaid assets		631,312
 Total Assets	<u>13,285,207</u>	<u>14,556,767</u>
 Liabilities:		
Current Liabilities	637,075	1,019,598
Non-Current Liabilities	232,633	207,140
 Total Liabilities	<u>869,708</u>	<u>1,226,738</u>
 Net Assets:		
Invested in Capital Assets, Net of related debt	5,727,650	6,186,675
Unrestricted	<u>6,687,849</u>	<u>7,143,354</u>
 Total Net Assets	<u>12,415,499</u>	<u>13,330,029</u>

Jerome County's net assets are divided into two categories. Unrestricted net assets make up 53.6% of the total amount and represents resources that are available and may be used to meet the government's ongoing obligations to citizens and creditors. The remainder 46.4% reflects Jerome County's investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. Jerome County uses these capital assets to provide services to citizens. Capital assets are not available for future spending.

The Statement of Activities shows the expenses or costs to run each department in the county and compares those expenses to the revenue received by the county. All changes in net assets are reported as soon as the underlying event occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

General Governmental – The General Fund (Current Expense) is the primary operating fund for the County. Jerome County's basic governmental services are reported under this fund. Complete lists of the departments that fall under this fund are reported on the Statement of Activities. Governmental Funds are accounted for by using the modified accrual basis of accounting.

Special Services – These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

General Government and Special Service program cost (total cost minus revenue received) is presented below.

**Summary of
JEROME COUNTY'S STATEMENT OF ACTIVITIES**

Revenues:

Property Taxes	\$ 5,909,880
Charges for Services & Sales	3,433,767
Miscellaneous Revenue	2,460,727
Investment Earnings	29,217

TOTAL REVENUE	11,833,591
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Program Expenses:

General Fund:

Clerk/Auditor	374,592
Assessor	127,744
Treasurer/Tax Collector	111,570
Commissioner	99,499
Coroner	15,892
Disaster Services	66,040
County Agent	79,094
Data Processing	170,201
Elections	49,582
General	979,142
Planning & Zoning	225,368
Veterans Memorial	8,944

Special Revenue Funds:

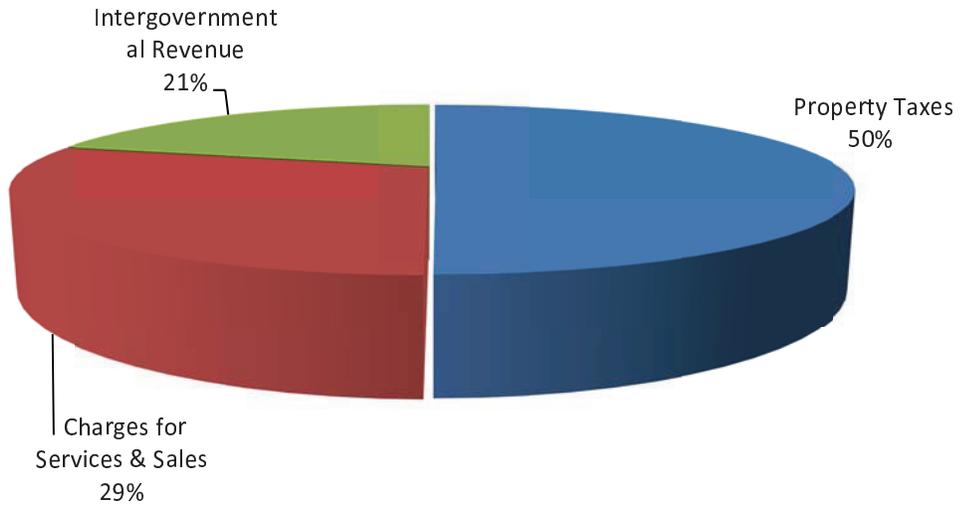
Justice Fund:

Sheriff	1,869,187
Adult Probation	124,520
Prosecuting Attorney	355,932
Public Defender	387,747
Juvenile	355,959
Justice General	934,642
Airport	832,521
District Court	599,235
County Fair	417,377
Capital Fair	9,933
Public Health	102,656
Charity and Indigent	781,733
Consolidated Election	75,511
Revaluation	303,549
Solid Waste	844,704
Tort	167,962
Noxious Weed	43,816
Ambulance	387,190
Waterways	17,219

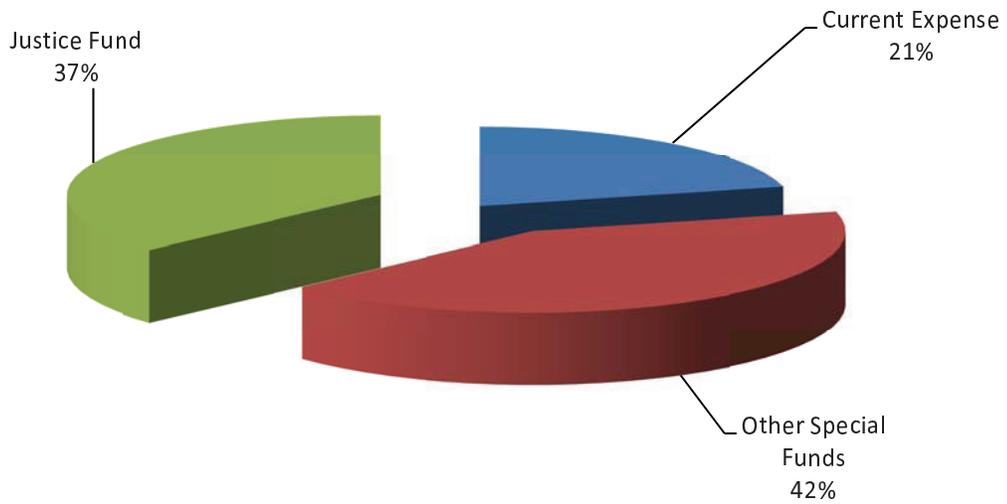
TOTAL EXPENSES	10,919,061
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Increase in Net Assets	\$ 914,530
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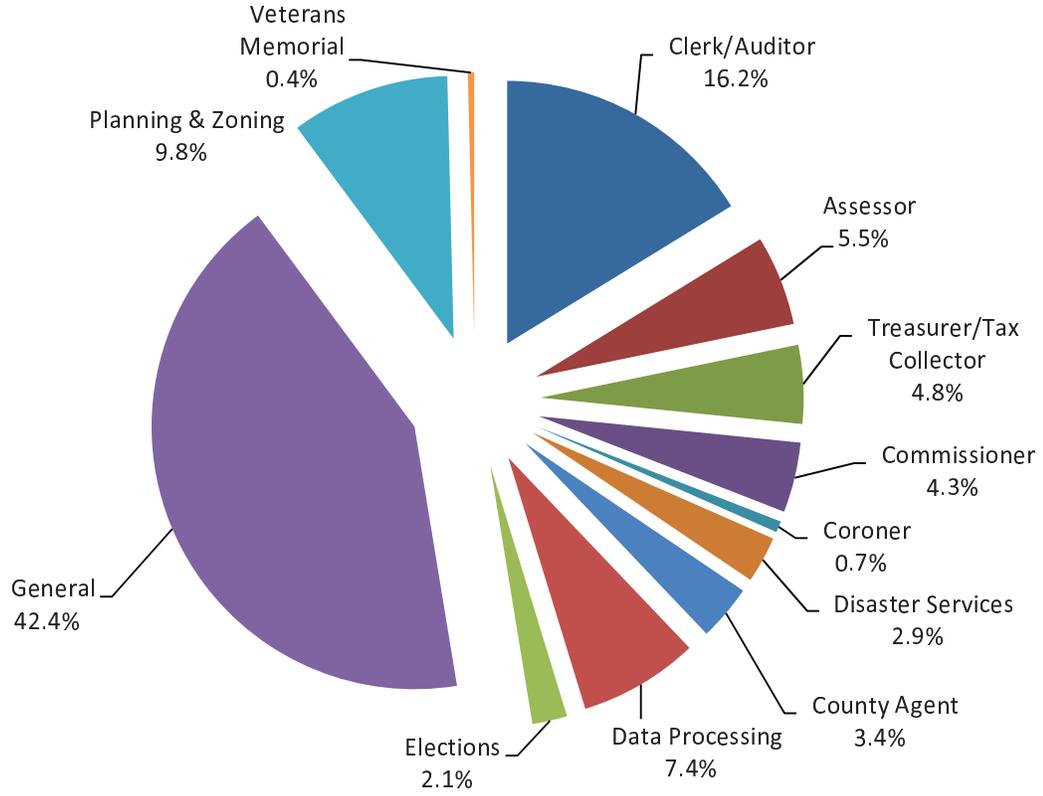
Jerome County Revenue By Source



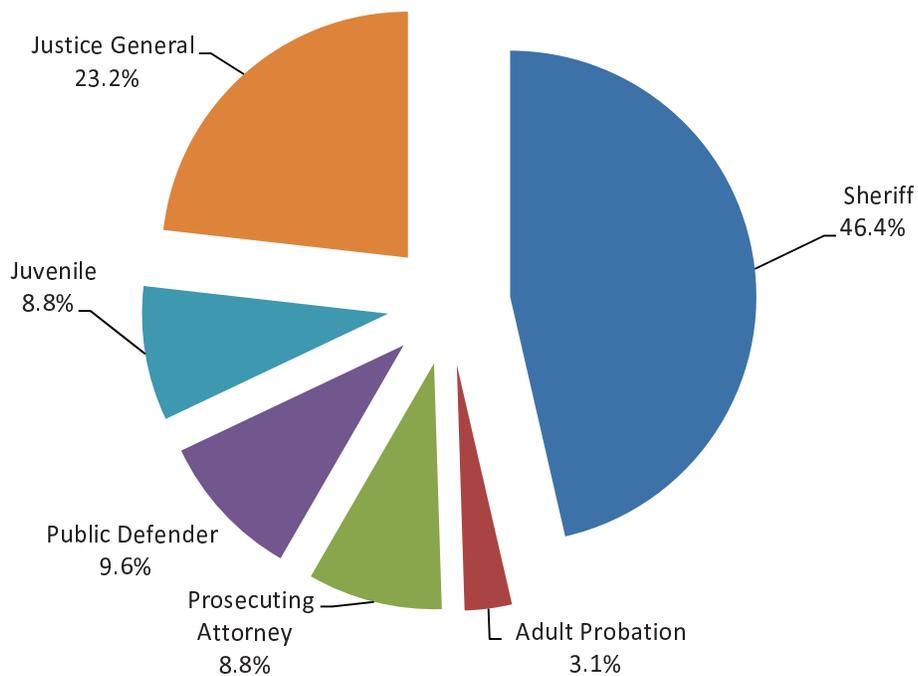
Jerome County Expenses



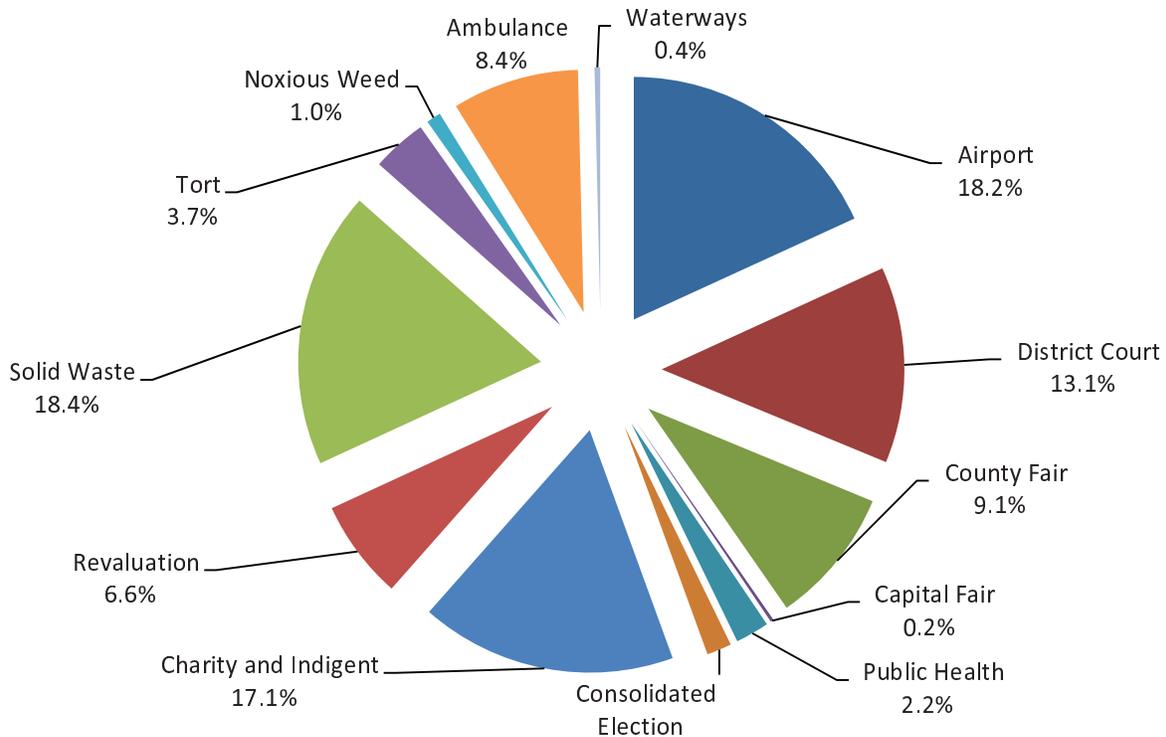
Expenses - Current Expense Detail



Expenses - Justice Fund Detail



Expenses - Other Special Funds Detail



Capital Assets

Jerome County's investments in capital assets as of September 30, 2012 amount to \$6,304,819 (net of accumulated depreciation). This capital investment includes land, buildings and improvements, machinery and equipment.

Fund Budgeting Highlights

Jerome County's budget is prepared according to Idaho Code. The County Commissioners meet on the first Tuesday in September and hold a public meeting for the purpose of considering and adopting a final budget and making appropriations for each department and fund.

During the course of fiscal year 2011-2012, the Jerome County Board of County Commissioners adjusted the county budgets by resolution during their regularly scheduled public meetings. These changes were made due to unanticipated revenues and expenses and Commissioner authorized transfers between county funds. These adjustments did not cause an increase/decrease in the anticipated property taxes. The resolutions can be reviewed and/or copied for the public in their entirety at the Auditor/Recorder's Office located at 300 North Lincoln, Room 301, Jerome, Idaho.

Current Financial Issues and Concerns

Jerome County is in good financial standing and strives to increase its unrestricted net assets each year. The increasing cost of providing law enforcement and emergency medical service to the citizens continues to cause budgeting concerns for the County. Increased Indigent costs, unfunded mandates, decreasing revenue, decreasing property values and liability issues regarding the current jail facility cause great concern.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the county finances and to show the county accountability for the money it receives. If you have questions about this report or need additional financial information contact Michelle Emerson, Clerk/Auditor of Jerome County or the Jerome County Commissioners at Jerome County Courthouse, 300 North Lincoln, Room 300, Jerome, Idaho 83338. Report submitted by Michelle Emerson, Clerk/Auditor and Tracee McKim, Chief Deputy for Jerome County.

JEROME COUNTY, IDAHO

STATEMENT OF NET ASSETS SEPTEMBER 30, 2012

	Governmental Activities
<u>Assets</u>	
Current Assets:	
Cash and Investments	6,986,849
Receivables	913,953
Delinquent Taxes Receivable	351,146
Non Current Assets:	
Construction in Progress	631,312
Capital Assets, net of depreciation	5,673,507
	<hr/>
Total Assets	14,556,767
	<hr/>
<u>Liabilities</u>	
Current Liabilities:	
Warrants Payable	511,014
Vouchers Payable	478,496
Note Payments Due Within One Year	30,088
Non Current Liabilities:	
Note Payments Due Beyond One Year	88,056
Accrued Compensated Absences	119,084
	<hr/>
Total Liabilities	1,226,738
	<hr/>
<u>Net Assets</u>	
Invested in Capital Assets	6,186,675
Unrestricted	7,143,354
	<hr/>
Net Assets	13,330,029
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See accompanying notes to financial statements.

JEROME COUNTY, IDAHO

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities					
General Government:					
Clerk/Auditor	374,592	101,962	-	-	(272,630)
Assessor	127,744	157,848	-	-	30,104
Treasurer/Tax Collector	111,570	25,241	-	-	(86,329)
Commissioner	99,499	-	-	-	(99,499)
Coroner	15,892	-	-	-	(15,892)
Disaster Services	66,040	-	-	-	(66,040)
County Agent	79,094	-	-	-	(79,094)
Data Processing	170,201	-	-	-	(170,201)
Elections	49,582	-	(41,450)	-	(91,032)
General	979,142	14,296	93,237	-	(871,609)
Planning and Zoning	225,368	196,455	-	-	(28,913)
Veterans Memorial	8,944	-	-	-	(8,944)
Special Revenue:					
Airport	832,521	710,123	-	558,876	436,478
District Court	599,235	612,473	-	-	13,238
County Fair	417,377	234,164	-	-	(183,213)
Justice:					
Sheriff	1,869,187	356,588	-	-	(1,512,599)
Adult Probation	124,520	85,226	-	-	(39,294)
Prosecuting Attorney	355,932	-	-	-	(355,932)
Public Defender	387,747	50,281	-	-	(337,466)
Juvenile	355,959	12,375	-	-	(343,584)
General	934,642	25,037	147,434	-	(762,171)
Capital Fair	9,933	-	-	-	(9,933)
Public Health	102,656	3	-	-	(102,653)
County Election	75,511	-	99,382	-	23,871
Charity and Indigent	781,733	66,337	-	-	(715,396)
Revaluation	303,549	1,914	-	-	(301,635)
Solid Waste	844,704	752,491	-	-	(92,213)
Tort	167,962	5	-	-	(167,957)
Noxious Weed	43,816	25,017	-	-	(18,799)
Ambulance	387,190	5,930	-	-	(381,260)
Waterways	17,219	1	2,071	-	(15,147)
Total Governmental Activities	10,919,061	3,433,767	300,674	558,876	(6,625,744)
General Revenues:					
Property Taxes Levied for General Fund					1,842,729
Property Taxes Levied for Special Revenue Funds					4,067,151
State Allocations					1,359,929
PILT Revenue					241,248
Investment Earnings					29,217
Total General Revenues					<u>7,540,274</u>
Change in Net Assets					914,530
Net Assets Beginning of Period					<u>12,415,499</u>
Net Assets End of Period					<u><u>13,330,029</u></u>

See accompanying notes to financial statements.

JEROME COUNTY, IDAHO

BALANCE SHEET - GOVERNMENTAL FUNDS SEPTEMBER 30, 2012

	<u>General</u>	<u>Airport</u>	<u>Justice</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Investments	2,806,946	181,170	1,953,212	2,045,521	6,986,849
Accounts Receivable	53,018	416,356	326,189	118,390	913,953
Delinquent Taxes Receivable	101,269	2,265	125,379	122,233	351,146
Total Assets	<u>2,961,233</u>	<u>599,791</u>	<u>2,404,780</u>	<u>2,286,144</u>	<u>8,251,948</u>
<u>Liabilities</u>					
Warrants Payable	145,846	40,144	200,747	124,277	511,014
Vouchers Payable	12,024	424,938	21,282	20,252	478,496
Deferred Revenue	89,117	1,994	110,337	140,800	342,248
Total Liabilities	<u>246,987</u>	<u>467,076</u>	<u>332,366</u>	<u>285,329</u>	<u>1,331,758</u>
<u>Fund Equity</u>					
Fund Balances:					
Committed	378,359	-	600,000	690,658	1,669,017
Assigned		132,715	1,472,414	1,310,157	2,915,286
Unassigned	<u>2,335,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,335,887</u>
Total Fund Balance	<u>2,714,246</u>	<u>132,715</u>	<u>2,072,414</u>	<u>2,000,815</u>	<u>6,920,190</u>
Total Liabilities and Fund Equity	<u>2,961,233</u>	<u>599,791</u>	<u>2,404,780</u>	<u>2,286,144</u>	<u>8,251,948</u>

See accompanying notes to financial statements.

JEROME COUNTY, IDAHO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES SEPTEMBER 30, 2012

Total Governmental Fund Balance		6,920,190
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Property taxes collected beyond 60 days after year end are not recorded as assets in the Governmental Funds balance sheet.		342,248
Governmental fund capital assets are not financial resources and therefore are not reported in the funds. These assets consist of:		
Capital Assets	5,673,507	
Construction in Progress	<u>631,312</u>	
Total Capital Assets		6,304,819
Accrued payroll, sick and personal leave liabilities are not reported in Governmental Funds.		(119,084)
Capital leases are not payable in the current period and thus not reported in the funds.		<u>(118,144)</u>
Net assets of Governmental Activities		<u><u>13,330,029</u></u>

See accompanying notes to financial statements.

JEROME COUNTY, IDAHO

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

	<u>General</u>	<u>Airport</u>	<u>Justice</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Property Taxes	1,870,079	46,636	2,224,065	1,870,684	6,011,464
Licenses and Permits	196,455	-	-	-	196,455
Intergovernmental	340,855	567,447	1,386,209	491,645	2,786,156
Charges for Services	285,051	708,815	501,325	881,607	2,376,798
Fines and Forfeitures	-	-	-	237,137	237,137
Interest from Investments	29,217	-	-	-	29,217
Miscellaneous	17,280	1,308	28,182	256,517	303,287
Total Revenues	2,738,937	1,324,206	4,139,781	3,737,590	11,940,514
<u>Expenditures</u>					
Salaries and Wages	1,073,275	48,486	1,864,141	696,897	3,682,799
Payroll Expenses and Benefits	494,687	15,188	687,856	236,927	1,434,658
General and Administrative	416,414	680,021	228,955	74,237	1,399,627
Health Care	-	-	-	807,057	807,057
Contracted Services	108,924	-	-	1,694,744	1,803,668
Law Enforcement	8,088	-	1,146,728	161,859	1,316,675
Capital Expenditures	237,650	578,503	43,864	34,142	894,159
Capital Leases:					
Principal	2,479	-	-	25,920	28,399
Interest	514	-	-	8,919	9,433
Total Expenditures	2,342,031	1,322,198	3,971,544	3,740,702	11,376,475
Excess Revenues Over Expenditures	396,906	2,008	168,237	(3,112)	564,039
<u>Other Financing Sources (Uses):</u>					
Fund Transfers In (Out)	(6,844)	-	2,500	4,344	-
Excess (Deficit) Revenues and Other Sources Over Expenditures	390,062	2,008	170,737	1,232	564,039
Fund Balance at Beginning of Year	2,324,184	130,707	1,901,677	1,999,583	6,356,151
Fund Balance at End of Year	<u>2,714,246</u>	<u>132,715</u>	<u>2,072,414</u>	<u>2,000,815</u>	<u>6,920,190</u>

See accompanying notes to financial statements.

JEROME COUNTY, IDAHO

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

Excess (Deficit) Revenue over Expenditures - Total Governmental Funds 564,039

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

Property tax revenues that are not received within sixty days after year end do not provide current financial resources and thus are not recorded as revenue in the Governmental Funds. This is the change in deferred revenue. (103,941)

Governmental funds report capital outlays as current expenditures. In the Statement of activities, the cost of assets over \$5,000 is allocated over their estimated useful lives as depreciation expense.

This is the amount of current year capital asset expenditures. 164,000

This is the change in construction in progress. 631,312

This is the amount of current year depreciation. (361,702)

This is the net book value of assets disposed of during the year. (2,984)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of capital lease principal payments. 28,399

Liability for accrued vacation pay is not recorded in the Governmental Funds. This is the decrease in leave during the year. (4,593)

Change in Net Assets of Governmental Activities 914,530

See accompanying notes to financial statements.

JEROME COUNTY, IDAHO

STATEMENT OF NET ASSETS - FIDUCIARY FUNDS SEPTEMBER 30, 2012

	<u>Payroll Cafeteria</u> <u>Trust</u>	<u>Private Purpose</u> <u>Trust</u>	<u>Agency</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	95,672	269	557,709
Delinquent Property Taxes	<u>-</u>	<u>-</u>	<u>738,405</u>
Total Assets	<u>95,672</u>	<u>269</u>	<u>1,296,114</u>
<u>Liabilities</u>			
Warrants Payable	498	-	46,957
Due to Taxing Districts	-	-	757,257
Due to Others	<u>-</u>	<u>-</u>	<u>491,900</u>
Total Liabilities	<u>498</u>	<u>-</u>	<u>1,296,114</u>
<u>Net Assets</u>			
Held in Trust	<u>95,173</u>	<u>269</u>	<u>-</u>

See accompanying notes to financial statements.

JEROME COUNTY, IDAHO

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

	Payroll	Private
	<u>Cafeteria Trust</u>	<u>Purpose Trust</u>
<u>Additions</u>		
Trust Amounts Received	67,923	299
<u>Deletions</u>		
Trust Amounts Remitted	<u>43,399</u>	<u>315</u>
Change in Net Assets	24,524	(16)
Net Assets Beginning of Year	<u>71,147</u>	<u>285</u>
Net Assets End of Year	<u>95,671</u>	<u>269</u>

See accompanying notes to financial statements.

JEROME COUNTY, IDAHO

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Jerome County is governed by the statute for Idaho counties and is located in the South Central portion of Idaho. The County provides various general services as authorized and the various special revenue funds: charities and indigent, weed control, ambulance, landfill, preventive health, airport, and disaster relief. The County acts as a collecting agent for taxing districts which are separate from this report.

The accounting policies of the County are to conform to generally accepted accounting principles. The following is a summary of the more significant policies:

1. The Financial Reporting Entity

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

Blended Component Units - The County Fair Fund is legally separate from Jerome County and is governed by a board appointed by the Commissioners of Jerome County. For financial reporting purposes, this entity is reported as if it were part of the County's operations because its purpose is to provide the citizenry with special services.

2. Basis of Accounting/Measurement Focus

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

a. Government-wide Financial Statements:

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

The statement of net assets presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

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

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

b. Fund Financial Statements:

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

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

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

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

Airport Fund - This fund provides for the operation of the County airport. This includes the collection of revenues for landing fees, rentals, property taxes and fuel sales. Also, this fund accounts for the related airport operating and development expenses.

Justice Fund - This fund provides the functions of administering, delivering and accounting for law enforcement services provided to the County.

c. Fund Equity Classification

GASB Statement No. 54 provided new categories for reporting fund balances in governmental funds. The categories and descriptions are as follows:

Non-spendable Fund Balance - Amounts which are considered non-spendable because they are not available for current use (such as fund balance associated with inventories, long-term receivables, and prepaid expenditures).

Restricted Fund Balance - Amounts which are constrained by externally imposed legal restrictions, or by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts, which are constrained for specific purposes, imposed by formal action of the County Commissioners by ordinance, or resolution. Committed fund balances cannot be used for other purposes unless the government uses that same action to modify or rescind a fund balance commitment.

Assigned Fund Balance - Amounts which have been established by County Commissioners' as intended for a specific purpose, usually through the appropriation process of approving the

County's budget. Additionally, funds in special revenue, debt service and capital project funds are by their nature assigned to the purpose of those respective funds.

Unassigned Fund Balance – Amounts in the General Fund which are neither restricted, committed or assigned. They may be used for any governmental purpose.

The County Commissioners are the entity's highest level of decision-making authority. When an expenditure is incurred for purposes for which there is fund balance available in more than one fund balance classification, the general rule is that budgeted amounts shall be expended first, followed by contingent amounts.

d. Fiduciary Fund Financial Statements:

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

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

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

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

3. Budgeting

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

The County Commissioners meet the second Monday of September in the courthouse for the purpose of considering and fixing a final budget and making appropriations for each department, and fund.

Budgetary data is prepared on the basis of accounting used by a particular fund. A copy of the budget shall be available for public inspection and a summary statement of the budget for the ensuing year shall be published, including amounts budgeted for the prior year, which shall be included for purposes of comparison. Taxpayers are invited to attend a public hearing to express their views concerning the proposed budget. After this public meeting, the budget is approved and is legally enacted through the passage of an ordinance.

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

4. Encumbrances

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

5. Capital Assets

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

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

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure, buildings and land in local government's basic financial statements. The County has elected to use the basic approach as defined by Statement No. 34 for asset reporting. Historical cost records do not exist for all of the County's assets dating back to 1930. For those assets where actual cost records could not be located, the County estimated cost using standard unit costs appropriate for the acquisition date. Accumulated depreciation was computed based on the life of the assets. Book value is computed by deducting the accumulated depreciation from the original cost.

6. General Long-Term Debt

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

7. Cash and Cash Equivalents

Cash equivalents consist primarily of cash on deposit and certificates of deposit. All are stated at cost that is not materially different from market.

8. Use of Estimates

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

9. Inventory

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

NOTE B - CASH AND INVESTMENTS

The County is authorized to invest funds in accordance with Idaho Code §67-1210. The County maintains a cash and investment pool that is available for use by all funds within the County.

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

Credit Risk – The County has no investment policy which would further limit its investment choices beyond those stated in the Idaho Code. The maturity dates of investments are listed below.

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

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

NOTE B - CASH AND INVESTMENTS (Cont.)

Cash and investments at year end are summarized as follows:

	Market Value/Bank Balance	Book Balance		Total	Average Maturity	Credit Rating
		Collateralized Or FDIC Insured and Held in County's Name	Uncollateralized, uninsured, or Unregistered and Held in County's Name			
Cash:						
Petty Cash	300	300	-	300	N/A	N/A
Checking Accounts:						
DL Evans	43,590	43,621	-	43,621	N/A	N/A
Savings and Investments:						
Banner Bank	250,000	250,000		250,000 (2)	N/A	N/A
Magic Valley Bank	251,693	250,000		250,000 (2)	N/A	N/A
Zions Bank	250,080	250,000		250,000 (2)	N/A	N/A
DL Evans Repo	6,527,400	6,526,074	-	6,526,075 (1)	Daily	AAA
Multi Bank /Securities	250,582	250,000	29	250,029	May, 2015	AAA
Component Unit - Fair	-	70,473		70,473	N/A	N/A
Total	7,573,645	7,640,468	29	7,640,498		

Summary:	
Governmental Activities	6,986,849
Fiduciary Activities	653,649
Total	<u>7,640,498</u>

- (1) Investments are held by and are in the name of a third party
- (2) Over the FDIC limit.

Time Certificates and repurchase agreements are stated at cost, which approximate market. The County has no restrictions in depositing public funds with State depositories except that the total aggregate deposit should not exceed the total capital and surplus reserves of such depository. The State of Idaho does not require collateralization of public funds.

NOTE C – INTERGOVERNMENTAL AND ASSESSMENTS RECEIVABLE

Intergovernmental receivables are primarily comprised of amounts due from other governments for the quarter ended September 30, as well as grant amounts due from the federal government or a pass-through agency. Special assessments of the Landfill (Refuse) Fund consist of charges assessed each household for costs associated with the landfill. These charges are billed with the property tax notices. These receivables are as follows:

	General			Other	
	Fund	Airport	Justice	Funds	Total
State Liquor	-	-	15,442	-	15,442
State Cigarette Tax	-	-	12,846	-	12,846
State Sales Tax	26,412	-	237,705	2,192	266,308
State Ag Replacement	17,447	2,142	20,623	10,064	50,275
State Lottery Money	-	-	4,737	-	4,737
State Election Money	-	-	-	20,121	20,121
Grants	-	354,803	13,292	-	368,095
County Office Remittances	9,160	59,411	21,545	12,762	102,877
Reimbursements	-	-	-	7,319	7,319
Regional Landfill	-	-	-	8,350	8,350
Solid Waste Assessments	-	-	-	57,583	57,583
	<u>53,018</u>	<u>416,356</u>	<u>326,189</u>	<u>118,391</u>	<u>913,953</u>
Total Receivables	<u>53,018</u>	<u>416,356</u>	<u>326,189</u>	<u>118,391</u>	<u>913,953</u>

NOTE D - DELINQUENT TAXES RECEIVABLE

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

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

	Levy Year					
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>Prior</u>	<u>Total</u>
Total Taxes Receivable	206,729	95,650	48,328	354	85	351,146

NOTE E – CONSTRUCTION IN PROGRESS

The County has started an apron project at the airport that was not completed as of September 30, 2012. The construction in progress amount represents the construction cost for this project. Once the project is complete these costs along with subsequent costs will be added to the County's capital assets.

NOTE F – CAPITAL ASSETS

Summary of capital asset activity for the year ended is as follows:

	Balance 9/30/2011	Additions	Disposals	Balance 9/30/2012
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	662,792	-	-	662,792
Capital Assets, Being Depreciated:				
Buildings and Improvements	5,171,171	58,223	(16,000)	5,213,394
Furniture and Equipment	2,378,002	61,097	-	2,439,099
Trucks and Vehicles	1,025,365	44,680	-	1,070,045
Total Depreciated Capital Assets	<u>9,237,330</u>	164,000	(16,000)	9,385,330
Less Accumulated Depreciation				
Building and Improvements	(1,412,341)	(132,239)	13,016	(1,531,564)
Furniture and Equipment	(1,307,261)	(142,991)	-	(1,450,252)
Trucks and Vehicles	(643,535)	(86,472)	-	(730,007)
Total Accumulated Depreciation	<u>(3,363,137)</u>	(361,702)	13,016	(3,711,823)
Capital Assets Net of Depreciation	<u><u>5,874,193</u></u>			<u><u>5,673,507</u></u>

Depreciation expense was charged to functions as follows:

General Fund:	
Clerk	1,293
Treasurer	1,316
Disaster Services	2,407
County Agent	3,601
Data Processing	8,473
Planning and Zoning	1,313
General	105,945
Airport	86,657
District Court	17,145
Fair	11,587
Justice Fund:	
Sheriff	87,304
Adult Probation	3,320
Prosecuting Attorney	1,380
Juvenile	7,252
General	1,700
Revaluation	2,055
Ambulance	12,814
Election	5,594
Waterways	546
Total Depreciation	<u><u>361,702</u></u>

NOTE G - WARRANTS PAYABLE

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

NOTE H - VOUCHERS PAYABLE

This account represents liabilities for goods and services evidenced by claims and dated prior to year end. All have been approved for payment by the Commissioners during October 2012.

NOTE I - COMPENSATED ABSENCES

The County accrues vacation and sick pay for its employees based upon length of service. Vacation days are payable upon termination of employment and will not exceed 15 days per year. Sick leave accrues at the rate of up to 10 days per year to a maximum of 40 days and is not payable upon termination. Vacation pay earned and unpaid as of September 30, 2012 has been accrued; however, sick pay is not considered a vested benefit and is not accrued. In addition, employees are encouraged to accept compensatory time off in lieu of monetary compensation for overtime hours worked and such time earned and unpaid as of September 30, 2012 has been accrued.

NOTE J- EMPLOYEE RETIREMENT PLAN

Public Employee Retirement System of Idaho - The Public Employee Retirement System of Idaho (PERSI), 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. Designated as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request.

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

The contribution requirements of Jerome County and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended September 30, 2012, the required contribution rate as a percentage of covered payroll for members was 6.23% for general members and 7.69% (7.65% + .04% effective March 1, 2011) for police/firefighters members. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. Jerome County employer contributions required and paid were \$368,393, \$351,885, and \$356,780, for the three years ended September 30, 2012, 2011, and 2010, respectively.

NOTE K – REGIONAL E-911

Jerome County has entered into a Joint Powers Agreement with Gooding, Lincoln, and Twin Falls Counties to establish and operate an Enhanced 911 Emergency Dispatch System (E-911) to meet the needs of the citizens of the participating counties. Financing for the system is through the collection of a telephone fee. Any County may withdraw from the agreement following a 2 year written notice period. However, if a debt financing agreement is outstanding, a County may only withdraw upon payment of its pro-rata share of the financing obligation remaining, based upon their share of the total surcharge collected from the four Counties. Jerome County's percentage of participation for the year ending September 30, 2011 was 10.4 %.

NOTE K – REGIONAL E-911 (Cont.)

Separate financial statements of the joint venture are available from the South Central Region E-911 upon request. The following information was taken from the financial statements for fiscal year ended September 30, 2011:

Beginning Net Assets	3,300,516
Change in Net Assets	<u>426,605</u>
Ending Net Assets	<u><u>3,727,121</u></u>

NOTE L - SOLID WASTE DISTRICT

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

Under this agreement each County will pay a fee per ton of waste it deposits in the landfill. Along with the fee, each participating County has agreed not to dump solid waste in any other location. For the year ending September 30, 2012, the County paid fees to the Solid Waste District totaling \$844,492 or approximately 11% of the total operating revenue. These fees cover both fee usage cost and anticipated closure costs

Separate September 30, 2012 year-end financial statements of the Solid Waste District are available direct from the district upon request – these are the latest available audited financial statements. They contain the following information on the total equity of the District:

Beginning Net Assets	13,571,825
Change in Net Assets	<u>1,556,046</u>
Ending Net Assets	<u><u>15,127,871</u></u>

NOTE M - OPERATING LEASES

The County is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the County's capital assets. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining lease terms in excess of one year as of September 30, 2012:

Governmental Activities:

Year Ended

2013	10,606
2014	5,580
2015	3,512
2016	2,424
2017	2,244
Thereafter	-
Total	<u><u>24,366</u></u>

NOTE N – CAPITAL LEASES/LONG-TERM LIABILITIES

Leases that in substance are purchases are classified as capital lease. At September 30, 2012, the historical cost and accumulated depreciation of equipment acquired under capital lease were \$233,435 and \$39,116, respectively. Changes in lease commitments for non-cancelable capital leases as of September 31, 2012 are as follows:

Governmental Activities:

Description	Initial Rate	Fund	Maturity Date	Amount			Amount Outstanding 9/30/2012	Amount Due In One Year
				Outstanding 9/30/2011	Additions	Deductions		
Bobcat Lease	5.34%	Fair	1/22/2014	9,950	-	4,115	5,835	4,340
Ambulance Lease	5.56%	Ambulance	5/15/2014	55,723	-	19,937	35,786	21,074
Sharp MX-M260	6.50%	General	4/1/2015	4,828	-	1,281	3,546	1,367
Toshiba e-Studio 355	6.50%	General	12/1/2014	4,194	-	1,198	2,997	1,278
Fair Building	8.30%	Fair	11/1/2029	71,848	-	1,868	69,980	2,029
Totals				<u>146,543</u>	<u>-</u>	<u>28,399</u>	<u>118,144</u>	<u>30,088</u>

Interest expense related to capital leases for the year was charged to the following departments and funds on the Statement of Activities:

County Fair	6,325
Ambulance	2,595
Treasurer/Tax Collector	276
County Agent	237
Total	<u>9,433</u>

Future minimum capital lease payments are as follows:

Year Ended	Principle	Interest
2013	30,088	7,744
2014	21,235	6,053
2015	3,469	5,384
2016	2,600	5,161
2017	2,824	4,937
Thereafter	<u>57,928</u>	<u>42,835</u>
Total	<u>118,144</u>	<u>72,114</u>

NOTE O - RISK MANAGEMENT

The County carries commercial insurance to cover employee health care, worker's compensation, liability and property. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the four prior years.

Part of the health insurance program is a deductible buy down program. This program places the County's insurance cost savings from having a higher deductible in trust, along with employee contributed amounts for covered family members, and self administers the employee reimbursement to a \$300 deductible.

The County belongs to the risk management pool, ICRMP. This is an association of Public entities who insure together to reduce cost while limiting liability.

NOTE P - DEFERRED REVENUE

Deferred revenue, as of September 30, 2012, consists of property taxes, solid waste district dividends not collected within sixty days of year-end, and grant funds received but not yet used. The funds with deferred revenue are as follows:

<u>Fund</u>	<u>Property Taxes</u>	<u>Fees & Services</u>	<u>Total</u>
General	89,117		89,117
Airport	1,994		1,994
Justice	110,337		110,337
Other Governmental	90,130	50,670	140,800
	<u>291,578</u>	<u>50,670</u>	<u>342,248</u>

NOTE Q – INTERFUND TRANSFERS

<u>Transfer From Fund</u>	<u>Purpose</u>	<u>Transfer To Fund</u>	<u>Amount</u>
Fair Fund	Fair Security	Justice Fund	2,500
General Fund	Consolidated Election	County Election Fund	3,028
Waterways Fund	Waterways Patrol	General Fund	1,470
General Fund	Current Expenses	Waterways Fund	3,004
General Fund	Maintenance and Repairs	Waterways Fund	2,282

REQUIRED SUPPLEMENTARY INFORMATION

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Property Taxes	2,022,126	2,044,548	1,870,079	(174,469)
PILT	-	-	100,000	100,000
Other	685,000	685,000	768,858	83,858
Total Revenues	2,707,126	2,729,548	2,738,937	9,389
Expenditures				
Salaries and Wages	1,175,704	1,172,998	1,073,275	99,723
Payroll Expenses and Benefits	578,700	578,700	494,687	84,013
General and Administrative	669,243	679,999	416,414	263,585
Contracted Services	124,000	124,000	108,924	15,076
Law Enforcement	7,550	7,550	8,088	(538)
Capital Expenditures	365,000	379,372	240,643	138,729
Total Expenditures	2,920,197	2,942,619	2,342,031	600,588
Excess (Deficit) Revenues Over Expenditures	(213,071)	(213,071)	396,906	609,977
Transfers In (Out)	-	-	(6,844)	6,844
Excess (Deficit) Revenues and Other Sources Over Expenditures	(213,071)	(213,071)	390,062	616,821
Fund Balance at Beginning of Year	213,071	213,071	2,324,184	2,111,113
Fund Balance at End of Year	-	-	2,714,246	2,727,934

See accompanying notes to financial statements.

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	2,022,126	2,044,548	1,870,079	(174,469)
Payment in Lieu of Taxes	-	-	100,000	100,000
Other	685,000	685,000	768,858	83,858
 Total Revenues	 2,707,126	 2,729,548	 2,738,937	 9,389
<u>Expenditures</u>				
Clerk, Auditor, Recorder Salaries	442,292	442,292	368,141	74,151
Clerk, Auditor, Recorder Other	6,400	6,400	4,883	1,517
Assessor Salaries	125,298	125,298	124,516	782
Assessor Other	5,100	5,100	2,126	2,974
Treasurer Salaries	112,803	112,803	104,451	8,352
Treasurer Other	8,192	8,192	9,262	(1,070)
Commissioners Salaries	85,284	85,284	84,456	828
Commissioners Other	25,600	25,600	15,043	10,557
Coroner Salaries	7,380	7,380	7,380	-
Coroner Other	8,550	8,550	8,512	38
Disaster Services Salaries	34,933	34,933	34,075	858
Disaster Services Other	14,729	30,024	30,882	(858)
County Agent Salaries	58,089	58,089	56,151	1,938
County Agent Other	20,500	20,500	19,024	1,476
Data Processing Salaries	26,692	26,692	26,688	4
Data Processing Other	161,000	161,000	147,021	13,979
Election Salaries	4,095	1,067	-	1,067
Elections	63,750	79,776	57,582	22,194
General Accounts (Salaries)	67,995	67,995	60,578	7,417
General Accounts (Other)	1,392,122	1,385,929	952,283	433,646
Planning and Zoning Salaries	202,523	202,523	198,197	4,326
Planning and Zoning Other	32,700	32,700	21,836	10,864
Reserve	5,000	5,000	-	5,000
Veterans' Memorial Salaries	8,320	8,642	8,642	-
Veterans' Memorial Other	850	850	302	548
 Total Expenditures	 2,920,197	 2,942,619	 2,342,031	 600,588
 Excess (Deficit) Revenues Over Expenditures	 (213,071)	 (213,071)	 396,906	 609,977
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	-	(6,844)	6,844
 Excess (Deficit) Revenues and Other Sources Over Expenditures	 (213,071)	 (213,071)	 390,062	 616,821
 Fund Balance at Beginning of Year	 213,071	 213,071	 2,324,184	 2,111,113
 Fund Balance at End of Year	 -	 -	 2,714,246	 2,727,934

See accompanying notes to financial statements.

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	46,232	46,232	46,636	404
Other	321,000	820,601	1,277,570	456,969
Total Revenues	367,232	866,833	1,324,206	457,373
<u>Expenditures</u>				
Salaries and Wages	50,061	50,061	48,486	1,575
Payroll Expense and Benefits	14,760	14,760	15,188	(428)
Utilities	13,901	13,901	14,184	(283)
Maintenance	66,866	66,866	31,410	35,456
Miscellaneous	10,344	10,344	6,851	3,493
Petroleum	216,300	551,588	627,576	(75,988)
Capital Outlay	15,000	179,313	578,503	(399,190)
Total Expenditures	387,232	886,833	1,322,198	(435,365)
Excess (Deficit) Revenues Over Expenditures	(20,000)	(20,000)	2,008	22,008
<u>Other Financing Sources (Uses):</u>				
Excess (Deficit) Revenues and Other Sources Over Expenditures	(20,000)	(20,000)	2,008	22,008
Fund Balance at Beginning of Year	20,000	20,000	130,707	110,707
Fund Balance at End of Year	-	-	132,715	132,715

See accompanying notes to financial statements.

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	2,142,084	2,251,460	2,224,065	(27,395)
Payment in Lieu of Taxes	-	-	141,248	141,248
Other	1,506,000	1,506,000	1,774,468	268,468
 Total Revenues	 3,648,084	 3,757,460	 4,139,781	 382,321
<u>Expenditures</u>				
Sheriff Department Salaries	1,258,357	1,276,088	1,226,425	49,663
Sheriff Department Other	458,479	550,397	578,726	(28,329)
Prosecuting Attorney Salaries	345,045	345,045	339,656	5,389
Prosecuting Attorney Other	20,600	20,600	10,656	9,944
Public Defender	366,628	387,747	387,747	-
Juvenile Salaries	185,207	185,286	185,286	-
Juvenile Other	333,138	377,636	180,345	197,291
Adult Probation Salaries	123,462	123,462	112,774	10,688
Adult Probation Other	19,063	19,063	9,987	9,076
General	1,168,105	1,102,136	939,942	162,194
 Total Expenditures	 4,278,084	 4,387,460	 3,971,544	 415,916
 Excess (Deficit) Revenues and Other Sources Over Expenditures	 (630,000)	 (630,000)	 168,237	 798,237
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	-	2,500	(2,500)
 Excess (Deficit) Revenues and Other Sources Over Expenditures	 (630,000)	 (630,000)	 170,737	 795,737
 Fund Balance at Beginning of Year	 630,000	 630,000	 1,901,677	 1,271,677
 Fund Balance at End of Year	 -	 -	 2,072,414	 2,067,414

See accompanying notes to financial statements.

Jerome County
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Basis of Presentation

The Schedules of Revenues, Expenditures and Changes in Fund Balance have been prepared on the modified accrual basis of accounting.

Budgetary Legal Requirements

Idaho codified law prescribes the budgetary procedures to be followed by Counties as follows:

- A. On or before the first Monday in May of each year the county budget officer shall notify, in writing, each county official, elective or appointive, in charge of any office, department, service, agency or institution of the county, to file with such budget officer, on or before the third Monday in May thereafter, an itemized estimate showing both the probable revenues from sources other than taxation that will accrue to his office.
- B. The county budget officer (Clerk) then submits to the board of county commissioners on or before the first Monday in August of each year; county commissioners shall convene to consider the proposed budget in detail and make any alterations allowable by law and which they deem necessary.
- C. When the commissioners have agreed on such tentative appropriations, the county budget officer, not later than the third week in August, shall cause notice to be published setting forth the amount of anticipated revenue from property taxes and the total of revenues anticipated from sources other than property taxes and the amount proposed to be appropriated to each office.
- D. On or before the Tuesday following the first Monday in September of each year the board of county commissioners shall meet at the time and place designated in said notice. Any taxpayer may appear and be heard upon any part or parts of said tentative budget. Such hearing may be continued from day to day but must be concluded by the second Monday in September.
- E. During the year the county commissioners may proceed to adjust the budget as adopted to reflect the receipt of unscheduled revenue, grants, or donations from federal, state or local governments or private sources, provided that there shall be no increase in anticipated property taxes.

OTHER SUPPLEMENTARY INFORMATION

JEROME COUNTY, IDAHO

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

	<u>District Court</u>	<u>Ambulance</u>	<u>Fair</u>	<u>Fair Capital</u>	<u>Charity and Indigent</u>	<u>Public Health</u>
<u>Assets</u>						
Cash and Investments	465,251	418,158	71,983	60,619	433,273	84,608
Accounts Receivable	19,917	2,192	1,384	238	2,502	1,343
Delinquent Taxes Receivable	-	24,602	30,484	2,313	31,907	5,410
Total Assets	<u>485,168</u>	<u>444,952</u>	<u>103,851</u>	<u>63,170</u>	<u>467,682</u>	<u>91,361</u>
<u>Liabilities</u>						
Warrants Payable	33,755	1,970	7,404	-	59,931	-
Vouchers Payable	906	-	-	4,328	-	-
Deferred Revenue	-	21,651	9,388	2,036	28,078	4,759
Total Liabilities	<u>34,661</u>	<u>23,621</u>	<u>16,792</u>	<u>6,364</u>	<u>88,009</u>	<u>4,759</u>
<u>Fund Balances</u>						
Committed	196,178	22,966	20,000	20,000	175,000	20,000
Assigned	<u>254,329</u>	<u>398,365</u>	<u>67,059</u>	<u>36,806</u>	<u>204,673</u>	<u>66,602</u>
Total Fund Balances	<u>450,507</u>	<u>421,331</u>	<u>87,059</u>	<u>56,806</u>	<u>379,673</u>	<u>86,602</u>
Total Liabilities and Fund Balances	<u>485,168</u>	<u>444,952</u>	<u>103,851</u>	<u>63,170</u>	<u>467,682</u>	<u>91,361</u>

See Independent auditor's report>

<u>Revaluation</u>	<u>Solid Waste</u>	<u>Tort</u>	<u>Noxious Weed</u>	<u>County Election</u>	<u>Waterway</u>	<u>Totals</u>
268,613	89,424	49,440	42,869	39,631	21,652	2,045,521
3,247	65,931	1,351	164	20,121	-	118,390
<u>19,377</u>	<u>-</u>	<u>6,791</u>	<u>1,349</u>	<u>-</u>	<u>-</u>	<u>122,233</u>
<u>291,237</u>	<u>155,355</u>	<u>57,582</u>	<u>44,382</u>	<u>59,752</u>	<u>21,652</u>	<u>2,286,144</u>
16,248	-	-	-	1,769	3,200	124,277
98	-	-	14,920	-	-	20,252
<u>17,053</u>	<u>50,670</u>	<u>5,977</u>	<u>1,188</u>	<u>-</u>	<u>-</u>	<u>140,800</u>
33,399	50,670	5,977	16,108	1,769	3,200	285,329
40,000	138,555	40,000	15,000	959	2,000	690,658
<u>217,838</u>	<u>(33,870)</u>	<u>11,605</u>	<u>13,274</u>	<u>57,024</u>	<u>16,452</u>	<u>1,310,157</u>
<u>257,838</u>	<u>104,685</u>	<u>51,605</u>	<u>28,274</u>	<u>57,983</u>	<u>18,452</u>	<u>2,000,815</u>
<u>291,237</u>	<u>155,355</u>	<u>57,582</u>	<u>44,382</u>	<u>59,752</u>	<u>21,652</u>	<u>2,286,144</u>

JEROME COUNTY, IDAHO

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

	<u>District Court</u>	<u>Ambulance</u>	<u>Fair</u>	<u>Fair Capital</u>	<u>Charity and Indigent</u>
<u>Revenues</u>					
Property Taxes	-	447,441	223,035	36,698	567,163
Intergovernmental	325,430	11,606	4,875	954	10,007
Charges for Services	-	-	133,428	-	-
Fines and Forfeitures	237,137	-	-	-	-
Miscellaneous	49,906	5,930	100,736	1	66,337
	<u>612,473</u>	<u>464,977</u>	<u>462,074</u>	<u>37,653</u>	<u>643,507</u>
<u>Expenditures</u>					
Salaries and Wages	316,554	-	89,391	-	53,409
Payroll Expenses and Benefits	97,173	-	27,191	-	23,029
General and Administrative	-	2,817	16,125	-	-
Health Care	-	-	-	-	704,401
Contracted Services	-	368,964	265,821	-	-
Law Enforcement	161,751	-	-	-	-
Capital Expenditures	3,822	1	-	30,319	-
Capital - Principal Payments	-	19,937	5,983	-	-
Capital - Interest Payments	-	2,594	6,325	-	-
	<u>579,300</u>	<u>394,313</u>	<u>410,836</u>	<u>30,319</u>	<u>780,839</u>
Excess (Deficit) Revenues	33,173	70,664	51,238	7,334	(137,332)
Other Financing Sources					
Fund Transfer In (Out)	-	-	(2,500)	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>
Excess (Deficit) Revenues and Other Financing Sources (Under) Expenditures	33,173	70,664	48,738	7,334	(137,332)
Fund Balance at Beginning of Year	<u>417,334</u>	<u>350,667</u>	<u>38,321</u>	<u>49,472</u>	<u>517,005</u>
Fund Balance at Year End	<u><u>450,507</u></u>	<u><u>421,331</u></u>	<u><u>87,059</u></u>	<u><u>56,806</u></u>	<u><u>379,673</u></u>

See Independent auditor's report>

Public Health	Revaluation	Solid Waste	Tort	Noxious Weed	County Election	Waterway	Totals
91,674	355,499	-	124,837	24,336	1	-	1,870,684
5,374	12,987	-	5,406	656	99,382	14,968	491,645
-	-	748,179	-	-	-	-	881,607
-	-	-	-	-	-	-	237,137
<u>3</u>	<u>1,914</u>	<u>6,667</u>	<u>5</u>	<u>25,017</u>	<u>-</u>	<u>1</u>	<u>256,517</u>
97,051	370,400	754,846	130,248	50,009	99,383	14,969	3,737,590
-	202,183	-	-	-	35,360	-	696,897
-	76,453	-	-	-	13,081	-	236,927
-	21,267	-	-	-	17,397	16,631	74,237
102,656	-	-	-	-	-	-	807,057
-	-	844,704	167,962	43,816	3,435	42	1,694,744
-	-	-	-	-	108	-	161,859
-	-	-	-	-	-	-	34,142
-	-	-	-	-	-	-	25,920
-	-	-	-	-	-	-	8,919
<u>102,656</u>	<u>299,903</u>	<u>844,704</u>	<u>167,962</u>	<u>43,816</u>	<u>69,381</u>	<u>16,673</u>	<u>3,740,702</u>
(5,605)	70,497	(89,858)	(37,714)	6,193	30,002	(1,704)	(3,112)
-	-	-	-	-	3,028	3,816	4,344
-	-	-	-	-	3,028	3,816	4,344
(5,605)	70,497	(89,858)	(37,714)	6,193	33,030	2,112	1,232
<u>92,207</u>	<u>187,341</u>	<u>194,543</u>	<u>89,319</u>	<u>22,081</u>	<u>24,953</u>	<u>16,340</u>	<u>1,999,583</u>
<u>86,602</u>	<u>257,838</u>	<u>104,685</u>	<u>51,605</u>	<u>28,274</u>	<u>57,983</u>	<u>18,452</u>	<u>2,000,815</u>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Other	505,519	505,519	612,473	106,954
Total Revenues	505,519	505,519	612,473	106,954
<u>Expenditures</u>				
Salaries and Wages	290,964	316,555	316,554	1
Payroll Expense and Benefits	107,740	107,740	97,173	10,567
Supplies	29,400	29,400	21,993	7,407
Postage	18,000	18,000	14,154	3,846
Telephone and Utilities	51,100	51,100	39,217	11,883
Jury and Witness Fees and Expense	15,000	15,000	8,297	6,703
Travel	600	600	270	330
Lodging, Meals and Mileage for Jurors	2,000	2,000	1,139	861
Judicial Education	2,500	2,500	380	2,120
Contracts	115,034	91,673	75,773	15,900
Contingency	9,000	6,770	528	6,242
Capital Outlay	15,000	15,000	3,822	11,178
Total Expenditures	656,338	656,338	579,300	77,038
Excess (Deficit) Revenues Over Expenditures	(150,819)	(150,819)	33,173	183,992
Fund Balance at Beginning of Year	150,819	150,819	417,334	266,515
Fund Balance at End of Year	<u>-</u>	<u>-</u>	<u>450,507</u>	<u>450,507</u>

See Independent auditor's report>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	432,830	432,830	447,441	14,611
Other	10,000	10,000	17,536	7,536
Total Revenues	442,830	442,830	464,977	22,147
<u>Expenditures</u>				
Contingency	28,000	28,000	-	28,000
Maintenance and Repair	47,000	47,000	2,817	44,183
Ambulance Contracts	368,964	368,964	368,964	0
Capital Outlay	27,428	27,428	22,532	4,896
Total Expenditures	471,392	471,392	394,313	77,079
Excess (Deficit) Revenues Over Expenditures	(28,562)	(28,562)	70,664	99,226
Fund Balance at Beginning of Year	28,562	28,562	350,667	322,105
Fund Balance at End of Year	-	-	421,331	421,331

See Independent auditor's report>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	219,334	225,834	223,035	(2,799)
Other	127,000	127,000	239,039	112,039
 Total Revenues	 346,334	 352,834	 462,074	 109,240
<u>Expenditures</u>				
Salaries and Wages	82,968	89,468	89,391	77
Employee Benefits	30,700	30,700	27,191	3,509
Supplies	2,388	2,388	3,642	(1,254)
Utilities	23,867	23,867	23,588	279
Contracted Services	3,345	3,345	3,685	(340)
Repairs and Maintenance	45,680	45,680	33,100	12,580
Miscellaneous	141,921	141,921	217,931	(76,010)
Capital Outlay	15,465	15,465	12,308	3,157
 Total Expenditures	 346,334	 352,834	 410,836	 (58,002)
 Excess (Deficit) Revenues Over Expenditures	 -	 -	 51,238	 51,238
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	-	(2,500)	(2,500)
 Excess (Deficit) Revenues and Other Sources Over Expenditures	 -	 -	 48,738	 48,738
 Fund Balance at Beginning of Year	 -	 -	 38,321	 38,321
 Fund Balance at End of Year	 -	 -	 87,059	 87,059

See Independent auditor's report>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	35,000	35,000	36,698	1,698
Other	-	-	955	955
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>37,653</u>	<u>2,653</u>
<u>Expenditures</u>				
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>30,319</u>	<u>19,681</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>30,319</u>	<u>19,681</u>
Excess (Deficit) Revenues Over Expenditures	(15,000)	(15,000)	7,334	22,334
Fund Balance at Beginning of Year	<u>15,000</u>	<u>15,000</u>	<u>49,472</u>	<u>34,472</u>
Fund Balance at End of Year	<u>-</u>	<u>-</u>	<u>56,806</u>	<u>56,806</u>

See Independent auditor's report>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	546,019	549,019	567,163	18,144
Other	110,000	107,000	76,344	(30,656)
Total Revenues	656,019	656,019	643,507	(12,512)
<u>Expenditures</u>				
Salaries	53,299	53,409	53,409	-
Payroll Expenses and Benefits	24,520	24,520	23,029	1,491
Travel	1,000	1,000	897	103
Medical - Hospitals	335,000	335,000	326,035	8,965
Medical - Jail	58,200	58,200	118,709	(60,509)
Medical - Professional Services	288,700	288,700	225,506	63,194
Medical - Medications	1,500	1,500	-	1,500
Medical - Transportation	10,000	10,000	5,350	4,650
Non-Medical Care	5,800	5,800	8,346	(2,546)
Insurance	25,000	25,000	19,288	5,712
Miscellaneous	3,000	2,890	270	2,620
Total Expenditures	806,019	806,019	780,839	25,180
Excess (Deficit) Revenues Over Expenditures	(150,000)	(150,000)	(137,332)	12,668
Fund Balance at Beginning of Year	150,000	150,000	517,005	367,005
Fund Balance at End of Year	-	-	379,673	379,673

See Independent auditor's report>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	87,656	87,656	91,674	4,018
Other	-	-	5,377	5,377
Total Revenues	87,656	87,656	97,051	9,395
<u>Expenditures</u>				
Health Care Contracts	102,656	102,656	102,656	0
Total Expenditures	102,656	102,656	102,656	0
Excess (Deficit) Revenues	(15,000.00)	(15,000.00)	(5,605)	9,395
Fund Balance at Beginning of Year	15,000.00	15,000.00	92,207	77,207
Fund Balance at End of Year	-	-	86,602	86,602

See Independent auditor's report>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	343,677	343,677	355,499	11,822
Other	12,000	12,000	14,901	2,901
Total Revenues	355,677	355,677	370,400	14,723
<u>Expenditures</u>				
Salaries and Wages	264,732	264,732	202,183	62,549
Payroll Expenses and Benefits	107,285	107,285	76,453	30,832
Contracted Services	6,000	6,000	3,850	2,150
Miscellaneous	11,160	11,160	12,103	(943)
Education	6,500	6,500	5,314	1,186
Capital Outlay	10,000	10,000	-	10,000
Total Expenditures	405,677	405,677	299,903	105,774
Excess (Deficit) Revenues Over Expenditures	(50,000)	(50,000)	70,497	120,497
Fund Balance at Beginning of Year	50,000	50,000	187,341	137,341
Fund Balance at End of Year	<u>-</u>	<u>-</u>	<u>257,838</u>	<u>257,838</u>

See Independent auditor's report>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Other	<u>724,292</u>	<u>724,292</u>	<u>754,846</u>	<u>30,554</u>
Total Revenues	<u>724,292</u>	<u>724,292</u>	<u>754,846</u>	<u>30,554</u>
<u>Expenditures</u>				
Solid Waste Contract	<u>833,555</u>	<u>833,555</u>	<u>844,492</u>	<u>(10,937)</u>
Contingency	<u>30,000</u>	<u>30,000</u>	<u>212</u>	<u>29,788</u>
Total Expenditures	<u>863,555</u>	<u>863,555</u>	<u>844,704</u>	<u>18,851</u>
Excess (Deficit) Revenues Over Expenditures	<u>(139,263)</u>	<u>(139,263)</u>	<u>(89,858)</u>	<u>49,405</u>
Fund Balance at Beginning of Year	<u>139,263</u>	<u>139,263</u>	<u>194,543</u>	<u>55,280</u>
Fund Balance at End of Year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>104,685</u></u>	<u><u>104,685</u></u>

See Independent auditor's report>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	121,000	121,000	124,837	3,837
Other	-	-	5,411	5,411
Total Revenues	121,000	121,000	130,248	9,248
<u>Expenditures</u>				
Insurance Liability Coverage	171,000	171,000	167,962	3,038
Total Expenditures	171,000	171,000	167,962	3,038
Excess (Deficit) Revenues Over Expenditures	(50,000)	(50,000)	(37,714)	12,286
Fund Balance at Beginning of Year	50,000	50,000	89,319	39,319
Fund Balance at End of Year	-	-	51,605	51,605

See Independent auditor's report>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property Taxes	23,500	23,500	24,336	836
Other	10,000	10,000	25,673	15,673
Total Revenues	33,500	33,500	50,009	16,509
<u>Expenditures</u>				
Supplies	-	-	-	-
Contracts	48,500	48,500	43,816	4,684
Capital Outlay	-	-	-	0
Total Expenditures	48,500	48,500	43,816	4,684
Excess (Deficit) Revenues Over Expenditures	(15,000)	(15,000)	6,193	21,193
Fund Balance at Beginning of Year	15,000	15,000	22,081	7,081
Fund Balance at End of Year	-	-	28,274	28,274

See Independent auditor's report>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Other	77,118	77,118	99,382	22,264
Total Revenues	77,118	77,118	99,382	22,264
<u>Expenditures</u>				
Salaries and Wages	32,332	35,360	35,360	0
Payroll Expenses and Benefits	13,275	13,275	13,081	194
Miscellaneous	31,511	31,511	20,939	10,572
Total Expenditures	77,118	80,146	69,380	194
Excess (Deficit) Revenues Over Expenditures	-	(3,028)	30,002	22,458
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	3,028	3,028	(0)
Excess (Deficit) Revenues and Other Sources Over Expenditures	-	-	33,030	22,458
Fund Balance at Beginning of Year	-	-	24,953	24,953
Fund Balance at End of Year	-	-	57,983	47,411

See Independent auditor's report>

JEROME COUNTY, IDAHO

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Other	8,000	18,740	14,969	(3,771)
Total Revenues	8,000	18,740	14,969	(3,771)
<u>Expenditures</u>				
Repairs and Maintenance	10,000	14,853	9,628	5,225
Capital Outlay	-	-	-	0
Miscellaneous	-	5,887	7,045	(1,158)
Total Expenditures	10,000	20,740	16,673	4,067
Excess (Deficit) Revenues Over Expenditures	(2,000)	(2,000)	(1,704)	296
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	-	3,816	3,816
Excess (Deficit) Revenues and Other Sources Over Expenditures	(2,000)	(2,000)	2,112	4,112
Fund Balance at Beginning of Year	2,000	2,000	16,340	14,340
Fund Balance at End of Year	-	-	18,452	18,452

See Independent auditor's report>

JEROME COUNTY

**OMB CIRCULAR A-133
SUPPLEMENTARY FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

**OMB CIRCULAR A-133
SUPPLEMENTARY FINANCIAL REPORT**

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of County Commissioners
Jerome County
Jerome, Idaho 83338

Compliance

We have audited the Jerome County'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 the County's major federal programs for the year ended September 30, 2012. Jerome 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 Jerome County's management. Our responsibility is to express an opinion on Jerome County's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jerome 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 of Jerome County's compliance with those requirements.

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

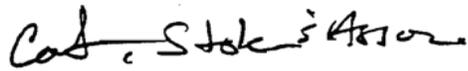
Internal Control Over Compliance

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

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

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

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



Condie, Stoker & Associates

January 14, 2013

JEROME COUNTY, IDAHO

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

Description	Federal CFDA Number	Accrued (Deferred) Grant Revenue 9/30/2011	Cash/ Commodities Received 10/01/2011 thru 9/30/2012	Expenditures	Accrued (Deferred) Grant Revenue 9/30/2012
Pass-Through State of Idaho:					
Department of Justice:					
State of Idaho-Juvenile Accountability Block Grant	16.523	2,363	8,063	5,697	(3)
State of Idaho -Juvenile Video Arraignment Equipment	16.540	-	7,501	7,501	-
State of Idaho-Project Safe Neighborhood	16.609	-	9,825	11,010	1,185
State of Idaho-Recovery Act - Edward Byrne	16.803	-	17,960	17,994	34
Total Department of Justice Pass-Through		2,363	43,350	42,203	1,216
Department of Transportation:					
State of Idaho Highway Planning and Construction	20.205	-	4,496	4,362	(134)
State of Idaho State and Community Highway Safety	20.600	12,988	17,486	15,922	11,424
State of Idaho Alcohol Impaired Driving Countermeasures Grant I	20.601	-	7,496	9,359	1,863
Total Department of Transportation Pass-Through		12,988	29,478	29,643	13,153
Department of Parks and Recreation					
Boating Safety Grant	97.012	-	2,071	1,815	(256)
Secretary of State:					
HAVA Grant Fund	39.011	41,450	57,476	16,026	-
Department of Homeland Security:					
State of Idaho Emergency Management Performance Grants	97.042	-	21,051	21,051	-
State of Idaho Homeland Security Grant Program	97.067	-	54,836	54,836	-
Total Department of Homeland Security Pass-Through		-	75,887	75,887	-
Department of Transportation Direct Programs:					
Airport Improvement Program*	20.106	43,713	208,823	519,913	354,803
Department of Justice Direct Programs					
State Criminal Alien Assistance Program	16.606	-	15,074	3,316	(11,758)
Total Federal Financial Assistance		100,514	432,159	688,804	357,159

* Major Programs

JEROME COUNTY

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

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

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Jerome County.
2. No reportable deficiencies were disclosed during the audit of the financial statements reported in the report of internal control dated January 14, 2013.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No material reportable conditions were discovered during the audit of the Major Federal Award Programs.
5. The auditor's report on compliance for the Major Federal Award Programs for Jerome County expresses an unqualified opinion.
6. The audit did not disclose any audit findings.
7. The programs tested as major programs include: Airport Improvement Program 20.106.
8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
9. Jerome County was determined to be a low-risk Auditee.

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

<u>Finding</u>	<u>Reportable Condition</u>	<u>Questioned Cost</u>
None	None	None

C. FINDINGS - FINANCIAL STATEMENTS AUDIT

None