

# Kootenai County, Idaho



CC Image courtesy of CLloyd Photos (2013), Over Hayden Lake <https://flic.kr/p/qKnUwm>

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended September 30, 2019**

**Jim Brannon ~ Auditor**



# KOOTENAI COUNTY, IDAHO

## Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2019

Jim Brannon  
County Auditor

Prepared by the Office of the County Auditor

# KOOTENAI COUNTY, IDAHO

## Office of the County Auditor

Dena Darrow  
Finance Director

Jennifer Locke  
Chief Deputy Clerk

### **ACKNOWLEDGMENTS:**

#### **Management Team**

Keith Taylor  
Grace Blomgren  
Lori Shaw  
Melissa Merrifield

#### **Accountants and Technical Team**

JoAnn Connor  
Isaac Ohm  
Michelle Chiaramonte  
Randi Davis  
Julina Hildreth  
Kathy VonKienast  
Rae Ann Frische  
Chenyi Olson

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## TABLE OF CONTENTS KOOTENAI COUNTY, IDAHO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019

### INTRODUCTORY SECTION

Auditor's Letter of Transmittal .....	1
Elected Officials .....	5
Organizational Chart .....	6

### FINANCIAL SECTION

Report of Independent Auditor .....	9
Management's Discussion and Analysis .....	14
Basic Financial Statements	
Statement of Net Position .....	29
Statement of Activities .....	30
Balance Sheet, Governmental Funds .....	32
Reconciliation .....	33
Statement of Revenues, Expenditures and Changes in Fund Balances, Governmental Funds .....	34
Reconciliation .....	35
Statement of Net Position, Proprietary Funds .....	36
Statement of Revenues, Expenses and Changes in Fund Net Position, Proprietary Funds .....	37
Statement of Cash Flows, Proprietary Funds .....	38
Statement of Fiduciary Net Position, Fiduciary Funds .....	39
Notes to the Financial Statements	
Notes Index .....	42

### REQUIRED SUPPLEMENTARY INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual, General Fund .....	71
Notes to Required Supplementary Information - Basis of Budgetary Reporting .....	74
Schedule of Employer's Share of Net Pension Liability .....	76
Schedule of Employer's Contributions .....	77

### Supplementary Information

Non-major Governmental Funds, Special Revenue Funds, defined .....	80
Non-major Capital Projects Funds, Capital Projects Funds, defined .....	81
Combining Financial Statements	
Combining Balance Sheet Non-major Governmental Funds .....	84
Combining Balance Sheet Non-major Special Revenue Funds .....	85
Combining Balance Sheet Non-major Capital Projects Funds .....	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Non-major Governmental Funds .....	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Non-major Special Revenue Funds .....	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Non-major Capital Project Funds .....	95
Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual	
Centennial Trail and Tourism Promotion Special Revenue Funds .....	96
Airport and County Fair Special Revenue Funds .....	97
Noxious Weeds and Health District Special Revenue Funds .....	98
Historical Society and Parks Special Revenue Funds .....	99
Snowmobile and County Vessel Special Revenue Funds .....	100
Public Access and Indigent Special Revenue Funds .....	101
Public Transportation Special Revenue Funds .....	102
District Court and Revaluation Special Revenue Funds .....	103
Kootenai Emergency Management and Aquifer Protection District Special Revenue Funds .....	104
General Construction Funds .....	105

# Kootenai County Comprehensive Annual Financial Report – FY 2019

Fiduciary Funds, defined .....	106
Combining Statement of Fiduciary Assets and Liabilities, Fiduciary Funds .....	107
Statement of Changes in Fiduciary Assets and Liabilities, Fiduciary Funds .....	110
<b>STATISTICAL SECTION</b>	
Statistical Section Index .....	115
Net Position by Component.....	116
Changes in Net Position .....	117
Governmental Activities Tax Revenue by Source .....	119
Fund Balances of Governmental Funds.....	120
Changes in Fund Balances of Governmental Funds.....	121
Governmental Activities Tax Revenue by Source .....	122
Assessed Valuation and Tax Rates.....	123
Property Tax Rates - Direct and Overlapping Rates .....	124
Property Tax Rates - Direct and All Overlapping Governments.....	126
Principal Property Taxpayers .....	127
County Property Tax Levy and Collections .....	128
Assessed Value and Actual Value of Taxable Property .....	129
Schedule of Forgone Amounts .....	130
Legal Debt Margin Information .....	131
Schedule of Direct and Overlapping Debt.....	132
Demographic and Economic Statistics .....	133
Principal Employers .....	134
Domestic Financial Institutions Operating in Kootenai County, Idaho .....	135
County Employees by Function .....	136
Operating Indicators by Function / Program .....	137
Building Permits and Construction Values .....	138
Capital Asset Values by Function .....	139
Capital Asset Statistics by Function .....	140
<b>SINGLE AUDIT SECTION</b>	
Auditor's Section	
Reports of Independent Auditor:	
Report on Internal Control over Financial Reporting and on Compliance.....	145
Report on Compliance and Internal Controls Related to Federal Programs .....	147
Schedule of Audit Findings and Questioned Costs.....	149
Auditees' Section	
Schedule of Expenditures of Federal Awards.....	153
Notes to Schedule of Expenditures of Federal Awards .....	156

# Introductory Section





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Kootenai County  
Idaho**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



**Kootenai County Auditor**

**Jim Brannon - Clerk**

451 Government Way · P.O. Box 9000

Coeur d'Alene, ID 83816-9000

Phone (208) 446-1651 · Fax (208) 446-1662

<http://www.kcgov.us/departments/clerk> · Email [kcauditor@kcgov.us](mailto:kcauditor@kcgov.us)

Clerk: Phone (208) 446-1651 Email [jbrannon@kcgov.us](mailto:jbrannon@kcgov.us)

March 5, 2020

To the Board of County Commissioners and Citizens of Kootenai County,

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of Kootenai County (the County) to you for the Fiscal Year ended September 30, 2019. This report is prepared in accordance with the Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board (GASB) and includes recommendations from the Government Finance Officers Association.

The purpose of this report is to provide citizens, investors, grantor agencies, and other interested parties with reliable financial information about the County. Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurances that the financial statements are free of any material misstatements. All disclosures necessary to enable the reader to gain an understanding of Kootenai County's financial activities have been included.

Idaho State Statute requires that an annual audit be completed by an independent audit firm. The accounting firm of Eide Bailly, LLP, was selected with the approval of the Board of County Commissioners (the Board or the Commissioners), to perform this audit. Eide Bailly, LLP has issued an unmodified ("clean") opinion on Kootenai County's financial statements. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report, and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with the report.

The Single Audit Section, which includes reports on compliance and internal controls from the independent auditor, is in compliance with the Federal Single Audit Act of 1984 and the U.S. Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, found on page 145.

This CAFR includes information on all funds and component units for the County. In addition to the general county activities, the Board of County Commissioners is financially accountable for both the North Idaho Fair & Rodeo and the Kootenai County Emergency Medical Services System.

**PROFILE OF THE GOVERNMENT**

Kootenai County was established on December 22, 1864, by the Second Territorial Legislature of the Idaho Territory. A trading post below Lake Pend Oreille named Seneaquoteen was designated as the County Seat. The County Seat was relocated to Rathdrum in 1881, and finally settled in Coeur d'Alene in 1908. Kootenai County is named after the Kootenai Indian Tribe whose name means "water people".

# Kootenai County Comprehensive Annual Financial Report – FY 2019

---

---

Kootenai County is located in northern Idaho, which is an area known as the Panhandle. The County is 1,244 square miles and has a population of approximately 154,000. Coeur d’Alene is both the largest city and the County Seat. Nearby population centers include the cities of Spokane and Spokane Valley located in Washington, thirty miles to the west, with a population of approximately 315,000, and Missoula, Montana, 150 miles to the east, with a population of over 72,000. Kootenai County is adjacent to the Panhandle National Forest and contains several beautiful lakes that cover 70.6 square miles. This includes the twenty-five (25) mile long Lake Coeur d’Alene.

Kootenai County provides a full range of government services that includes police protection, judicial systems, detention facilities, 9-1-1 services, health and social services, a regional airport, emergency management, noxious weed control, parks and recreation (including bicycling, boating, and snowmobiling facilities), as well as cultural and historical societies. General services such as planning and zoning, code enforcement, driver and vehicle licensing, management of federal, state, and local elections, recording of deeds and legal documents, and administration of the tax system, are also available. Kootenai County manages the collection and distribution of property tax funds for all taxing districts, which include cities, highway districts, fire districts, school districts, water/sewer districts, North Idaho College, Kootenai Health, and the eleven (11) Urban Renewal Districts (URDs). The County provides for the disposal of solid waste through the development and maintenance of two (2) solid waste transfer stations and one (1) landfill. Solid Waste is a self-supporting facility, managed as an enterprise fund.

The three (3) member Board of County Commissioners is required to adopt a final budget following a public hearing that is held no later than the first Tuesday in September, each year. Kootenai County’s budget serves as the foundation for financial planning and tax collection and budgetary controls are integrated within the financial system to ensure expenditures comply with appropriations.

## **ECONOMIC CONDITION**

### *Local economy*

Tourism is, undoubtedly, an important component of Kootenai County's growing economy. From food and drink establishments, traveler accommodations, recreational centers, and retail trade, each of these various types of businesses contributes significantly to tourism and the local economy as a whole, and as a group are important employers for Idaho's workforce. Employment in the tourism industry captures one important aspect of tourism’s strength and growth in a region. In 2016, the total tourism employment was 8,480. As of May 2019, tourism-related employment in Kootenai County has grown to approximately 12,420. Hagadone Hospitality is the second largest employer in the County, approaching 2,000 employees.

The medical industry continues to grow in Kootenai County and is projected to remain strong and expand at a faster rate than any other industry in the region. Hospitals make substantial contributions to local and regional economies through the purchase of goods and services and the employment of large numbers of workers. In addition, research hospitals are a key component of the knowledge-based economy supporting an experienced and educated workforce. The Kootenai Health expansion has resulted in approximately a 60 percent increase in jobs, currently employing approximately 3,000 employees and is the County’s largest employer. A Health Corridor Master Plan is in the planning stage, with Kootenai Health as its focal point.

The County is also strategically located along the Interstate 90 (I-90) corridor which stretches from central Washington into Montana. The I-90 Aerospace corridor is an integrated network of over 200 companies and organizations actively engaged in the aerospace industry. While it is still a small component to the range of industries in the area, it is poised to grow, already increasing 2.5 times over the past decade. Northern Idaho has 20 percent of the state’s aerospace employment, second to the state’s airport hub in the southwestern region. This year, the I-90 Aerospace Corridor Conference and Expo will be held April 22nd and 23rd, 2020, in Spokane Washington, just a 35 minute drive from Coeur d’Alene. Over 200 attendees and 60 exhibitors will be connecting with regional aerospace manufacturers to learn about the latest products as well as supply chain trends and opportunities in the industry. Building business relationships and raising the visibility of aerospace manufacturing in our region are key goals of the annual event.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

---

---

Kootenai County remains in sound financial condition at the conclusion of fiscal year 2019. Since the jail expansion project consumed the majority of fund balance reserves, future projects will require additional sources of funding to maintain liquidity and financial strength.

## ***Major Initiatives***

During 2019, the County focused on a small number of high-impact capital projects, mainly for Solid Waste activities (\$3.8M). Other projects included E911 infrastructure and a mobile response unit (\$1.4M), IT updates and connectivity (\$411K), and administrative facilities design, paving and camera projects (\$675K).

The County Commissioners' investments in personnel for 2019 included a 2.5% merit increase for the general pay plan of \$736K; sworn officer and 911 matrices increases of \$231K; Overtime and On-Call funding of \$100K; and 7.28 new positions including Vehicle Licensing (1), Juvenile Detention (2), Adult Misdemeanor Probation (0.28), Sheriff's Administration (1), Assessor Appraisal (1), and Solid Waste (2) totaling \$421K. A wage adjustment pool of \$539K was carried forward from the prior year to address structural wage issues throughout the County. These and other adjustments to personnel costs totaled \$2.1M.

The cost of employee health care benefits continues to rise. In 2019, the County covered \$693K of the total increase of \$1.26M to lessen the impact on take-home pay. Some employees saw smaller paychecks as a result of health care increases, even with added employer contributions. The Board continues to work with our benefits administrators to modify our plans to deliver value while managing costs at an acceptable level.

The jail expansion project was completed at the start of the fiscal year. Savings generated from fewer transports and offsite housing totaled \$306,906 for the first year of operation.

## ***Ongoing Activities and Future Projects***

The budget process was further refined for the upcoming fiscal year 2020. Specific areas of spending were deeply analyzed to determine if certain costs could be more accurately predicted using an index. Average fuel price data was applied across departments, reducing operating expenses by nearly \$50K. Travel and Training budgets were set at a zero base, saving \$135K. Additional trend analysis using an annual inflation rate trimmed another \$101K from the operations budget. These savings are not large relative to the entire budget, but they redirect current resources to more critical needs. For 2020, the overall operations budget actually decreased by \$294K countywide. The Board will continue to look for ways in the upcoming budget to reallocate resources to their highest use while maintaining the desired level of services.

The District Court created a new service in 2020 by bringing court fines and fees in-house. Payment plans can be set up for a small fee following the court session. Costs to the customer are greatly reduced by not going through a third party agency. Collections have improved substantially in the short period the program has been in place. Efforts are also underway to recover older, delinquent balances.

Increasing costs and workload demands continue in the County Justice System. This impacts our Judiciary and Prosecutor and Public Defender offices. More court space is needed as are additional bailiffs and court clerks. To address the increasing demand of our court, the County is considering a new administrative facility to provide much-needed space for justice services. In 2020, \$5M was set aside for funding a new building.

## ***Cash Management & Investment***

Idle cash during the year was invested in Time Certificates of Deposit, U.S. Government Bonds, the diversified Bond Fund, and the Idaho State Local Government Investment Pool. Total investment income of \$4.1M was recognized in Fiscal Year 2019 and is reported on page 30 in the Government-Wide Statement of Activities. Earnings have slowed in the bond markets nationwide as a function of rising interest rates.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

---

---

The Kootenai County Auditor's Office is responsible for providing financial services to the County. These services include financial accounting and reporting, payroll and accounts payable disbursement functions, debt management, budgeting, cash receipts, and financial analysis. The Treasurer's Office is responsible for tax collections, cash, and investment management.

## *Long-Term Financial Planning*

As of September 30, 2019, both the General Government operations and the Solid Waste operations continue to be debt free. It is anticipated that all future development of the landfill and collection facilities will be funded, to the greatest extent possible, from reserves established in the Enterprise Fund and will facilitate the long-term plan for these facilities. The County is the payer-of-last-resort for the debt of its component units. Currently the Kootenai County Emergency Medical Services System has two leases totaling \$1.1 million for emergency vehicles. The North Idaho Fair & Rodeo has one outstanding capital lease note payable balance totaling \$2,077 with debt lease payments due in one year of \$2,077.

## *Risk Management*

Kootenai County purchases insurance through the Idaho Counties Risk Management Program (ICRMP). ICRMP is an insurance pool that serves all public entities in Idaho through provision of property, general liability, automobile liability, physical damage, and public officials' insurance. ICRMP also provides loss prevention training, enabling its subscribers to minimize their exposure for loss through implementation of proper policies and procedures.

Kootenai County has agreed to be a Self-Insured Reserve (SIR), in connection with the provision of group health insurance benefits, for County employees and their dependents. This reserve is held for the purpose of covering unreported plan costs as they are incurred.

The Board of County Commissioners serves as the risk managers for the County. The Board of County Commissioners are responsible for the monitoring and reviewing of contracts and claims against the County, as well as evaluating the adequacy of insurance coverage. The Board of County Commissioners provides education to employees for loss exposure responsibilities within their job duties.

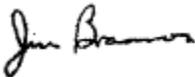
## **AWARDS & ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kootenai County for its comprehensive annual financial report for the fiscal year ending September 30, 2018. This Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a governmental unit must publish a CAFR that is well organized and easy to read, whose contents conform to program standards, generally accepted accounting principles, and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1) year only. Kootenai County has received a Certificate of Achievement every year since 1994. I believe our current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to the GFOA. I would also like to acknowledge the individuals involved in the preparation of the report and jointly responsible for the County receiving this award: Keith Taylor, JoAnn Conner, Isaac Ohm, Melissa Merrifield, Julina Hildreth, and Dena Darrow.

Sincerely,

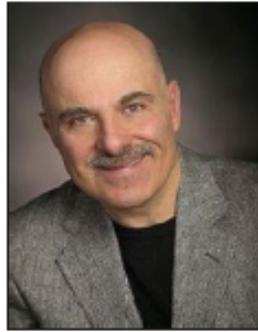


Jim Brannon  
Kootenai County Auditor

**Elected Officials and Judges in Fiscal Year 2019**



**Bill Brooks**  
Commissioner District #1



**Chris Fillios**  
Commissioner District #2



**Leslie Duncan**  
Commissioner District #3



**Jim Brannon**  
County Clerk



**Steve Matheson**  
County Treasurer



**Rich Houser**  
County Assessor



**Ben Wolfinger**  
County Sheriff



**Barry McHugh**  
County Prosecutor



**Warren Keene**  
County Coroner

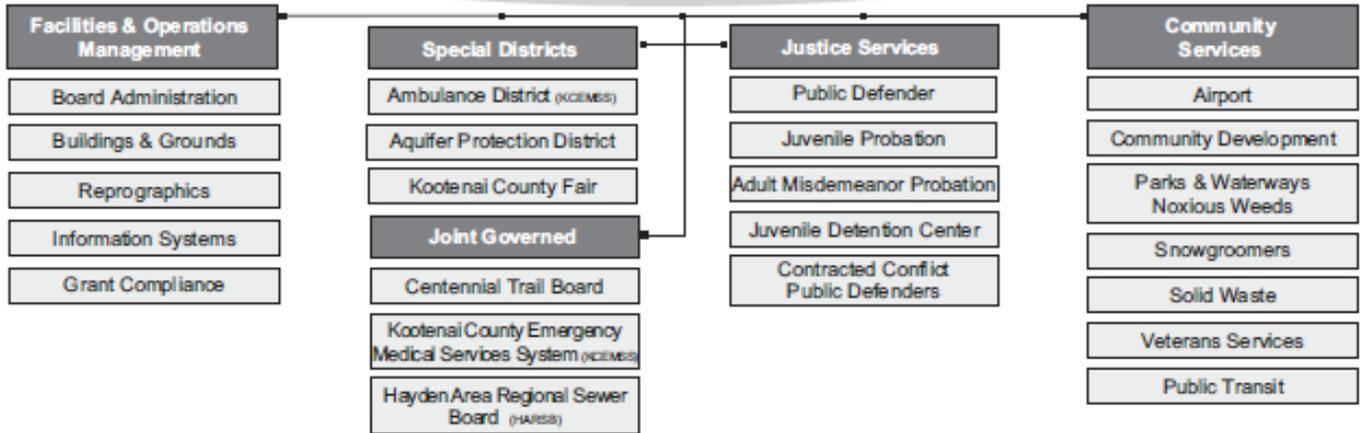
**District Judges:** Lansing Haynes  
John T. Mitchell  
John P. Luster  
Rich Christensen  
Cynthia Meyer  
Benjamin Simpson  
Scott Wayman  
Douglas Payne

**Magistrate Judges:** Mayli Walsh  
James D. Stowe  
Clark A. Peterson  
Anna M. Eckhart  
Tim VanValin  
James Combo  
Robert Caldwell

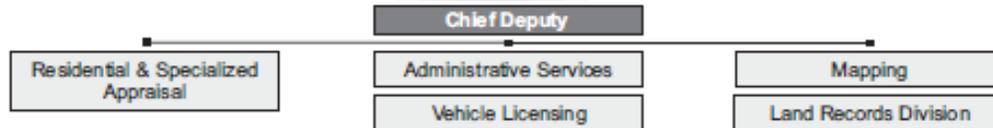
October 2019

**CITIZENS**

**BOARD OF COUNTY COMMISSIONERS**



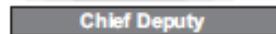
**ASSESSOR**



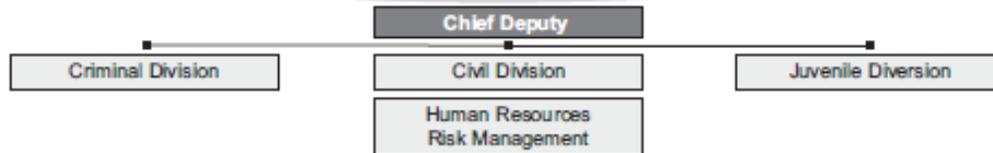
**CLERK**



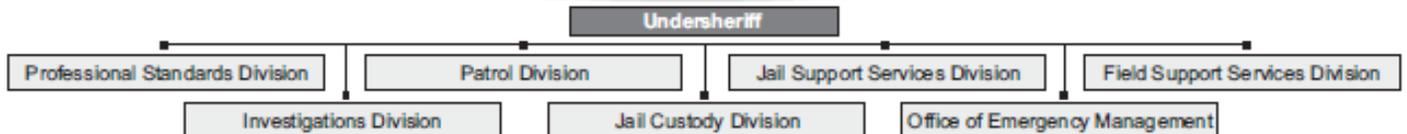
**CORONER**



**PROSECUTING ATTORNEY**



**SHERIFF**



**TREASURER**



Designed for the Kootenai County Comprehensive Annual Financial Report

# Financial Section





## **Independent Auditor's Report**

To the Board of County Commissioners  
Kootenai County  
Coeur d'Alene, Idaho

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, Kootenai County Emergency Medical Services System, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County) as of and for the year ended September 30, 2019, and North Idaho Fair & Rodeo, a discretely presented component unit as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of North Idaho Fair & Rodeo as of and for the year ended December 31, 2018, and Kootenai County Emergency Medical Services System as of and for the year ended September 30, 2019, which represent 100% of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely component units, is based solely on the reports 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**What inspires you, inspires us. Let's talk. | [eidebailly.com](http://eidebailly.com)**

877 W. Main St., Ste. 800 | Boise, ID 83702-5858 | T 208.344.7150 | F 208.344.7435 | EOE

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, Kootenai County Emergency Medical Services System, each major fund, and the aggregate remaining fund information of the County as of September 30, 2019, and North Idaho Fair & Rodeo, a discretely presented component unit as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, respectively, in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited, in accordance with accounting standards generally accepted in the United States of America, the basic financial statements of Kootenai County, as of and for the year ended September 30, 2018, and have issued our report thereon dated March 5, 2019, which expressed an unmodified opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements for the proprietary funds as of and for the year ended September 30, 2018, and for the fiduciary funds as of September 30, 2018, is consistent with the audited financial statements from which it has been derived.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules of employer's share of the net pension liability and of employer's contributions, as listed in the table of contents, 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 and other auditors 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.

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated March 5, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho  
March 5, 2020

# **Management's Discussion and Analysis**



# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019 (UNAUDITED)

As management of Kootenai County, Idaho (the County), we offer readers this narrative overview and analysis of the County's financial activities for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented in conjunction with additional information in our letter of transmittal.

(In this discussion, comparative analyses are against the prior fiscal year.)

### FINANCIAL HIGHLIGHTS

The key financial highlights for 2019 are as follows:

County leadership has maintained a fiscal philosophy of using existing resources such as fund balance rather than levying additional property taxes whenever possible. The Board of County Commissioners allocated \$6.9 million of existing fund balance to cover primarily capital projects. The Board opted for a 1.5% property tax increase to fund ongoing operations and used fund balance to make up the shortfall. The remaining 1.5% taxing authority equating to \$687,982 was forfeited from accumulating in the forgone balance, making Kootenai County one of a small number of municipalities using this option passed by the State of Idaho. Management continues to apply existing funds wherever appropriate.

The County has no outstanding debt at Fiscal Year-end 2019.

The Board of County Commissioner's fund balance policy directed \$12.3 million funds to be saved as assigned for future facility and infrastructure projects. Of that amount, Board assignments totaling \$10.6 million were set aside mid-year for countywide facilities and program costs to address growing service needs of citizens. Included in this figure is \$8.7 million assigned for the facilities master plan. Some of these funds (\$5.2 million) were appropriated in the FY2020 budget for a new administrative justice facility. This leaves approximately \$7.1 million in total assigned fund balance for future use at year-end.

The Board of County Commissioners granted wage increases totaling \$2.1 million. As the job market improves, wages at the County become less competitive. Even after this year's increases, most positions at the County are still 17-20% below their market equivalents based on multiple studies. To combat this issue, a wage pool of \$720,000 was allocated in 2018 to begin to address structural wage issues throughout the County. Unallocated funds of \$538,906 in 2018 were brought forward to 2019 to finish the plan.

Rapid population growth has its downside. Justice services costs continue to rise. The Prosecutor's office has seen an overall expenditure increase of 24% since 2016. The Public Defender has been awarded a state grant to help defray costs and meet new defense standards. An award of \$478,729 was received in 2019. Future awards require more personnel be added to meet workload requirements. This will increase the demand for office space and equipment. District Court expenses have increased 18.5% in the last four years, straining budgets and facilities. A new administrative building is a key item of the 2020 budget to accommodate current and future staff.

Health care costs have risen dramatically and put continuing pressure on County budgets. Our benefits administrator did extensive work to glean as much savings as possible. Still, medical costs for the year were approximately \$0.9 million over the prior year.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

---

---

The County has combined Governmental and Business activities ending net position of \$141.8 million. Of this amount, \$40.1 million is unrestricted, which is available for spending on citizen services as well as keeping the County in a debt-free position.

The County's unrestricted net position from governmental activities is \$17.5 million, up approximately \$6 million from last year. The County's investment income (\$4.1 million) partially offset increased costs.

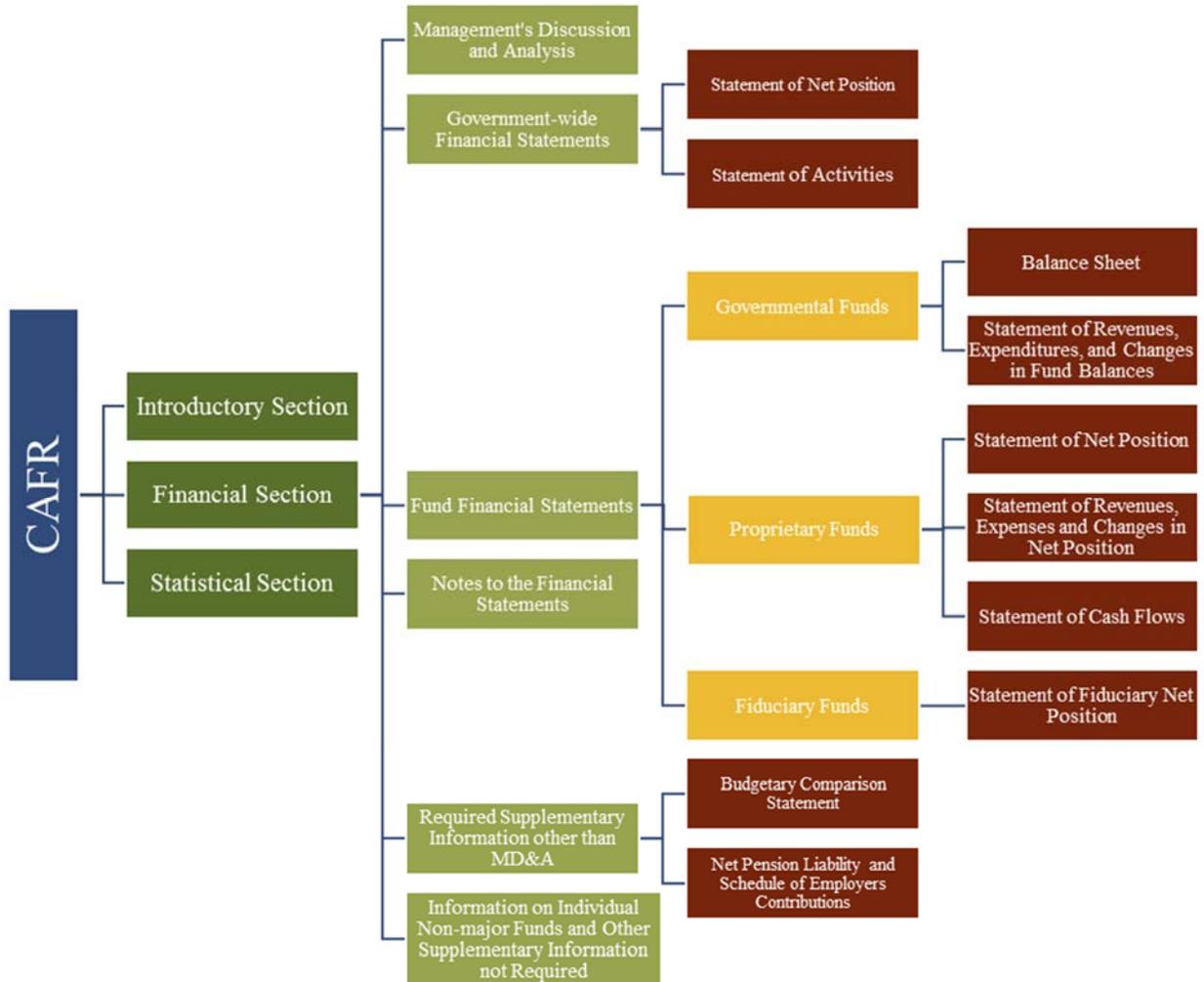
The Solid Waste Enterprise Fund gained over \$1.9 million in net position, a 3.7% increase over prior year. Revenues grew in most categories with the largest from commercial customers (\$0.3 million). Double-digit growth in transfer station fees contributed over \$0.1 million. Lean operating practices and prudent timing of capital purchases contributed to a positive net position as well as the ability to pass on a 5% decrease in the annual Solid Waste fee to residential customers in 2020.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. Some allow the reader to understand the County as an entire operating entity; others provide a detailed look at specific financial conditions. This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements contain three components: 1) the countywide financial statements, 2) specific fund financial statements, and 3) notes to the financial statements. These various elements of the Comprehensive Annual Financial Report (CAFR) are related as shown in the graphic below.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

Organization of Kootenai County’s Comprehensive Annual Financial Report as illustrated:



# Kootenai County Comprehensive Annual Financial Report – FY 2019

The following table summarizes the major features of the financial statements and describes the structure and contents of each statement.

	Government-wide Statement	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
<b>Scope</b>	Entire entity (except fiduciary funds)	The day-to day operating activities of the County for basic governmental services	The day-to day operating activities of the County for business-type enterprises	Instances when the County administers resources on behalf of others, such as taxing agencies
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus; except agency funds do not have measurement focus
<b>Account types: asset, deferred outflow, liability, and deferred inflow information</b>	Includes all account type balances, both short-term and long-term in duration	Only current account balances that come due during the year or soon thereafter; excludes capital assets and long-term assets	Includes all account type balances, both short-term and long-term in duration	All assets held in a trustee or agency capacity for others and all liabilities
<b>Type of inflow and outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues when cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

### Statement of Net Position and Statement of Activities

The Statement of Net Position presents all of the County’s assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as Net Position. Changes in net position over time serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities shows how the County’s net position changed during the current year. These statements are prepared using the accrual basis of accounting, similar to the method used by private-sector businesses. Accrual accounting considers all of the year’s revenues and expenses, regardless of when the cash is received or paid.

Change in Net Position tells the reader whether the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information (such as changes in the County’s tax base and the condition of the County’s capital assets) will also need to be considered.

In these statements, 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 and human services, and culture and recreation. Primarily taxes and intergovernmental revenues, including federal and state grants and other shared revenues, fund these services.
- *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 is its only Business-Type activity.

- *Component Units* – The County’s financial statements include the financial information of the Kootenai County Emergency Medical Services System, and the North Idaho Fair & Rodeo. These component units are audited separately from the County, and conduct business operations in their own name.

## **Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Like other governments, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All the funds of the County fall into three categories: governmental funds, proprietary funds, or fiduciary 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.

*Governmental Funds* – Governmental funds 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, with the focus on how money flows into and out of the funds and what year-end balances remain available for spending. These funds are reported on the modified accrual basis of accounting, which 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.

The focus of Governmental funds is narrower than that of the Government-wide financial statements, so it is useful to compare the two. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances facilitate this comparison between governmental funds and governmental activities.

The County maintains numerous individual governmental funds, including the General Fund, Justice Fund, Airport Fund, Indigent Fund, Parks and Recreation, Revaluation, Liability Insurance, and District Court Fund. Information on each major fund is presented separately on the governmental fund balance sheet and on the governmental funds statement of revenues, expenditures, and changes in fund balances. 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 Supplementary Information.

*Proprietary Funds* – The County has two types of proprietary funds. One, Enterprise funds, reports the same functions presented as Business-Type Activities on the government-wide financial statements (only Solid Waste operations). The second type is an Internal Service Fund, Health Insurance, which accounts for self-insured services. Health Insurance is consolidated into Governmental-Type Activities on the government-wide financial statements.

*Fiduciary Funds* – Fiduciary funds account for resources held for the benefit of parties outside the County. Because these funds are not available to the County, fiduciary funds are not reflected on the government-wide financial statements.

*Other Fund Financial Statement Information* – the following sections provide further information regarding fund financial reporting:

**Notes to the Financial Statements** – Further disclosure of fund reporting guidelines and balances.

**Supplementary Information** – Combinations of individual fund statements and schedules.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## Government-wide Financial Analysis

Table 1, summarizes Kootenai County’s Net Position for 2018 compared with 2019:

	Kootenai County's Net Position (amounts in thousands)							Total % Change
	Governmental Activities		Business-type Activities		Total		2018-2019	
	2018	2019	2018	2019	2018	2019		
Current and other assets	\$ 97,788	\$ 106,445	\$ 36,002	\$ 38,726	\$ 133,790	\$ 145,171	8.5%	
Capital assets	59,959	58,895	27,857	27,872	87,816	86,767	-1.2%	
<b>Total Assets</b>	<b>157,747</b>	<b>165,340</b>	<b>63,859</b>	<b>66,598</b>	<b>221,606</b>	<b>231,938</b>	<b>4.7%</b>	
Deferred Outflows	<b>4,722</b>	<b>3,552</b>	<b>281</b>	<b>202</b>	<b>5,003</b>	<b>3,754</b>	-25.0%	
Other liabilities	29,281	25,832	10,671	11,217	39,952	37,049	-7.3%	
<b>Total Liabilities</b>	<b>29,281</b>	<b>25,832</b>	<b>10,671</b>	<b>11,217</b>	<b>39,952</b>	<b>37,049</b>	<b>-7.3%</b>	
Deferred Inflows	<b>51,253</b>	<b>56,411</b>	<b>266</b>	<b>436</b>	<b>51,519</b>	<b>56,847</b>	10.3%	
Investment in capital assets	59,959	58,895	27,857	27,872	87,816	86,767	-1.2%	
Restricted	10,495	10,258	5,804	4,690	16,299	14,948	-8.3%	
Unrestricted	11,481	17,496	19,542	22,585	31,023	40,081	29.2%	
<b>Total Net Position</b>	<b>\$ 81,935</b>	<b>\$ 86,649</b>	<b>\$ 53,203</b>	<b>\$ 55,147</b>	<b>\$ 135,138</b>	<b>\$ 141,796</b>	<b>4.9%</b>	

Total County assets and deferred outflows exceeded liabilities and deferred inflows by \$141.8 million (\$86.7 million in Governmental activities and \$55.1 million in Business-Type activities). This compares to \$135.1 million in 2018, a \$6.7 million increase in net position that strengthens the County’s investment in infrastructure to serve citizens. A large portion (\$4.1 million) was from interest earned on investments. The remainder is a combination of greater than expected fee revenue and unspent funds returned to fund balance.

Pension obligations cause significant variances in deferred outflows, deferred inflows, and other liabilities from year-to-year. Overall, the County’s portion of pension liability decreased by \$3.9 million in 2019 due to changes in actuarial assumptions, greater employer and employee contributions, and better performance in the state portfolio of investments. The net pension obligation is not a liability owed by the County, but rather a snapshot of the County’s proportionate share of the overall unfunded liability of the State of Idaho retirement plan.

Investment in Capital Assets (land, buildings, improvements, machinery and equipment, vehicles and infrastructure) totals \$86.8 million, which represents 61% of the County’s net position. Investment in capital assets provides the infrastructure for services to citizens, but the assets are not available resources for future spending. Purchases for 2019 included \$5.7 million for General Government and \$3.6 million for Solid Waste.

All capital assets are wholly owned by the County. No outstanding debt strengthens the County’s overall liquidity and frees up resources to deliver services instead of debt.

\$10.3 million of the County’s Governmental Activities net position (11.8%) has restrictions on how the assets can be used. The \$17.5 million (20.2%) of Unrestricted Governmental Activities Net Position may be used to meet the County’s ongoing obligations.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

Table 2, shows the changes in net position for 2018 and 2019:

<b>Changes in Kootenai County's Net Position</b>							
<b>for the Year Ended September 30, 2018 and 2019</b>							
(amounts in thousands)							
	Governmental		Business-type		Total		Percentage
	Activities		Activities				Change
	2018	2019	2018	2019	2018	2019	2018 - 2019
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 25,552	\$ 26,085	\$ 13,630	\$ 14,258	\$ 39,182	\$ 40,343	3.0%
Operating Grants	2,889	4,536	113	-	3,002	4,536	51.1%
Capital Grants	2,465	706	-	-	2,465	706	-71.4%
General revenues							
Property taxes	49,371	51,277	-	-	49,371	51,277	3.9%
Other	1,990	5,410	214	58	2,204	5,468	148.1%
<b>Total revenues</b>	<b>82,267</b>	<b>88,014</b>	<b>13,957</b>	<b>14,316</b>	<b>96,224</b>	<b>102,330</b>	<b>6.3%</b>
<b>Expenses</b>							
General government	29,821	30,684	-	-	29,821	30,684	2.9%
Public works	3,466	3,088	-	-	3,466	3,088	-10.9%
Public safety	44,379	46,274	-	-	44,379	46,274	4.3%
Sanitation weed control	345	319	-	-	345	319	-7.5%
Health and welfare	2,609	2,300	-	-	2,609	2,300	-11.8%
Culture and recreation	1,355	1,213	-	-	1,355	1,213	-10.5%
Solid waste	-	-	10,706	11,832	10,706	11,832	10.5%
<b>Total expenses</b>	<b>81,975</b>	<b>83,878</b>	<b>10,706</b>	<b>11,832</b>	<b>92,681</b>	<b>95,710</b>	<b>3.3%</b>
Excess before special items and transfers	292	4,136	3,251	2,484	3,543	6,620	86.8%
Gain on sale of assets	12	-	19	37	31	37	-19.4%
Transfers In (out)	757	577	(757)	(577)	-	-	0.0%
<b>Increase (decrease) net position</b>	<b>\$ 1,061</b>	<b>\$ 4,713</b>	<b>\$ 2,513</b>	<b>\$ 1,944</b>	<b>\$ 3,574</b>	<b>\$ 6,657</b>	<b>-86.3%</b>
<b>Beginning Net Position</b>	<b>\$ 80,874</b>	<b>\$ 81,936</b>	<b>\$ 50,690</b>	<b>\$ 53,203</b>	<b>\$ 131,564</b>	<b>\$ 135,139</b>	<b>2.7%</b>
<b>Ending Net Position</b>	<b>\$ 81,935</b>	<b>\$ 86,649</b>	<b>\$ 53,203</b>	<b>\$ 55,147</b>	<b>\$ 135,138</b>	<b>\$ 141,796</b>	<b>4.9%</b>

## Governmental Activities

Program revenues for governmental activities increased overall in fiscal 2019; with \$0.5 million increase in charges for services. Charges for services is the County's second largest source of revenue (behind property tax revenue), and it accounted for \$26.1 million (29.6%) of total governmental revenues. The sources providing charges for service revenue remained the same in both fiscal years for governmental activities. Operating grant revenues increased significantly over the prior year contributing \$4.5 million in revenue, while capital grant revenues decreased to \$0.7 million in 2019.

Combined charges for services and grant source revenue totaled \$31.3 million, (37.3%) of the County's governmental expenses in 2019. This compares to \$30.9 million (37.7%) in 2018. Increased demand and costs of services continue to grow. There was a shift in the proportion of revenue from capital grants to operating grants as some larger projects were completed and funding was sought for ongoing programs.

Federal and State grant sources made up \$5.2 million (6.0%) of total governmental revenues; this is slightly down from 2018 at \$5.4 million (6.5%). Federal and state transit grants continue, with the 2019 total at \$4.0 million. The State of Idaho's Public Defense Commission awarded another \$0.5 million to elevate public defense standards. The Airport and the Parks Department are ramping up for new projects in 2020 but used only a small amount of grant funds in 2019 for construction projects. The County continues its efforts to seek out awards in operational areas to ease the burden to taxpayers.

Property tax revenues supporting Governmental activities were \$51.3 million (58%) of the \$88 million revenue total. Property tax revenue increased \$1.9 million (3.9%) from 2018, with the 1.5% tax increase and additional collections from new construction.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

General government expenses are \$30.7 million, or 36.6% of total expense. This compares to \$29.8 million in 2018, an increase of \$0.9 million (2.9%). Factors contributing to the increase include personnel costs of approximately \$0.5 million in the general fund and \$0.3 million in unbudgeted health insurance claims covered by contingency funds.

Public safety expenses of \$46.3 million (55.2%) are the largest portion of the County’s total expenses of \$83.9 million. Compared to prior year, Public safety expenses increased \$1.9 million or 4.3%. About \$1.0 million of this increase is driven by greater costs in employee wages. District Court (\$0.3 million), Prosecutor (\$0.2 million), and Public Defender (\$0.2 million) make up the key components of the increase year over year in this category.

Health and welfare expenses of \$2.3 million decreased by \$0.3 million, or 11.8% from the prior year. A stronger economy with fewer indigent cases reduced demand of services resulting in lower spending.

Total Governmental Activity expenses were \$83.9 million in 2019, an increase of \$1.9 million (2.3%) from the prior year. Public safety (\$1.9 million) is the key driver, with General Government (\$0.9 million) the only other area of increase, primarily from personnel (\$3.4 million) offset by operational savings (\$1.7 million) year over year.

## General Government

Table 3, reflects the total cost of program services and the net cost, once the direct program revenues are factored in. Direct program revenues include charges for services and grants. The net cost of services is remaining costs supported by tax revenues or by general revenues such as interest.

**Net Cost of Kootenai County's Governmental Activities  
as of September 30, 2018 and 2019**  
(amounts in thousands)

	Total Cost of Services		Percentage Change	Net Cost of Service		Percentage Change
	2018	2019	2018-2019	2018	2019	2018-2019
General government	\$ 29,821	\$ 30,684	2.9%	\$ 15,500	\$ 14,787	-4.6%
Public works	3,466	3,088	-10.9%	599	2,071	245.7%
Public safety	44,379	46,274	4.3%	32,390	32,695	0.9%
Sanitation (Weed control)	345	319	-7.5%	281	315	12.1%
Health and welfare	2,609	2,300	-11.8%	2,535	2,208	-12.9%
Culture and recreation	1,355	1,213	-10.5%	(236)	474	-300.8%
<b>Total</b>	<b>\$ 81,975</b>	<b>\$ 83,878</b>	<b>2.3%</b>	<b>\$ 51,069</b>	<b>\$ 52,550</b>	<b>2.9%</b>

The County’s total cost of services increased by \$1.9 million (2.3%) over the prior year. Key drivers are in Public Safety and General Government.

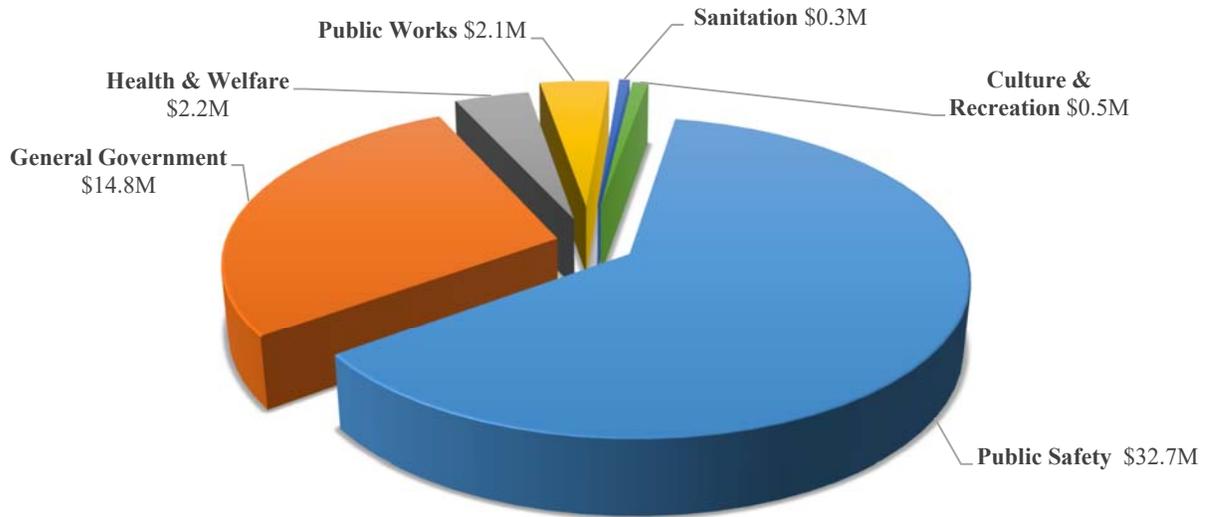
Public safety is both the largest portion (55.2%) of overall County expense at \$46.3 million, and the largest portion (62.2%) of net cost of service at \$32.7 million. Public safety net cost of service increased by \$0.3 million or 0.9% from the prior year driven Sheriff Patrol and justice services.

General Government is the second largest portion (36.6%) of overall County expenses at \$30.7 million. Of those costs, General Government funds \$15.9 million (51.8%) of its costs with direct charges for services or grant revenue. The remaining \$14.8 million is predominantly supported by property tax, with fund balance making up the shortfall.

Net Cost of Service totaled \$52.6 million, an increase of approximately \$1.5 million (2.9%) in 2019. Public Works required the greatest cost support increase (\$1.5 million), followed by Culture and Recreation (\$0.7 million), and Public Safety (\$0.3 million) in unrestricted net position or tax revenue as compared with 2018. Health and Welfare decreased the greatest percentage (12.9%) with a total of \$0.3 million in decreased costs.

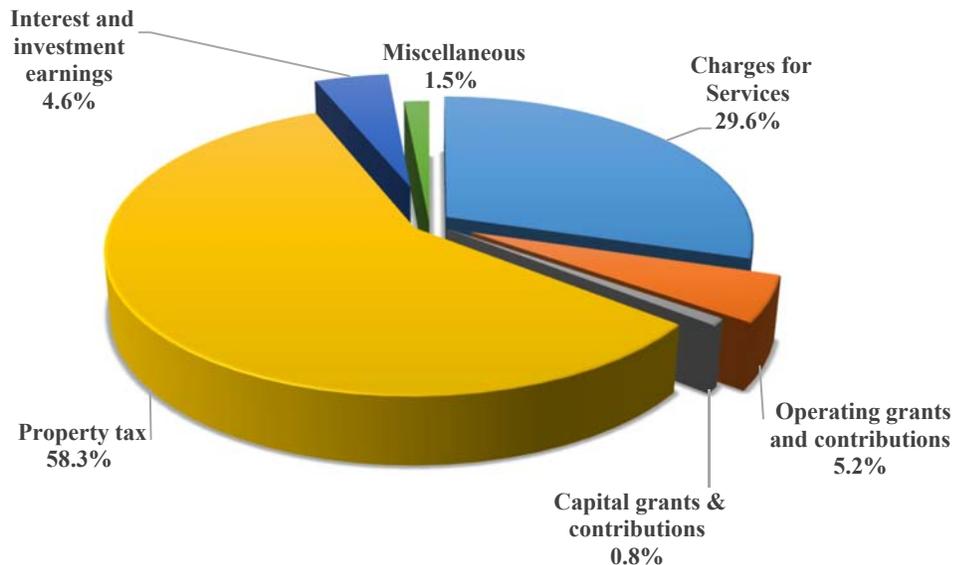
**Figure 4: Property Tax Support-Primary Government**

The figure below provides a graphical analysis of property tax that directly supports operations of the primary government. The County levies property tax to pay for expenses not otherwise collected through fees, charges, grant revenue, or net position reserves. Property tax collections not spent in the current year increase net position to support future period operations.



**Figure 5: Revenues by Source-Government Activities**

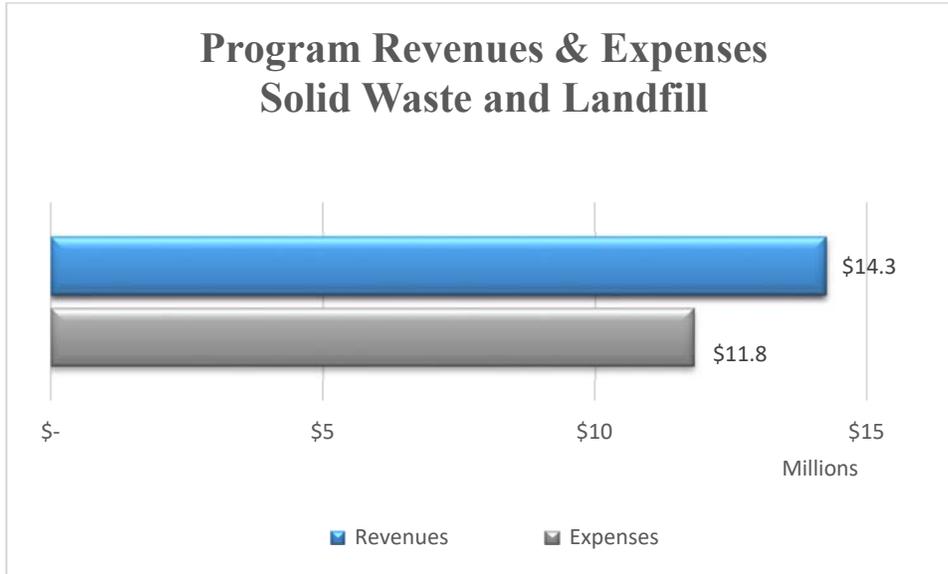
The figure below indicates County fiscal 2019 revenue by category and percent of the total revenue.



**Business-Type Activities**

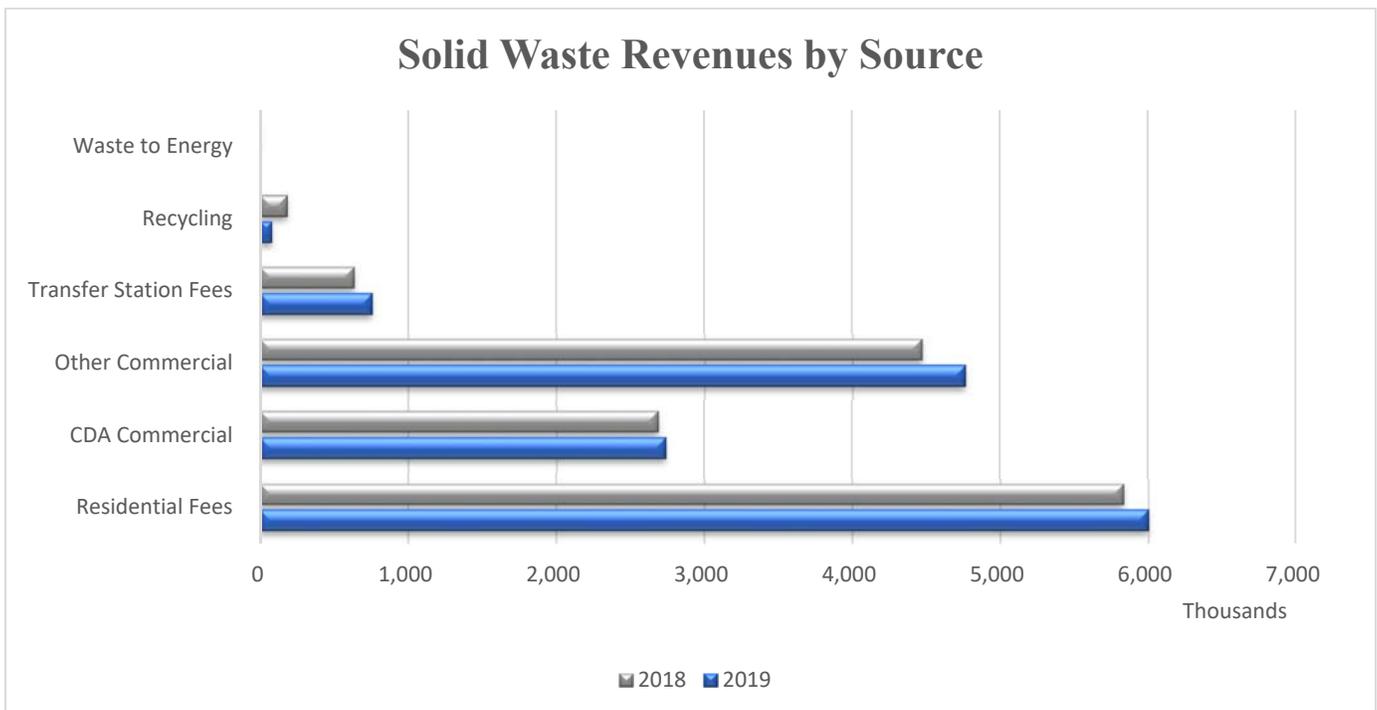
Solid Waste, business-type, income for the year was \$1.9 million, with revenue of \$14.3 million and expenses of \$11.8 million, and transfers to General Government of \$0.6 million. As directed by Commissioner resolution from FY2015, all investment earnings for Solid Waste are recorded to the General Fund. This year, \$0.4 million of the \$4.1 million of countywide investment income was generated by Solid Waste funds, but reallocated to General Fund. Landfill closure/post closure costs were \$0.5 million in 2019.

**Figure 6: Program Revenues and Expenses-Business Type Activities**



**Figure 7: Revenues by Source - Business Type Activities - Solid Waste**

Greatest overall growth in revenues was driven by other commercial accounts (\$0.3 million). Highest percentage growth was in the area of Transfer Station revenues (18.6%) for a year over year increase of \$117,000. Recycling revenues continue to diminish, losing \$101,000 from 2018. Overall operating revenue increased \$0.6 million from the prior year.



# Kootenai County Comprehensive Annual Financial Report – FY 2019

## FINANCIAL ANALYSIS OF THE COUNTY FUNDS

The County uses fund accounting, as prescribed by Governmental Accounting Standards Board, to ensure compliance with legal requirements related to financial reporting.

### Governmental Funds

Fund balances provide information on inflows, outflows, and balances of spendable resources, which is useful in assessing available finances for future County services. In particular, unassigned fund balance serves as one measure of the County's available future resources.

As of September 30, 2019, the County's governmental funds had a combined ending fund balance of \$47.9 million, an increase of \$6.3 million over the prior year. Approximately \$20.7 million (43%) of this total is unassigned fund balance, available for spending at the County's discretion. The remaining \$27.1 million (57%) is reserved for dedicated purposes in one of four designated fund balance categories: Assigned, Committed, Restricted, and Nonspendable. (Each of these categories is described in more detail in the notes to the financial statement.)

The General Fund is the County's primary operating fund. It includes Commissioner General Fund programs, and Justice Services such as Sheriff Patrol and Jail operations. The General Fund's fund balance increased by \$5.5 million (14%) during fiscal year 2019. This increase was primarily the result of less use of fund balance and budgeted contingency, as well as higher than expected state remittances and service fees.

A number of departments also returned unspent budget dollars at the end of the year. General Fund expenditures of \$65.5 million decreased \$9.6 million (12.8%) over the prior year. Capital expenditures and construction in progress with jail building costs drive \$10.9 million of the decrease. The savings from capital is offset by increases in public safety (\$1 million) and general government (\$0.4 million).

As a liquidity measure, it is useful to compare both unassigned fund balance (\$20.7 million) and total fund balance (\$47.9 million) to total General Government expenditures (\$82.6 million). Therefore, unassigned fund balance represents 31.7% of total General Fund expenditures, and total fund balance represents 58.0% of total expenditures.

Fund balance of approximately \$0.1 million was transferred from general fund to support unanticipated government fund operations during the year including repairs to the Juvenile Justice Center (\$80,000) and costs associated with the courthouse boiler (\$24,000). The largest uses of general fund balance in the 2019 budget was for parking lot improvements (\$0.7 million) and health care (\$0.7 million).

### Enterprise Funds

The County's enterprise funds (Solid Waste) had unrestricted net position of \$22.6 million in 2019, up from \$19.5 million in fiscal 2018. As previously discussed, this increase is primarily from revenue growth year over year. Revenues continue to cover operating costs and provide long-term sustainability. Landfill Closure/Post Closure activities were \$0.5 million. Landfill expansion investments were \$1.9 million. Other construction projects include a new hazardous materials facility and ongoing improvements at the Ramsey and Prairie transfer stations.

## BUDGETARY HIGHLIGHTS

By State statute, the Board of County Commissioners adopts the annual operating budget for the County effective October 1st. The total budget for 2019 was \$94,103,096 of which \$47,299,287 was funded by property tax. Of the 3% allowable tax increase, 1.5% was used and the other 1.5% was disclaimed. Kootenai County is the first county in Idaho to disclaim allowable taxing authority. The County's forgone property tax balance remained at \$9.1 million.

Increases to expenditures included personnel (\$2.3 million), Solid Waste projects (\$4.3 million), E911 infrastructure (\$1.4 million) and various capital projects (\$1.1 million). Of the personnel increase, new positions (\$0.4 million), sworn staff (\$0.2 million), general pay plan merit/pay bands (\$0.7 million), costs associated with software implementation and benefits (\$0.8 million), and a wage adjustment pool (\$0.5 million) make up the total.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## CAPITAL ASSETS

Kootenai County’s fiscal 2019 capital investments for its Governmental and Business-Type activities totaled \$86.8 million, net of depreciation. These investments included land, buildings, improvements, machinery and equipment, and construction in progress. (See Table 8) The net decrease (including depreciation, additions and deductions) in the County’s investment in capital assets was \$1.0 million (a 1.8% decrease for Governmental activities, and a 0.1% increase for Business-Type activities).

Table: 8

**Kootenai County's Capital Assets**  
(net of depreciation, in thousands of dollars)

	Governmental		Business-type		Total		Total
	Activities		Activities				Percentage
	2018	2019	2018	2019	2018	2019	Change
	2018	2019	2018	2019	2018	2019	2018-2019
Land	\$ 7,933	\$ 7,933	\$ 1,896	\$ 1,896	\$ 9,829	\$ 9,829	0.0%
Buildings	17,824	27,858	176	216	18,000	28,074	56.0%
Improvements other than Buildings	13,619	13,117	987	1,099	14,606	14,216	-2.7%
Machinery and Equipment	6,295	6,402	3,377	3,251	9,672	9,653	-0.2%
Transfer Stations	-	-	10,152	9,488	10,152	9,488	-6.5%
Landfill	-	-	8,310	8,635	8,310	8,635	3.9%
Construction in Progress	14,288	3,585	2,959	3,287	17,247	6,872	-60.2%
<b>Total</b>	<b>\$ 59,959</b>	<b>\$ 58,895</b>	<b>\$ 27,857</b>	<b>\$ 27,872</b>	<b>\$ 87,816</b>	<b>\$ 86,767</b>	<b>-1.19%</b>

Major capital asset activities during fiscal 2019 included:

- Riverstone Transit Center - \$2,327,000 – This project is substantially complete.
- Kootenai County Sheriff’s Office – Patrol Vehicles and Transport Van- \$615,000
- Construction in Progress on County Infrastructure and Projects - \$572,000
- Communications Equipment and Upgrades - \$548,000
- Kootenai County Sheriff’s Office – Mobile Command Center – \$483,000
- Parking Lots – Paving and Improvements - \$317,000
- Information Technology Infrastructure - \$266,000
- Solid Waste Department Improvements and Machinery & Equipment - \$1.7 million
- Fighting Creek Landfill Projects including the Perimeter Road construction - \$1.9 million
- Disposals of obsolete equipment for General Government (\$2.0 million) and Solid Waste (\$588,000)
- Significant transfers – Completed Jail Expansion for \$12,028,000 moved out of construction in progress.

Additional information on Kootenai County’s capital assets can be found in Note 5 (Capital Assets) to the financial statements for fiscal year 2019.

## ECONOMIC FACTORS

In Kootenai County, the housing market continues to grow at a record pace. Current inventories are low pushing demand for new construction and average home prices higher. The median price for a home in Kootenai County is \$344,024 and in the City of Coeur d’Alene, that price is \$356,000.

## Kootenai County Comprehensive Annual Financial Report – FY 2019

---

---

New residential building permits, as reported by the County's Community Development department for properties outside the city limits, decreased by 4% in 2019. Total permits were 330 valued at \$99.9 million. The opt-out provision drove numbers of permits down during the time it was in effect through the spring of 2019. The housing market still continues to be strong. The commercial/industrial segment saw 24 permits filed in 2019 at a value of \$10.5 million, a decrease of 7%.

According to the University of Idaho's Indicators research site, the County's preliminary seasonally adjusted unemployment rate as of November 2019 was 3.2%. This is down slightly from last year at 3.5%. The average rate for the entire state is 2.8%. Neighboring Washington and Montana have raised the minimum wage to \$13.50/hour and \$8.50/hour, respectively, while Idaho remains at \$7.25/hour. This disparity will continue to put pressure on local employers to attract entry-level employees.

According to the Idaho Department of Labor's Occupational Employment and Wage Survey data, the average wage for all occupations in Idaho is \$43,480. Kootenai County's wage is 2% lower at \$42,580. Low labor costs and a business-friendly environment continue to draw new business to the area. Key employment industries within the County are medical, leisure and hospitality, retail and trade, manufacturing and government.

Assessed value for all property types in Kootenai County increased from the prior year and now stands at a net taxable value of \$20.0 billion dollars this fiscal year. This is an astounding \$2.81 billion (16.3%) increase from 2018.

Additional information related to economic factors is presented within the Statistical Section of this report.

### 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:

Kootenai County Auditor  
P.O. Box 9000  
Coeur d'Alene, Idaho 83816-9000  
Email: [kcauditor@kcgov.us](mailto:kcauditor@kcgov.us)

# **Basic Financial Statements**



# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Statement of Net Position September 30, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	North Idaho Fair & Rodeo Dec. 31, 2018	KCEMSS Sept. 30, 2019
<b>ASSETS</b>					
Cash and investments	\$ 51,493,574	\$ 28,712,714	\$ 80,206,288	\$ 388,599	\$ 2,712,571
Taxes receivable - current	49,926,627	-	49,926,627	-	-
Taxes receivable - delinquent	518,446	-	518,446	-	11,516
Accounts receivable, (net)	2,880,376	979,054	3,859,430	22,919	825,132
Interest receivable	8,160	-	8,160	-	-
Grants receivable	1,549,511	-	1,549,511	-	-
Inventories and prepaid expenses	68,240	2,434	70,674	-	204,167
Restricted assets:					
Cash held for closure and postclosure	-	9,032,000	9,032,000	-	-
Capital Assets:					
Land	7,932,478	1,895,906	9,828,384	-	403,990
Depreciable assets, (net)	46,942,738	22,688,332	69,631,070	1,784,032	3,276,658
Non-Depreciable other assets	434,720	-	434,720	-	-
Construction in progress	3,585,183	3,287,579	6,872,762	860,131	-
<b>Total Assets</b>	<b>165,340,053</b>	<b>66,598,019</b>	<b>231,938,072</b>	<b>3,055,681</b>	<b>7,434,034</b>
<b>Deferred Outflows of Resources</b>					
Related to Pensions	3,551,736	202,341	3,754,077	58,341	69,172
<b>Total Deferred Outflows of Resources</b>	<b>3,551,736</b>	<b>202,341</b>	<b>3,754,077</b>	<b>58,341</b>	<b>69,172</b>
<b>LIABILITIES</b>					
Accounts payable	2,878,414	539,589	3,418,003	4,117	72,249
Payroll and related liabilities	2,445,097	499,586	2,944,683	20,972	68,977
Other accrued liabilities	-	-	-	-	22,473
Advanced revenues	1,734,084	-	1,734,084	9,791	-
Long-term liabilities					
Due within one year					
Compensated absences	957,073	21,010	978,083	-	-
Capital leases	-	-	-	2,077	398,843
Due in more than one year					
Compensated absences	4,861,548	291,181	5,152,729	25,872	-
Capital leases	-	-	-	-	692,201
Landfill closure liability	-	9,032,000	9,032,000	-	-
Net Pension Liability	12,955,830	833,476	13,789,306	148,365	164,668
<b>Total Liabilities</b>	<b>25,832,046</b>	<b>11,216,842</b>	<b>37,048,888</b>	<b>211,194</b>	<b>1,419,411</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Future year property tax	49,926,627	-	49,926,627	-	-
Related to Pensions	6,483,924	436,614	6,920,538	27,689	75,504
<b>Deferred Inflows of Resources</b>	<b>56,410,551</b>	<b>436,614</b>	<b>56,847,165</b>	<b>27,689</b>	<b>75,504</b>
<b>NET POSITION</b>					
Investment in capital assets	58,895,119	27,871,817	86,766,936	2,642,086	2,589,604
Restricted:					
9-1-1 Enhanced system fee carryover	2,124,147	-	2,124,147	-	-
Court facilities	625,669	-	625,669	-	-
Juvenile justice services	276,521	-	276,521	-	-
Court interlock	120,715	-	120,715	-	-
Sheriff commissary	186,410	-	186,410	-	-
Sheriff drug forfeiture	196,599	-	196,599	-	-
Capital projects-solid waste	-	4,690,186	4,690,186	-	-
Operations	6,728,352	-	6,728,352	-	-
Unrestricted:					
Governmental type activities	17,495,660	-	17,495,660	-	-
Business-type activities	-	22,584,901	22,584,901	233,053	3,418,687
<b>Total Net Position</b>	<b>\$ 86,649,192</b>	<b>\$ 55,146,904</b>	<b>\$ 141,796,096</b>	<b>\$ 2,875,139</b>	<b>\$ 6,008,291</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Statement of Activities For the Year Ended September 30, 2019

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 30,684,195	\$ 11,344,760	\$ 4,153,156	\$ 399,637
Public works	3,088,006	903,182	-	113,784
Public safety	46,273,473	13,105,740	371,578	100,917
Sanitation	318,965	180	3,686	-
Health and welfare	2,299,816	91,190	-	-
Culture and recreation	1,213,381	640,321	7,896	91,498
Total governmental activities	83,877,836	26,085,373	4,536,316	705,836
Business-type activities:				
Solid waste and landfill	11,831,306	14,258,461	-	-
Total business-type activities	11,831,306	14,258,461	-	-
<b>Total primary government</b>	<b>\$ 95,709,142</b>	<b>\$ 40,343,834</b>	<b>\$ 4,536,316</b>	<b>\$ 705,836</b>
<b>Component units:</b>				
North Idaho Fair and Rodeo	\$ 1,707,137	\$ 1,728,376	\$ -	\$ -
KCEMSS	8,336,852	5,320,504	-	19,810
<b>Total component units</b>	<b>\$ 10,043,989</b>	<b>\$ 7,048,880</b>	<b>\$ -</b>	<b>\$ 19,810</b>

**General revenues:**

Taxes:

Property taxes, levied for general purposes

Miscellaneous

Interest and investment earnings

Gain on sale of assets/property

Transfers

**Total general revenues and transfers**

**Change in net position**

**Net position--beginning**

**Net position--ending**

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Statement of Activities For the Year Ended September 30, 2019

### Net (Expense) Revenue and Changes in Net Position

			Component Units	
Governmental Activities	Business-type Activities	Total	North Idaho Fair & Rodeo	KCEMSS
\$ (14,786,642)	\$ -	\$ (14,786,642)		
(2,071,040)	-	(2,071,040)		
(32,695,238)	-	(32,695,238)		
(315,099)	-	(315,099)		
(2,208,626)	-	(2,208,626)		
(473,666)	-	(473,666)		
(52,550,311)	-	(52,550,311)		
-	2,427,155	2,427,155		
-	2,427,155	2,427,155		
<b>(52,550,311)</b>	<b>2,427,155</b>	<b>(50,123,156)</b>		
			\$ 21,239	\$ -
			-	(2,996,538)
			<b>21,239</b>	<b>(2,996,538)</b>
51,277,346	-	51,277,346	112,500	2,849,330
1,336,210	57,649	1,393,859	922,969	14,767
4,073,351	-	4,073,351	379	26,685
-	37,192	37,192	-	176,697
577,452	(577,452)	-	-	-
57,264,359	(482,611)	56,781,748	1,035,848	3,067,479
4,714,048	1,944,544	6,658,592	1,057,087	70,941
81,935,144	53,202,360	135,137,504	1,818,052	5,937,350
<b>\$ 86,649,192</b>	<b>\$ 55,146,904</b>	<b>\$ 141,796,096</b>	<b>\$ 2,875,139</b>	<b>\$ 6,008,291</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Balance Sheet Governmental Funds September 30, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash in bank and investments	\$ 40,706,801	\$ 8,513,628	\$ 49,220,429
Taxes receivable - current	49,926,627	-	49,926,627
Taxes receivable - delinquent	431,097	87,349	518,446
Accounts receivable (net)	2,715,090	175,652	2,890,742
Interest receivable	8,156	5	8,161
Grants receivable	309,733	1,239,778	1,549,511
Prepays	55,331	12,909	68,240
Due from other funds	366,800	-	366,800
<b>Total Assets</b>	<b>\$ 94,519,635</b>	<b>\$ 10,029,321</b>	<b>\$ 104,548,956</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,291,113	\$ 476,910	\$ 1,768,023
Payroll and related liabilities	2,445,097	-	2,445,097
Due to other funds	-	366,800	366,800
Advanced revenue-other	695,710	227,760	923,470
Advanced revenue-grants	179,897	608,798	788,695
<b>Total Liabilities</b>	<b>4,611,817</b>	<b>1,680,268</b>	<b>6,292,085</b>
<b>Deferred Inflows of Resources</b>			
Unavailable property taxes	376,445	74,733	451,178
Future year property taxes	49,926,627	-	49,926,627
<b>Total Deferred Inflows of Resources</b>	<b>50,303,072</b>	<b>74,733</b>	<b>50,377,805</b>
<b>Fund Balances</b>			
Nonspendable	55,331	12,909	68,240
Restricted	3,606,185	6,652,229	10,258,414
Committed	8,095,572	1,609,182	9,704,754
Assigned	7,115,249	-	7,115,249
Unassigned	20,732,409	-	20,732,409
<b>Total Fund Balances</b>	<b>39,604,746</b>	<b>8,274,320</b>	<b>47,879,066</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 94,519,635</b>	<b>\$ 10,029,321</b>	<b>\$ 104,548,956</b>

The notes to the financial statements are an integral part of this statement.

---

---

# Kootenai County Comprehensive Annual Financial Report – FY 2019

---

---

## KOOTENAI COUNTY, IDAHO Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities September 30, 2019

**Total governmental fund balances (page 32)** **\$ 47,879,066**

*Amounts reported for governmental activities in the statement of net position (page 29) are different because:*

The County's delinquent property tax revenue will be collected after year-end but is not available soon enough to pay for the current period's expenditures and therefore is deferred in the funds. 451,176

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. 58,895,119

Internal service funds are used by management to charge the cost of certain activities, such as health insurance cost, to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 1,130,470

Long-term liabilities - both current and long-term - are not due and payable in the current period and therefore are reported in the Statement of Net Position:  
    Compensated absences and net pension liability (18,774,451)

Deferred outflows and inflows of resources related to pensions apply to future periods and, therefore, are not reported in the funds:  
    Deferred outflows of resources related to pensions: 3,551,736  
    Deferred inflows of resources related to pensions (6,483,924)

***Total Net Position of Governmental Activities as shown on the Statement of Net Position*** **\$ 86,649,192**

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended September 30, 2019

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Taxes	\$ 42,102,732	\$ 9,092,934	\$ 51,195,666
Licenses and permits	1,503,867	129,080	1,632,947
Intergovernmental	13,983,455	4,391,241	18,374,696
Interest	4,072,816	535	4,073,351
Fines and forfeitures	459,802	870,956	1,330,758
Charges for services	7,714,443	1,954,302	9,668,745
Miscellaneous	559,446	1,091,567	1,651,013
<b>Total Revenues</b>	<b>70,396,561</b>	<b>17,530,615</b>	<b>87,927,176</b>
<b>Expenditures</b>			
Current:			
General government	24,865,614	4,238,651	29,104,265
Public works	-	1,198,819	1,198,819
Public safety	37,419,651	5,913,526	43,333,177
Sanitation	-	304,715	304,715
Health & welfare	395,473	1,907,505	2,302,978
Culture and recreation	-	855,081	855,081
Capital Outlay:			
Capital expenditures	2,313,376	223,418	2,536,794
Construction in progress	486,324	2,503,636	2,989,960
<b>Total Expenditures</b>	<b>65,480,438</b>	<b>17,145,351</b>	<b>82,625,789</b>
<b>Excess of Revenues Over Expenditures</b>	<b>4,916,123</b>	<b>385,264</b>	<b>5,301,387</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,294,841	406,169	1,701,010
Transfers (out)	(708,953)	(36,050)	(745,003)
<b>Total Other Financing Sources</b>	<b>585,888</b>	<b>370,119</b>	<b>956,007</b>
<b>Net Change in Fund Balances</b>	<b>5,502,011</b>	<b>755,383</b>	<b>6,257,394</b>
<b>Fund Balances Beginning of Year</b>	<b>34,102,735</b>	<b>7,518,937</b>	<b>41,621,672</b>
<b>Fund Balances End of Year</b>	<b>\$ 39,604,746</b>	<b>\$ 8,274,320</b>	<b>\$ 47,879,066</b>

The notes to the financial statements are an integral part of this statement.

---

---

# Kootenai County Comprehensive Annual Financial Report – FY 2019

---

---

## KOOTENAI 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, 2019

<b>Net change in fund balances - total governmental funds (pg 34)</b>	<b>\$ 6,257,394</b>
 <i>Amounts reported for governmental activities in the statement of activities (pages 30 &amp; 31) are different because:</i>	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, such as earned but unavailable property tax revenue.	81,678
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount by which depreciation expense exceeded capital outlay in the current period. (\$5,526,754 - \$6,605,756)	(1,079,002)
Miscellaneous capital asset transactions such as sales, disposals gain or loss, and donations, that only effect net position and are not reported in the funds.	15,378
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(240,691)
Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	<u>(320,709)</u>
<b><i>Total Change in Net Position of Governmental Activities as shown on the Statement of Activities</i></b>	<b><u>\$ 4,714,048</u></b>

**Kootenai County Comprehensive Annual Financial Report – FY 2019**

**KOOTENAI COUNTY, IDAHO**

**Statement of Net Position**

**Proprietary Funds**

**September 30, 2019 with Comparative Information for September 30, 2018**

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2019	2018	2019	2018
<b>Assets</b>				
Current Assets:				
Cash and investments	\$ 28,712,714	\$ 26,434,758	\$ 2,273,145	\$ 2,407,276
Accounts receivable, (net)	979,054	1,040,631	-	-
Prepays	2,434	-	-	-
<b>Total Current Assets</b>	<b>29,694,202</b>	<b>27,475,389</b>	<b>2,273,145</b>	<b>2,407,276</b>
Noncurrent Assets:				
Restricted Assets:				
Cash held for closure and post closure	9,032,000	8,527,000	-	-
Capital Assets:				
Land	1,895,906	1,895,906	-	-
Depreciable assets, (net)	22,688,332	23,001,295	-	-
Construction in progress	3,287,579	2,959,314	-	-
<b>Total Noncurrent Assets</b>	<b>36,903,817</b>	<b>36,383,515</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>66,598,019</b>	<b>63,858,904</b>	<b>2,273,145</b>	<b>2,407,276</b>
<b>Deferred Outflows of Resources</b>				
Deferred pension outflows	202,341	281,019	-	-
<b>Total Deferred Outflows</b>	<b>202,341</b>	<b>281,019</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	539,589	790,456	476,389	293,515
Payroll and other related liabilities	499,586	6,814	634,000	634,152
Other accrued liabilities	-	-	32,286	28,430
Compensated absences	21,010	17,114	-	-
<b>Total Current Liabilities</b>	<b>1,060,185</b>	<b>814,384</b>	<b>1,142,675</b>	<b>956,097</b>
Non-Current Liabilities:				
Compensated absences	291,181	248,500	-	-
Landfill closure liability	9,032,000	8,527,000	-	-
Net pension liability	833,476	1,081,212	-	-
<b>Total Long-Term Liabilities</b>	<b>10,156,657</b>	<b>9,856,712</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>11,216,842</b>	<b>10,671,096</b>	<b>1,142,675</b>	<b>956,097</b>
<b>Deferred Inflows of Resources</b>				
Deferred pension inflows	436,614	266,467	-	-
<b>Total Deferred Inflows</b>	<b>436,614</b>	<b>266,467</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>				
Investment in capital assets	27,871,817	27,856,515	-	-
Restricted for:				
Capital projects	4,690,186	5,803,547	-	-
Unrestricted	22,584,901	19,542,298	1,130,470	1,451,179
<b>Total Net Position</b>	<b>\$ 55,146,904</b>	<b>\$ 53,202,360</b>	<b>\$ 1,130,470</b>	<b>\$ 1,451,179</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds

For the Year Ended September 30, 2019 with Comparative Information for September 30, 2018

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Int'l Service Fund
	2019	2018	2019	2018
<b>Operating Revenues</b>				
Charges for services	\$ 14,258,461	\$ 13,630,029	\$ 10,261,861	\$ 8,948,316
Miscellaneous	57,649	213,081	67,668	85,735
<b>Total Operating Revenues</b>	<b>14,316,110</b>	<b>13,843,110</b>	<b>10,329,529</b>	<b>9,034,051</b>
<b>Operating Expenses</b>				
Personnel services	3,960,678	3,573,589	5,708	5,726
Professional services	2,257,741	2,120,067	10,259,209	9,415,957
Utilities	144,118	158,035	-	-
Materials and supplies	931,584	899,219	-	-
Maintenance and repairs	276,230	400,859	-	-
Other services and expenses	130,874	148,766	6,766	9,181
Depreciation and depletion	3,625,081	2,923,502	-	-
Landfill closure and post closure expense	505,000	482,000	-	-
<b>Total Operating Expenses</b>	<b>11,831,306</b>	<b>10,706,037</b>	<b>10,271,683</b>	<b>9,430,864</b>
<b>Operating Income (Loss)</b>	<b>2,484,804</b>	<b>3,137,073</b>	<b>57,846</b>	<b>(396,813)</b>
<b>Non-Operating Revenues (Expenses)</b>				
Gain on sale of assets	37,192	19,432	-	-
Grant revenue	-	113,083	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>37,192</b>	<b>132,515</b>	<b>-</b>	<b>-</b>
<b>Income (Loss) before Transfers</b>	<b>2,521,996</b>	<b>3,269,588</b>	<b>57,846</b>	<b>(396,813)</b>
Transfers in	186,598	7,076	314,092	-
Transfers out	(764,050)	(764,050)	(692,647)	-
<b>Change in Net Position</b>	<b>1,944,544</b>	<b>2,512,614</b>	<b>(320,709)</b>	<b>(396,813)</b>
<b>Net Position Beginning of Year</b>	<b>53,202,360</b>	<b>50,689,746</b>	<b>1,451,179</b>	<b>1,847,992</b>
<b>Net Position End of Year</b>	<b>\$ 55,146,904</b>	<b>\$ 53,202,360</b>	<b>\$ 1,130,470</b>	<b>\$ 1,451,179</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Statement of Cash Flows Proprietary Funds

**For the Year Ended September 30, 2019 with Comparative Information for September 30, 2018**

	Business-type activity		Governmental-type activity	
	Solid Waste Enterprise Fund		Health Insurance	Internal Service Fund
	2019	2018	2019	2018
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 14,320,038	\$ 13,534,024	\$ 10,261,861	\$ 8,949,596
Other cash receipts	57,649	213,080	67,668	85,734
Cash payments to employees	(3,420,240)	(3,540,128)	-	-
Cash payments to suppliers	(3,836,228)	(3,619,737)	(10,085,105)	(9,273,079)
<b>Net cash provided (used) by operating activities</b>	<u>7,121,219</u>	<u>6,587,239</u>	<u>244,424</u>	<u>(237,749)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Grant receipts from other governments	-	113,083	-	-
Transfer in from other funds	186,598	7,076	314,092	-
Transfer out to other funds	(764,050)	(764,050)	(692,647)	-
<b>Net cash (used) by noncapital financing activities</b>	<u>(577,452)</u>	<u>(756,974)</u>	<u>(378,555)</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payments for capital acquisitions	(3,798,003)	(3,334,779)	-	-
Proceeds from disposal of capital assets	37,192	19,433	-	-
<b>Net cash (used) by capital and related financing activities</b>	<u>(3,760,811)</u>	<u>(3,315,346)</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in Cash and Cash Equivalents</b>	2,782,956	2,514,919	(134,131)	(237,749)
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>34,848,675</u>	<u>32,333,756</u>	<u>2,407,276</u>	<u>2,645,025</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 37,631,631</u></u>	<u><u>\$ 34,848,675</u></u>	<u><u>\$ 2,273,145</u></u>	<u><u>\$ 2,407,276</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 2,484,804	\$ 3,137,073	\$ 57,846	\$ (396,813)
<i>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</i>				
Depreciation and depletion	3,625,081	2,923,502	-	-
Pension expense	1,089	(51,220)	-	-
<i>(Increase) Decrease in Assets:</i>				
Accounts receivable	61,577	(96,005)	-	-
Interest receivable	-	-	-	-
Inventories and prepaid expenses	(2,434)	724	-	74,896
<i>Increase (Decrease) in Liabilities and Deferred Inflows</i>				
Accounts payable	(93,247)	157,705	182,874	144,738
Payroll and other related liabilities	492,772	2,671	(152)	(61,850)
Advanced revenue	-	-	3,856	1,280
Compensated absences payable and other accrued liabilities	46,577	30,789	-	-
Landfill closure/postclosure liability	505,000	482,000	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 7,121,219</u></u>	<u><u>\$ 6,587,239</u></u>	<u><u>\$ 244,424</u></u>	<u><u>\$ (237,749)</u></u>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Statement of Fiduciary Net Position Fiduciary Funds September 30, 2019

	Agency Funds
<b>Assets</b>	
Cash and investments	\$ 7,111,944
Receivables:	
Taxes delinquent	1,854,496
Accounts receivable, (net)	39,186
	<hr/>
<b>Total Assets</b>	<b>\$ 9,005,626</b>
	<hr/>
<b>Liabilities</b>	
Accounts payable	\$ 553,101
Advanced property taxes due to other governments	636,719
Due to other individuals	3,489,448
Due to other governments	4,326,358
	<hr/>
<b>Total Liabilities</b>	<b>\$ 9,005,626</b>
	<hr/>
<b>Net Position</b>	
Held in trust for other purposes	<b>\$ -</b>
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

# **Notes to the Financial Statements**



**NOTES TO THE FINANCIAL STATEMENTS**

Contents

Note 1:	Summary of Significant Accounting Policies.....	43
Note 2:	Reconciliation of Government-wide and Fund Financial Statements.....	52
Note 3:	Deposits and Investments .....	54
Note 4:	Receivables .....	56
Note 5:	Capital Assets .....	57
Note 6:	Leases.....	60
Note 7:	General Long-term Obligations .....	60
Note 8:	Notes Payable and Capital Leases: Component Units .....	61
Note 9:	Landfill Closure and Post-Closure Care Costs .....	61
Note 10:	Risk Management .....	61
Note 11:	Pension Plan.....	63
Note 12:	Classification of Funds .....	66
Note 13:	Jointly Governed Organizations .....	66
Note 14:	Contingent Liabilities.....	67
Note 15:	Internal Balances and Interfund Transfers .....	67
Note 16:	Fund Equity.....	68

**KOOTENAI COUNTY, IDAHO**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of Kootenai County, Idaho (the County) have been prepared in conformity 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.

The significant accounting and reporting standards are defined below.

**A. Financial Reporting Entity**

Kootenai County is governed by a three-member Board of County Commissioners (BOCC) elected by the voters of Kootenai County. The BOCC serves as the taxing authority, the contracting body, and the chief administrators of public services for the County. Other elected officials are the Prosecutor, Treasurer, Clerk/Auditor, Assessor, Sheriff, Coroner, eight District Judges, and seven Magistrate Judges.

The elected officials and their departments comprise the primary government unit for the County. As required by GAAP, the financial statements of the reporting entity include those of Kootenai County (the primary government) and two component units, the North Idaho Fair & Rodeo and the Kootenai County Emergency Medical Services System. Both entities are included as discretely presented component units in the reporting entity because of the significance of their financial relationship with the County, as discussed below in the component unit section.

***Discretely presented component units:** North Idaho Fair & Rodeo, and Kootenai County Emergency Medical Services System*

In conformity with GAAP, the basic financial statements of the North Idaho Fair & Rodeo and the Kootenai County Emergency Medical Services System (KCEMSS) have been included in the financial reporting entity as discretely presented component units, emphasizing their nature as legally separate entities from the County. These component units are presented as separate columns within the “basic” financial statements on the government-wide financial statements.

The North Idaho Fair & Rodeo is included as a component unit because Kootenai County maintains financial accountability. The BOCC appoints all members of the North Idaho Fair & Rodeo Board. Furthermore, the BOCC has the authority to modify or approve the annual budget and has assumed secondary responsibility for debt of the North Idaho Fair & Rodeo.

The BOCC approves the annual KCEMSS operating budget, and is responsible for levying the balance necessary to fund the approved budget under the Emergency Medical Services Levy. Additionally, the BOCC appoint a member to the Joint Powers Board, the KCEMSS governing body.

Complete financial statements of the North Idaho Fair & Rodeo and KCEMSS are available directly from the administrative offices at the following addresses, respectively:

North Idaho Fair & Rodeo  
P.O. Box 2437  
Coeur d’Alene, ID 83816

KCEMSS  
4381 W. Seltice Way  
Coeur d’Alene, ID 83814

The North Idaho Fair & Rodeo fiscal year runs from January 1 through December 31, and reported an increase in net position of \$1,057,087 for the fiscal year ending December 31, 2018. KCEMSS fiscal year runs from October 1 through September 30, and reported an increase in net position of \$70,941 for their fiscal year ending September 30, 2019.

## *Basis of Presentation*

The basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide the financial position and results of operations for Kootenai County.

## **B. Government-wide and Fund Financial Statements**

### *Government-Wide Statements*

The County uses government-wide financial statements to report its financial position and the results of operations. The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the primary government and its discretely presented component units. Primary government activities are distinguished between governmental and business-type activities. Government activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Internal service funds are not eliminated in the process of consolidation of the government-wide financial statements and are combined with the governmental activities of the primary government.

#### *Statement of Net Position*

The Statement of Net Position presents the County's non-fiduciary assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Net Position is displayed in the following three categories: *Net Investment in Capital Assets*; *Restricted Net Position*; or *Unrestricted Net Position*.

*Net Investment in Capital Assets* consists of capital assets net of accumulated depreciation and reduced by outstanding related debt.

*Restricted Net Position* results when constraints placed on net position 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 position is available. Restricted net position balance will fluctuate as related accounting transactions occur.

*Unrestricted Net Position* consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position may have constraints or designations placed upon them by management, but they can be unilaterally removed.

#### *Statement of Activities*

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. Direct expenses of internal services are reported in the functional expense categories on the Statement of Activity. Indirect expense of internal services is allocated proportionately to functional categories based on direct internal service expense. Other interfund services provided and used by the government are not eliminated in consolidation of the government-wide financial statements.

Revenues are broken out by program and general designations. Program revenues display the extent to which programs are self-funded. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, activity, or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenue sources that are not attributable to specific programs are shown as general revenues.

### *Fund Statement*

The financial activities of the County are recorded in individual funds. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain County functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

Separate 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 financial statements and schedules located in the Supplementary Information section.

The County reports the following major governmental fund:

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

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.

Additionally, the County reports the following fund types:

## *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 plus deferred inflows is reported as fund balance.

The following are the County's governmental fund types:

1. General Fund – The general fund is the government's primary operating fund. It accounts for all financial resources except those meeting the requirements for accounting in another fund.
2. 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.
3. Capital Project Funds – Capital project funds account for financial resources used for the acquisition or construction of major capital assets (other than those financed by proprietary funds).

## *Proprietary Fund Types:*

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. Kootenai County has two proprietary fund types, an enterprise fund used to account for solid waste disposal activities and an internal service fund to account for self-insured health services.

1. 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. (2) Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

2. Internal Service Funds – Internal service funds account for activities provided to other funds, departments or agencies of the primary government on a cost reimbursement basis. Kootenai County utilizes an internal service fund, Health Insurance fund, to account for self-insured health services. This fund establishes a reimbursement rate for health coverage which is expensed to employees and County departments through the payroll system as a premium for service. The health insurance fund in turn receives the internal service premium and pays for all of the administrative costs and claims expenditures in a manner similar to a regular premium based insurance company. Reimbursement rates and claims activities are reviewed and re-established each year pursuant to the recommendations provided by the independent insurance broker/plan consultant.

## *Fiduciary Fund Types:*

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. The reporting focus is on net position and changes in net position reported by Fund type. Use of Fiduciary funds provides the capability to improve accountability and control over these assets.

1. *Agency Funds* – Agency funds are used to account for assets held solely in a custodial capacity and as a result assets equal liabilities. Agency funds use the accrual basis of accounting; however, do not have a measurement focus. Kootenai County uses agency funds to account for taxes collected by the County on behalf of other governments and maintains approximately 65 agency funds for taxing districts within the county, including cities, highway districts, school districts, water and sewer districts, and urban renewal districts.

## **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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 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 generally 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, expenditures related to debt service, compensated absences, claims and judgments, are recorded when payment is due. Principal and interest on general long-term debt are recognized as fund liabilities when due, or when amounts have been accumulated (if appropriate) in a debt service fund for payments to be made in the following year.

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 program revenues. Likewise, general revenues include all taxes.

Advanced revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. As both revenue recognition criteria are realized in the subsequent period, this triggers the revenue entry and reduces the advanced revenue liability.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

The proprietary fund is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows, liabilities and deferred inflows associated with the operation of the fund are included on the Statement of Net Position. Net position is segregated into Net Investment in Capital Assets and Restricted and/or Unrestricted Net Position. County policy dictates the use of restricted resources first when both restricted and unrestricted resources are available. Proprietary fund Statements of Revenues, Expenses, and Changes in Fund Net Position present the increases (revenues) and decreases (expenses) in net position.

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. Also, 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 non-operating revenues and expenses.

## *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, the County records record the property taxes collected within the sixty days following the fiscal year end, as revenue for the period ending September 30. Advanced revenue includes the balance of delinquent taxes, which are those not collected within the sixty-day period.

## **D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance**

### *D-1. Deposits and Investments*

The County's cash in bank, cash equivalents, and investments include balances in bank accounts, petty cash, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash in bank and cash equivalents are considered short-term and highly liquid for both the County, as well as for its Component Units (North Idaho Fair & Rodeo and Kootenai County Emergency Medical Services System), and are reported at amortized cost or cost plus interest.

The County's investments are guided by Idaho State Statue, Section 67, Chapter 12, which authorizes investments in US Treasury obligations, commercial paper, certificates of deposit, money market funds, and investment pools managed by the State Treasurer. The Idaho State Treasurer, authorized by Sections 67-2327 and 67-2328, sponsors external investment pools in which Kootenai County voluntarily participates. The County invests idle monies in two types of pooled funds: 1) short-term Local Government Investment Pool (LGIP) which consists of highly liquid, short-term investments with the availability to withdraw funds up to \$10 million overnight, and 2) Diversified Bond Fund (DBF) which invests idle monies of Idaho Governments over a longer time horizon (3.5 years or longer) in exchange for potentially greater returns. Ten million dollars or less can be withdrawn with 5 business days' notice; otherwise a 25 day notice is required.

LGIP is required to be reported at fair value because the weighted average maturity of the investments is greater than 90 days. However, the County has reported these deposits at cost plus accrued interest which approximates fair value. DBF Pooled investments are valued using the net asset value.

Pooled investments are measured and recorded using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active mark;
- Level 2: Observable inputs other than quoted market prices; and
- Level 3: Unobservable inputs.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

Idaho State Code limits the County to investing idle funds into the following investment types:

1. U.S. government securities, which pledge the full faith and credit of the U.S. government.
2. Obligations issued under the Farm Credit Act of 1971, the Federal Home Loan Bank Board, the Federal National Mortgage Association, and the Federal Home Loan Bank.
3. Time deposit and savings accounts within state depositories; state and federal loan associations, or state and federal credit unions within the boundaries of the County.
4. Money market funds and investment pools managed by the Idaho State Treasurer with portfolios consisting of investments specified and secured by the above and denominated in U.S. currency.
5. General obligation bonds or revenue bonds of the State or any Idaho county, city, or taxing district. Tax and revenue anticipation instruments of state and local governmental agencies.

The County's cash in bank, cash equivalents, and investment balances of substantially all funds, including a portion of the Proprietary Fund, are invested by the County's Treasurer and accounted for in a separate Pooled Cash and Investment fund. The portion of the cash and investments belonging to each County fund is reported as *Claims on Treasury Cash* within the individual fund. The County's practice has been to hold investments until maturity to reduce market fluctuation risk.

For the purposes of the statement of cash flows, the County considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash and investment balances for the Proprietary Fund represent their allocated share of pooled cash and investments of the County and can be drawn down on demand.

The application of fair value in the GASB 72 standard does not require money market investments to be stated at fair value. Investments that do not have a readily determinable fair value can be reported at net asset value per share (or its equivalent). At this time, the County has no money market investments but would report these market funds at amortized cost.

## *D-2. Receivables and Payables*

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

In the governmental fund financial statements, receivables are recorded when they are both measurable and available. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Due from/to other funds consist of receivables and offsetting payables for activities between funds of the County. See **Note 15** for interfund activity schedule.

## *D-3. Prepayments*

Prepaid expenses represent amounts paid in the current period for services that will benefit future periods. Prepaid expenses are accounted for using the consumption method.

## *D-4. Capital Assets*

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, construction in progress, and other assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost, if actual cost is not available. Assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year are capitalized. The costs of normal repairs and maintenance that do not add to the asset's utility or materially extend an asset's useful life are not capitalized.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

Donated capital assets are recorded at the estimated acquisition value at the date of donation and revenue is recognized. Major outlays for capital assets and improvements are capitalized as construction in process. Interest incurred during the construction phase of business-type activities is reflected in the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

Public domain infrastructures consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are provided through the operations of other governmental entities which retain responsibility for their maintenance and therefore, not included in the County financial statements.

All capital assets, with the exception of land, right of ways, construction in progress, and arts and historical treasures (other assets), are depreciated. Depreciation is calculated using the straight-line method over the useful lives of the assets. These assets are depreciated on the following basis:

<u>Description</u>	<u>Estimated Life</u>
Building and Structures	15-30 years
Machinery and Equipment	5-7 years
Vehicles	5 years

### *D-5. Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, *Deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. Kootenai County’s deferred outflow of resources, increasing net position, is related to pension reporting.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, *Deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Kootenai County reports unavailable and future year property taxes as a deferred inflow of resources both for modified and full-accrual basis of accounting. Additionally, deferred inflows related to pensions are reported on the Statement of Net Position, decreasing the County’s net position.

### *D-6. Compensated Absences*

The County’s compensated absences policy permits employees to accumulate earned but unused vacation and sick leave benefits. Employees earn vacation based on hours worked and years of service and may carry over up to a maximum of 240 hours into the next calendar year. Any unused vacation exceeding 240 hours is forfeited. Upon termination of employment, unused vacation is paid out.

Upon termination or retirement, a portion of accrued sick leave can be paid into a tax free medical savings account (MSA) for public service employees. The amount available to be transferred is based on the employee’s hourly compensation rate multiplied by the vested percentage (shown below) of unused accumulated sick leave. An employee may apply up to 60% of a maximum of 800 accrued sick leave hours towards post employment medical benefits.

Years of Service	% Sick Leave Applied to MSA
0 – 4 yrs	0%
5 – 9 yrs	30%
10 – 15 yrs	40%
≥ 16yrs	60%

A liability is accrued in the government-wide and proprietary fund financial statements for all vacation pay and accrued sick leave when incurred. The liability is based on the pay rate in effect at the balance sheet date.

## *D-7. Advanced Revenues*

Advanced revenue is recorded when the County has received money during the year from various sources that does not allow them to recognize the revenue until the next period. The advanced revenues are recognized when any contractual obligations have been met or when it will be considered earned by the various funds.

## *D-8. 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 Position. Long-term liabilities to be repaid or financed by proprietary fund operations are accounted for in the proprietary fund. **(See Note 7)**

## *D-9. 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. At this time, the County has no debt, therefore carries no amortized capital interest.

## *D-10. Pensions*

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## *D-11. Net Position Flow Assumption*

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position.

## *D-12. Fund Balance Flow Assumption*

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## *D-13. Fund Balance Policy*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations on the use of resources for specific purposes. The County has adopted a fund balance policy establishing limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Nonspendable and restricted fund balance are net resources classified based on the inherent nature of the balance or constraints from external parties outside the County.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

*Nonspendable* fund balances are amounts that cannot be spent either a) due to form; for example, inventories and prepaid amounts or b) due to legal or contractual requirements that must be maintained intact.

*Restricted* fund balances are constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

*Committed* fund balances are net resources that can be used only for the specific purpose determined by a formal action of the County's highest level of decision-making authority, the Board of County Commissioners. The Commissioners commit fund balance by adopting a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned* fund balances include amounts intended to be used by the County for specific purposes, as determined by the Commissioners or an appointed designee in accordance with BOCC guidelines. All general fund balance assignments have been designated by the BOCC to the Finance Director for the financial statement reporting period. Centennial Trail fund balance assignments have been designated to the Joint Power's Board. Constraints imposed on the use of assigned amounts do not rise to the level to be classified as either restricted or committed.

*Unassigned* fund balances include amounts that have not been accounted for in one of the four other fund balance categories. Only the General Fund as the principal operating fund of the government may contain a positive unassigned fund balance. Other governmental fund types may report a negative unassigned fund balance if expenditures exceed restricted, committed, or assigned fund balance for that purpose.

## *D-14. Interfund Transactions*

During the course of normal operations, the County has both reciprocal and nonreciprocal interfund transactions between funds. The most significant types are interfund loans, interfund transfers and interfund reimbursements.

### *Reciprocal interfund activity*

1. Interfund Loans – Interfund loans are reported as interfund receivable in lender funds and interfund payables in borrower funds.

### *Nonreciprocal interfund activity*

1. Interfund Transfers – Interfund transfers are the movement of resources from one fund to another fund, where the resources will be expended.
2. Interfund Reimbursements – Interfund reimbursements from one fund to another are expensed in the reimbursing fund, and reduce the expenditures/expenses of the fund being reimbursed.

As a general rule, the effect of interfund activity provided and used is not eliminated in the process of consolidation. Any intergovernmental revenues in excess of expenses have been eliminated from the government-wide financial statements.

## *D-15. Comparative Data*

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, these financials should be read in conjunction with the County's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

Comparative total data for the prior year have been presented for Kootenai County’s Enterprise Fund, Solid Waste, and the Internal Service Fund, Health Insurance, in the fund financial statements in order to provide an understanding of the changes in the financial position and operation of these funds.

## D-16. Budget Appropriations and Year-end Cutoff

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

Unexpended appropriations for incomplete capital improvements will carry forward into the subsequent year’s budget upon request of the responsible department and approval of the Board of County Commissioners. See the schedule on page 75 for the details of capital improvement carry forwards.

## D-17. Accounting Estimates

The preparation of financial statements in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund statements include reconciliations between the fund statements and the government-wide statements. Differences that make reconciliations necessary include the two differing measurement focuses and basis of accounting between the statements.

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance includes reconciliations between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of the reconciliation explains that “both current and long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of the difference are as follows:

<b>Long-term liabilities</b>	
Due within one year - compensated absences	\$ 957,073
Due in more than one year - compensated absences	4,861,548
Net Pension Liability	<u>12,955,830</u>
<b>Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i></b>	<b><u>\$ 18,774,451</u></b>

Another element of the reconciliation states the “Internal service funds are used by management to charge the cost of certain activities, such as health insurance costs to the individual funds.” The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The details of the difference are as follows:

Beginning net position-internal service fund	\$ 1,451,179
Change in fund net Position	<u>(320,709)</u>
<b>Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i></b>	<b><u>\$ 1,130,470</u></b>

# Kootenai County Comprehensive Annual Financial Report – FY 2019

Deferred outflows and inflows of resources related to pensions apply to future periods, and therefore, are reported only in the Statement of Net Position. Net position is affected by pensions as follows:

<b>Deferred outflows of resources related to pensions:</b>	
Differences between expected and actual experience	\$ 1,212,434
Changes of assumptions	725,698
Change in proportionate share	534,229
Contributions made subsequent to measurement date	1,079,375
<b>Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities</b>	<b>\$ 3,551,736</b>

<b>Deferred inflows of resources related to pensions:</b>	
Net difference between projected and actual investment earnings on pension plan investments	\$ (4,401,246)
Differences between expected and actual experience	(1,522,609)
Change in proportionate share	(560,069)
<b>Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities</b>	<b>\$ (6,483,924)</b>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation is delinquent property tax collected more than 60 days after year end. These collections are considered unavailable for fund balance reporting, but can be fully recognized as property tax revenue in the *statement of activities*. The net adjustment for unavailable delinquent property tax is as follows:

Delinquent Property Tax-unavailable	\$ 451,178
Less: Prior year delinquent property tax-unavailable	(369,500)
<b>Net adjustment to increase fund balances - total governmental funds to arrive at changes in net position of governmental activities</b>	<b>\$ 81,678</b>

Another reconciling item between statements includes purchases of capital assets. Capital outlay for governmental funds is expensed in the year of purchase. In the statement of activities, capital asset costs are allocated over their estimated useful lives as depreciation expense. The net adjustment for capital outlay differences are as follows:

Capital outlay	\$ 5,526,754
Depreciation Expense	(6,605,756)
<b>Net adjustment to decrease fund balances - total governmental funds to arrive at changes in net position of governmental activities</b>	<b>\$ (1,079,002)</b>

## Kootenai County Comprehensive Annual Financial Report – FY 2019

Certain miscellaneous capital asset transactions such as sales, disposal gain or loss, and donations, are only reported on the statement of activity. The net adjustment for these capital assets are as follows:

Gains and donations of capital assets	\$ 177,541
Losses from disposal of capital assets	<u>(162,163)</u>
<b>Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities</b>	<b><u><u>\$ 15,378</u></u></b>

Some expenses reported in the statement of activities do not require the use of current financial resources and are excluded from governmental fund reporting. These expenses include Compensated absences and pension expenses and contributions as follows:

Compensated absences (expense)	\$ (224,487)
Pension credit expense (expense)	<u>(16,204)</u>
<b>Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities</b>	<b><u><u>\$ (240,691)</u></u></b>

Another element of the reconciliation states the “internal service funds are used by management to charge the cost of certain activities, such as health insurance, to individual funds.” The details of this difference are as follows:

Charges for Services	\$ 10,261,861
Miscellaneous	67,668
Net transfer-out: General Fund	<u>(378,555)</u>
Total Revenues	9,950,974
Less expenditures:	<u>(10,271,683)</u>
<b>Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities</b>	<b><u><u>\$ (320,709)</u></u></b>

### NOTE 3: DEPOSITS AND INVESTMENTS

Deposits and cash equivalents held by the County at year end are listed in order of liquidity. Cash includes separate bank balances held in Fiduciary Funds, but excludes petty cash (\$13,909):

<b>Cash and Cash Equivalents</b>	<b>Financial Statement Value 9/30/2019</b>	<b>Valuation Method</b>
Deposits with FDIC Institutions	<u>\$ 7,898,080</u>	Cost
Total Cash and Cash Equivalents	<b><u><u>\$ 7,898,080</u></u></b>	

## Kootenai County Comprehensive Annual Financial Report – FY 2019

Investments are measured at fair value on a recurring basis. Fair value is determined based on the valuation inputs used to measure an asset's fair value and classified into 3 categories: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable valuation measures; Level 3 inputs are significant unobservable inputs. Kootenai County's investments' fair value measurements are as follows at September 30, 2019:

Investments	Fair Value at 9/30/2019	Fair Value Measurements Using			Valuation Method
		Level 1	Level 2	Level 3	
Debt Securities					
US Gov't Obligations	\$ 6,988,642	\$ -	\$ 6,988,642	\$ -	Market Approach
Total Debt Securities	6,988,642	-	6,988,642	-	
Other Investments					
State of Idaho Diversified Bond Fund	41,390,369				Net Asset Value
Local Gov't Investment Pool					
Idaho State Treasurer's Office	40,059,232				Net Asset Value
Total Other Investments	81,449,601				
Total Investments	\$ 88,438,243	\$ -	\$ 6,988,642	\$ -	

Level 2 inputs for the investments above are based on a matrix pricing model. Investments valued using the net asset value (NAV) per share generally do not have readily obtainable market values and are instead valued based on the County's pro-rata share of the pool's fair value of the underlying assets. Kootenai County values these investments based on information provided by the State of Idaho Treasurer's Office. The following table presents the unfunded commitments, redemption frequency and the redemption notice period for Kootenai County's investments measured at NAV:

Investments Measured at the NAV				
Investment	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Diversified Bond Fund	\$41,390,369	None	Monthly	5-25 days
Local Gov't Investment Pool	\$40,059,232	None	Daily	1-3 days

Idaho Code, Sections 67-1301 and 67-2328 authorizes the State Treasurer to combine public agencies' money into external investment pools: Local Government Investment Pool (LGIP) and the Diversified Bond Fund (DBF). Idaho governmental entities may voluntarily deposit moneys not needed to meet immediate operating obligations in these pools.

The State Treasurer must operate and invest the funds of both pools for the benefit of the participants. They make investments in accordance with Idaho Code, Sections 67-1210 and 67-1210A. The Pools are not registered with the Securities and Exchange Commission or any other regulatory body. The State Treasurer does not provide any legally binding guarantees to support the value of the shares to participants.

The LGIP is managed and sponsored by the State of Idaho Treasurer's Office (STO). This Joint Powers Investment Pool is established as a cooperative endeavor to offer local government entities of the State of Idaho to aggregate funds for investment purposes. The pooling is intended to improve efficiency and return higher investment yields on idle monies. Primary investments of pooled funds include investments in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping financial institution. The STO must operate and invest the funds of the pool for the benefit of its participants. The LGIP is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the LGIP is provided by the STO, and Idaho Code defines allowable investments. An annual audit of the Joint Powers Investment Pool is conducted by the State Legislative Auditors Office.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

The County’s fair value of its position in the pool closely approximates the same as the per share value of total Investment Pool. However, the LGIP Pool had an insignificant unrealized loss. The County’s unrecorded portion of the loss totaled \$91,209. The State of Idaho’s reported weighted average maturity of investments for short-term LGIP funds is 127 days, and DBF is 3.42 years, at September 30, 2019.

*Interest rate risk* - This is the risk that a change in interest rates could adversely affect the underlying value and return of the principal invested. The County is exposed to interest risk on the idle monies in DBF and to a lesser extent the LGIP. US Government obligations held by the County are held to maturity and mature within the next year, therefore are not exposed to interest rate risk. The County does not have a specific investment policy managing its exposure to interest rate risk.

*Credit risk* - Kootenai County’s policy, through incorporation of Idaho statutes, limits its investments in U.S. Treasury Securities and other Governmental Security Agencies to the top credit ratings, of A or better, issued by nationally recognized statistical rating organizations (NRSROs) or equivalent. US Government obligations held by the County have the highest Moody’s rating of AAA. The State of Idaho’s LGIP and DBF are not rated.

*Concentration of credit risk* - Kootenai County has no limitations for concentration risk of any one issuer nor participation maximums in the investment pools provided by the STO. As of September 30, 2019, investments comprising greater than 5% of overall portfolio value were as follows:

Investment Institution	Portfolio %
State of Idaho Diversified Bond Fund	46.8%
State of Idaho Local Government Investment Pool	45.3%
Federal Home Loan Bank/MTG Corp	5.6%

*Custodial credit risk, deposits* - Kootenai County manages custodial credit risk by investing only in qualified institutions that are sufficiently capitalized as determined by Idaho Statute 67-2739. Additionally, all County demand deposits are FDIC insured and/or collateralized by qualifying US treasury or agency securities.

As of the same date the Kootenai County Emergency Medical Services System (KCEMSS), a discretely presented component unit, had no exposure to custodial credit risk because all of KCEMSS’ cash and investment balances of \$2,622,843 was insured or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the KCEMSS’s name. The North Idaho Fair & Rodeo, another discretely presented component unit had no exposure to custodial credit risk because all North Idaho Fair & Rodeo’s bank balance of \$388,599 was insured or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the North Idaho Fair & Rodeo’s name.

*Custodial credit risk, investments* - Kootenai County does not have a custodial credit risk policy.

## NOTE 4: RECEIVABLES

Receivables as of year-end for the County’s general, other governmental, and proprietary funds, including applicable allowances for doubtful accounts, are as follows:

	General	Other Governmental Funds	Proprietary Funds	Total
Accounts Receivable:				
Taxes	\$ 50,357,724	\$ 87,349	\$ -	\$ 50,445,073
General accounts	2,715,090	185,652	1,014,054	3,914,796
Grants	309,733	1,239,778	-	1,549,511
Interest	8,156	5	-	8,161
Gross Accounts Receivable	53,390,703	1,512,784	1,014,054	55,917,541
Less: allowance for doubtful accounts	-	(10,000)	(35,000)	(45,000)
<b>Net Total Accounts Receivables</b>	<b>\$ 53,390,703</b>	<b>\$ 1,502,784</b>	<b>\$ 979,054</b>	<b>\$ 55,872,541</b>

## Kootenai County Comprehensive Annual Financial Report – FY 2019

Kootenai County's governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period, i.e. property taxes. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of year-end, the various components of deferred inflow of resources and advanced revenue reported in Kootenai County's governmental funds were as reported:

	<b>Unavailable</b>	<b>Advanced</b>
<b>Deferred Inflows of Resources:</b>		
Subsequent property taxes receivable	\$ 49,926,627	\$ -
Delinquent property taxes receivable (general fund)	376,445	-
Delinquent property taxes receivable (other governmental funds)	74,733	-
<b>Advanced Revenue:</b>		
Intergovernmental services not yet performed (general fund)	-	695,710
Special Revenue services not yet performed (other governmental funds)	-	227,760
Grant draw downs prior to meeting all eligibility requirements	-	788,695
<b>Total unavailable and advanced revenue for governmental funds</b>	<b>\$ 50,377,805</b>	<b>\$ 1,712,165</b>

### NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 (in thousands) is as follows:

	<b>Balance 9/30/18</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance 9/30/19</b>
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Other assets	\$ 465	\$ -	\$ (30)	\$ -	\$ 435
Land	7,933	-	-	-	7,933
Construction in progress	14,288	3,372	(31)	(14,044)	3,585
Total capital assets, not being depreciated	22,686	3,372	(61)	(14,044)	11,953
Capital assets, being depreciated:					
Buildings	45,296	7	-	12,028	57,331
Improvements other than buildings	47,121	72	(38)	1,903	49,058
Machinery and equipment	32,177	2,253	(1,935)	140	32,635
Total capital assets, being depreciated	124,594	2,332	(1,973)	14,071	139,024
Less accumulated depreciation for:					
Buildings	(27,631)	(1,842)	-	-	(29,473)
Improvements other than buildings	(33,840)	(2,572)	36	-	(36,376)
Machinery and equipment	(25,850)	(2,192)	1,836	(27)	(26,233)
Total accumulated depreciation	(87,321)	(6,606)	1,872	(27)	(92,082)
Total capital assets, being depreciated, net:	37,273	(4,274)	(101)	14,044	46,942
<b>Government activity capital assets, net:</b>	<b>\$ 59,959</b>	<b>\$ (902)</b>	<b>\$ (162)</b>	<b>\$ -</b>	<b>\$ 58,895</b>

## Kootenai County Comprehensive Annual Financial Report – FY 2019

<b>Business-type Activities</b>	<b>Balance 9/30/18</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance 9/30/19</b>
Capital assets, not being depreciated:					
Land	\$ 1,896	\$ -	\$ -	\$ -	\$ 1,896
Construction in progress	2,959	583	-	(255)	3,287
Total capital assets, not being depreciated	<u>4,855</u>	<u>583</u>	<u>-</u>	<u>(255)</u>	<u>5,183</u>
Capital assets, being depreciated:					
Buildings	863	76	(22)	-	917
Improvements other than buildings	3,151	136	(12)	255	3,530
Machinery and equipment	14,490	944	(554)	(27)	14,853
Transfer Stations	20,048	10	-	-	20,058
Landfill	24,688	1,892	-	-	26,580
Total capital assets, being depreciated	<u>63,240</u>	<u>3,058</u>	<u>(588)</u>	<u>228</u>	<u>65,938</u>
Less accumulated depreciation for:					
Buildings	(687)	(36)	22	-	(701)
Improvements other than buildings	(2,164)	(279)	12	-	(2,431)
Machinery and equipment	(11,113)	(1,069)	553	27	(11,602)
Transfer Stations	(9,896)	(674)	-	-	(10,570)
Landfill	(16,378)	(1,567)	-	-	(17,945)
Total accumulated depreciation	<u>(40,238)</u>	<u>(3,625)</u>	<u>587</u>	<u>27</u>	<u>(43,249)</u>
Total capital assets, being depreciated, net:	<u>23,002</u>	<u>(567)</u>	<u>(1)</u>	<u>255</u>	<u>22,689</u>
<b>Business-type activities capital assets, net:</b>	<b><u>\$ 27,857</u></b>	<b><u>\$ 16</u></b>	<b><u>\$ (1)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 27,872</u></b>

Depreciation expense charged by function of the primary government during fiscal year 2019:

Governmental Activities:	
General Government	\$ 1,450,151
Public Works	1,883,872
Public Safety	2,903,683
Sanitation Weeds	9,228
Culture and Recreation	358,822
<b>Total governmental activities current year depreciation expense</b>	<b><u>\$ 6,605,756</u></b>
Business-Type Activity:	
Solid Waste	\$ 3,625,081
<b>Total business-type activities current year depreciation expense</b>	<b><u>\$ 3,625,081</u></b>

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## Discretely presented component unit Capital Asset Activity:

Activity for the Kootenai County Emergency Medical Services System for the year ended September 30, 2019, was as follows:

	Balance 9/30/2018	Additions	Deletions	Balance 9/30/2019
KCEMSS Component Unit Activity				
Capital assets, not being depreciated:				
Land	\$ 403,990	\$ -	\$ -	\$ 403,990
Total capital assets, not being depreciated	<u>403,990</u>	<u>-</u>	<u>-</u>	<u>403,990</u>
Capital assets, being depreciated:				
Building	1,294,996	-	-	1,294,996
Machinery and equipment	1,236,159	17,020	(13,999)	1,239,180
Vehicles	3,353,894	277,035	(206,202)	3,424,727
Total capital assets, being depreciated	<u>5,885,049</u>	<u>294,055</u>	<u>(220,201)</u>	<u>5,958,903</u>
Less accumulated depreciation for:				
Building	(254,769)	(60,004)	-	(314,773)
Machinery and equipment	(602,446)	(122,664)	6,126	(718,984)
Vehicles	(1,314,460)	(424,241)	90,213	(1,648,488)
Total accumulated depreciation	<u>(2,171,675)</u>	<u>(606,909)</u>	<u>96,339</u>	<u>(2,682,245)</u>
Total capital assets, being depreciated, net	<u>3,713,374</u>	<u>(312,854)</u>	<u>(123,862)</u>	<u>3,276,658</u>
<b>KCEMSS activity capital assets, net</b>	<b><u>\$ 4,117,364</u></b>	<b><u>\$ (312,854)</u></b>	<b><u>\$ (123,862)</u></b>	<b><u>\$ 3,680,648</u></b>

Activity for the North Idaho Fair and Rodeo for the year ended December 31, 2018 was as follows:

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
North Idaho Fair Component Unit Activity				
Capital assets not being depreciated:				
Construction in Progress	\$ 79,139	\$ 780,992	\$ -	\$ 860,131
Total capital assets, not being depreciated	<u>79,139</u>	<u>780,992</u>	<u>-</u>	<u>860,131</u>
Capital assets, being depreciated:				
Machinery and Equipment	407,494	-	-	407,494
Buildings	3,160,102	143,535	-	3,303,637
Total capital assets, being depreciated	<u>3,567,596</u>	<u>143,535</u>	<u>-</u>	<u>3,711,131</u>
Less accumulated depreciation for:				
Machinery and Equipment	(324,225)	(13,305)	-	(337,530)
Buildings	(1,502,789)	(86,780)	-	(1,589,569)
Total accumulated depreciation	<u>(1,827,014)</u>	<u>(100,085)</u>	<u>-</u>	<u>(1,927,099)</u>
Total capital assets, being depreciated, net	<u>1,740,582</u>	<u>43,450</u>	<u>-</u>	<u>1,784,032</u>
<b>North Idaho Fair activity capital assets, net</b>	<b><u>\$ 1,819,721</u></b>	<b><u>\$ 824,442</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,644,163</u></b>

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## NOTE 6: LEASES

### *Operating Leases:*

Kootenai County pays ongoing obligations for building and equipment agreements through operating leases. Operating leases do not give rise to property ownership or lease debt obligations, and therefore are not reflected in the General Long-term Obligations of governmental activities.

The following is a schedule of future minimum rental obligations under operating lease agreements that have initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2019.

Fiscal Year Ending Ending September 30,	Governmental Activities
2020	\$ 243,752
2021	125,909
2022	39,317
2023	39,317
2024	-
<b>Total Minimum Payments Required</b>	<b>\$ 448,296</b>

The total expenditure for operating leases during the fiscal year ending September 30, 2019, approximated \$260,000. Approximate values of future minimum lease obligations include:

- County department building leases, \$214,000.
- Printing services commercial copier equipment, \$159,000.
- 9-1-1 emergency service repeater tower and equipment, \$63,000.
- Sheriff's boat moorage leases, \$10,000.

## NOTE 7: GENERAL LONG-TERM OBLIGATIONS

### *Changes in Long-term Obligations:*

During the year ending September 30, 2019, the following changes occurred with liabilities reported in the general long-term obligations:

	Balance 10/1/2018	Additions	Reductions	Balance 9/30/2019	Amounts Due within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
<i>Other Liabilities:</i>					
Compensated Absences	\$ 5,594,134	\$ 465,137	\$ 240,650	\$ 5,818,621	\$ 957,073
<b>Governmental non-current liabilities</b>	<b>\$ 5,594,134</b>	<b>\$ 465,137</b>	<b>\$ 240,650</b>	<b>\$ 5,818,621</b>	<b>\$ 957,073</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Compensated Absences	\$ 265,614	\$ 49,658	\$ 3,081	\$ 312,191	\$ 21,010
<b>Business-type non-current liabilities</b>	<b>\$ 265,614</b>	<b>\$ 49,658</b>	<b>\$ 3,081</b>	<b>\$ 312,191</b>	<b>\$ 21,010</b>

At September 30, 2019, Countywide compensated absences payable total \$6,130,812. Of this liability, \$5,818,621 is governmental activity obligation, and \$312,191 is business activity obligation. For governmental activities, the compensated absence liability is generally liquidated by the general fund. Compensated absence payouts to employees upon separation were \$240,650 for Governmental Fund employees, and \$3,081 for Business-type fund employees.

**NOTE 8: CAPITAL LEASES: COMPONENT UNITS**

The financial information in this report, for the fiscal year ending September 30, 2019, includes discretely presented financial information from two component units: North Idaho Fair & Rodeo, and Kootenai County Emergency Medical Services System (KCEMSS). For the period ended December 31, 2018, North Idaho Fair & Rodeo had 1 outstanding capital lease payable totaling \$2,077, with lease payments due within one year of \$2,077. KCEMSS had 2 outstanding capital leases payable totaling \$1,091,044 for the year ending September 30, 2019, with amounts due within one year of \$398,843.

**NOTE 9: LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS**

Federal and State regulations guiding landfill closure requires the County to implement a final closure plan at Fighting Creek that includes proper ventilation, landfill monitoring systems, and permanent cover and landscaping. After closure, the County is required to maintain and monitor the landfill site for thirty years. The County accounts for the future closure and post closure obligation by maintaining a closure liability based on the relative amount of waste received during the period. Restricted cash and investment assets equal to the liability are reserved to meet this future obligation. The amount recognized each year is based on the landfill capacity used as of the balance sheet date relative to the final capacity of the landfill. Based upon actual utilization and closure costs incurred, for the Fighting Creek Landfill through 2018-2019, closure/post-closure expenses of \$505,000 were recognized for the period ending September 30, 2019.

A total of \$9,032,000 has been recognized for closure and post-closure liability as of the statement of net position date. The current liability balance is based on 70% utilization of the total landfill estimated capacity of 4,706,700 tons and net estimated closure and post-closure costs of \$12,933,671. This amount totals \$13,100,400, less a reduction for actual closure expenses incurred of \$166,729. The remainder of the estimated closure/post-closure costs of \$3,901,671 will be recognized, on a pro-rata basis, as the remaining usable landfill space in the current cell is filled. The original cell at Fighting Creek Landfill is expected to reach interim close level sometime in 2029. However, the final closure of the original cell will be performed when the adjacent cells in development reach capacity projected to occur after 2040.

Funds totaling \$9,032,000 have been reserved in the Solid Waste Enterprise Fund to meet the funding requirements for closure and post-closure costs. These restricted assets are invested in the Idaho State Investment Pool and other similar investment vehicles as a way to have funds available to pay future closure costs.

Landfill closure and post closure costs may change due to factors including inflation, deflation, technology, waste fill rates, or changes in laws and regulations. Funding sources that may be required to pay these future costs include higher landfill user fees or tax funds. Additionally, the current landfill site at Fighting Creek will expand into additional cells over time, extending the life of the landfill site an estimated 20 years. Future landfill development will both expand the time horizon to closure and increase the overall closure/post-closure costs.

**NOTE 10: RISK MANAGEMENT**

Kootenai County may be liable for certain claims or damage of property that may arise in the ordinary course of operations. The County accounts for the majority of transactions involving insurance claims, deductibles, and expenses in the Liability Insurance sub-fund, which is reported as part of the General Fund. This fund has the power to levy an annual property tax to provide funds to pay insurance premiums.

The County Prosecutor, including his 5 approved Civil Deputies, provides legal advice to the County Commissioners and other public officials of the County. The Prosecutor also prosecutes or defends all civil actions in which the County is interested. Additionally, the Prosecutor's duties include drafting and reviewing contracts, as well as monitoring and defending claims arising therefrom.

The Board of County Commissioners is responsible for evaluating and securing adequate insurance coverage for the entire County. The HR Generalist, Compliance, position informs and educates employees to prevent work related incidences that cause loss exposure.

## Kootenai County Comprehensive Annual Financial Report – FY 2019

Insurance is maintained through the Idaho Counties Risk Management Program (ICRMP). ICRMP is an insurance pool serving public entities in Idaho through provision of property, general liability, auto liability, physical damage, and public officials' insurance. Kootenai County pays an annual premium to ICRMP for insurance coverage. In December 2002, the Board of County Commissioners signed a retro-premium agreement converting all policy years to a fixed premium amount. This means the County retains no loss liability exposures covered by the ICRMP policy.

The ICRMP 2018-2019 Kootenai County insurance policy provides coverage up to a limit of \$500,000 for any single claim (brought pursuant to Title 6, Chap. 9 Idaho Code). This is the statutory limit of the Idaho tort claims act. For any other type of liability claim, the policy limit is \$3,000,000. The aggregate amount for all liability claims other than machinery added up in a single policy year is \$5,000,000. ICRMP pays the first \$500,000 of any liability claim out of its own pool of funds. GENESIS reinsurance pays any amounts above \$500,000.

ICRMP provides property insurance coverage structured so that ICRMP provides self-insured retention coverage for damage to any Kootenai County property. Amounts over the claims retention are reinsured; the carriers and their respective AM Best ratings are as follows: Property coverage (\$250,000 to \$50,000,000) National Union rated A, and (\$50,000,000 to \$200,000,000) by RSUI rated A XIII, and for machinery breakdown (\$10,000 to \$100,000,000) Zurich rated A+/stable. The limits of the property coverage are tied to Kootenai County's statement of values. If the buildings and structures (loss valuation is replacement cost), vehicles, and mobile equipment (loss valuation is functional replacement cost) are listed on the County's statement of values, the County has coverage for the replacement cost of the damaged property.

For certain products ICRMP maintains aggregate limits for all of its insureds collectively. Kootenai County participates in two significant plans that are subject to these limits: Flood and/or Earthquake losses are covered up to \$50,000,000; and all machinery losses are covered up to \$100,000,000, after meeting applicable deductibles.

On December 31, 2019, the County had multiple outstanding claims, none of which had more than remote possibility of adverse judgment against the County. For all pending claims, the County's legal staff maintains the position that the County bears little or no loss liability, based upon the strength of the claims and prior experience. Settlements paid did not exceed the County's reserves set aside for self-insurance. Accordingly, no liability for losses has been reported on the balance sheet, as was the case in the prior year.

The County provides employees health benefits through a self-funded health insurance plan. Health costs are charged internally through the bi-weekly payroll process; and charges to County departments and employees are based on actual participation. As of September 30, 2019, 12 past employees have elected to pay the full premium cost to remain on the County's health insurance plan.

The County's self-funded health plan is administered on a contract basis by a third party administrator. Claims are paid by the administrator and are reimbursed by the County. Reinsurance for both specific and annual aggregate stop-loss coverage limits the County's liability against catastrophic claims. Specific stop-loss covers individual claims in excess of \$175,000 after exceeding a single aggregate claim amount of \$100,000. The current attachment point for annual aggregate stop-loss coverage has been set at \$10,102,933. Stop-loss claims received during FY19 totaled \$328,669, compared to FY18 Stop-loss claims of \$492,682. The Health Insurance Fund Balance at September 30, 2019 was \$1,130,470. Estimated claims outstanding (incurred but not received – "IBNR"), as of fiscal year end was \$634,000 based on health plan consultant's actuarial estimate.

<b>Fiscal Year</b>	<b>Beginning IBNR</b>	<b>Claims Incurred</b>	<b>Payments on claims</b>	<b>Ending IBNR</b>
<b>2019</b>	\$ 634,000	8,701,862	8,701,862	\$ 634,000
<b>2018</b>	\$ 696,000	8,164,862	8,226,862	\$ 634,000

## NOTE 11: PENSION PLAN

Plan Description – Kootenai County contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits – The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2% of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions – Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police. The PERSI Retirement Board increased the required contribution rates for payroll periods after July 1, 2019. The new rates for employee contributions are 7.16% for general plan employees and 8.84% for police employees. The new employer contribution rates as a percent of covered payroll are 11.94% for general employees and 12.28% for police. Kootenai County contributions were \$4,735,911 for the year ended September 30, 2019.

*Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions* – At September 30, 2019, Kootenai County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Kootenai County's proportion of the net pension liability was based on Kootenai County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. Kootenai County's proportion was 1.2080283% at June 30, 2019, compared to 1.2014523% at June 30, 2018.

## Kootenai County Comprehensive Annual Financial Report – FY 2019

For the year ended September 30, 2019, Kootenai County recognized pension expense of \$17,293. At September 30, 2019, Kootenai County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,281,505	\$ 1,625,138
Changes in Assumptions or other inputs	767,040	-
Net difference between projected and actual earnings on pension plan investments	-	4,697,617
Employer change in proportionate share	564,664	597,783
Employer contributions subsequent to the measurement date	1,140,868	-
<b>Total</b>	<b>\$ 3,754,077</b>	<b>\$ 6,920,538</b>

Kootenai County reported \$1,140,868 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending September 30, 2020.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2018 the beginning of the measurement period ended June 30, 2019 is 4.8 years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

#### Year Ended September 30:

2020	\$ (475,456)
2021	\$ (2,294,633)
2022	\$ (939,485)
2023	\$ (597,756)

*Actuarial Assumptions* – Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year’s earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases including inflation	3.75%
Investment rate of return	7.05%, net of pension plan investment expense
Cost-of-living adjustments	1%

# Kootenai County Comprehensive Annual Financial Report – FY 2019

Mortality rate were based on the RP-2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period 2013 through 2017 for the PERSI Base Plan, which reviewed all economic and demographic assumptions. The Total Pension Liability as of June 30, 2019 is based on the results of an actuarial valuation date July 1, 2019.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System’s asset allocation. The assumptions and the System’s formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System’s assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are:

<b>Capital Market Assumptions</b>	<b>Target Allocation</b>	<b>Long-Term Expected Nominal Rate of (Arithmetic)</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
<b>Asset Class</b>			
Core Fixed Income	30.00%	3.05%	0.80%
Broad US Equities	55.00%	8.30%	6.05%
Developed Foreign Equities	15.00%	8.45%	6.20%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.75%	4.50%
Portfolio Standard Deviation		12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.13%	3.77%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return			
Net of Investment Expenses			4.19%
Portfolio Standard Deviation			14.16%
<b>Valuation Assumptions Chosen by PERSI Board</b>			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>			<b>7.05%</b>

# Kootenai County Comprehensive Annual Financial Report – FY 2019

*Discount Rate* – The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

*Sensitivity of the Employer’s proportionate share of the net pension liability to changes in the discount rate* – The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's net pension (asset) liability	\$ 41,649,020	\$ 13,789,306	\$ (9,249,786)

*Pension plan fiduciary net position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

*PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).*

*Payables to the Pension Plan - At September 30, 2019, Kootenai County had no reported payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.*

## NOTE 12: CLASSIFICATION OF FUNDS

For financial reporting purposes, several sub-funds have been included as part of the general fund type. The purpose of the inclusion is to better summarize general government activities for financial statement presentation. The sub-funds reported as general fund types are as follows:

Replacement Reserve/Acquisition Justice	Payroll Liability Fund Unemployment Insurance
--	--

## NOTE 13: JOINTLY GOVERNED ORGANIZATIONS

Kootenai County participates in one jointly governed organization, the Hayden Area Regional Sewer Board (HARSB).

One HARSB member is appointed by the Kootenai County Board of County Commissioners. The County’s interest as a voting HARSB member is related to the Coeur d’Alene Airport’s significant footprint within the HARSB service area. The County’s control over the budget and/or financial operations of HARSB is limited to its representative participation on the Board. HARSB, acting through its appointed management team exercises total authority for the daily operations of the organization whose purpose is to construct and operate sewer facilities in the Hayden Lake area of Kootenai County. Control exercised by HARSB includes budgeting, contracting, and designation of management.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

Kootenai County has no financial interest or responsibility in HARSB. Kootenai County’s role on the Sewer Board qualifies the relationship as one of a jointly governed organization. Additionally, there were no related party transactions during the period ending September 30, 2019.

**NOTE 14: CONTINGENT LIABILITIES**

Kootenai County is a defendant in several lawsuits where the outcomes are 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.

**NOTE 15: INTERNAL BALANCES AND INTERFUND TRANSFERS**

The internal balances between funds as of September 30, 2019 are as follows:

<b>Receivable Fund</b>	<b>(Payable) Funds</b>	
<i>Major Fund:</i>		
General Fund		\$ 366,800
<i>Other Governmental Funds:</i>		
FTA Public Transportation		\$ (337,700)
Capital Projects		(29,100)
<b>Total</b>		<b>\$ -</b>

The outstanding balance between funds result from the time lag between dates that (1) interfund goods and services are provided, or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made and are used for general operations.

**Interfund transfers:**

Transfer Out	Transfer in			
	General	Other	Enterprise	Internal
	Fund	Governmental Funds	Fund	Service Funds
General Fund	\$ (708,953)	\$ 291,173	\$ 103,688	\$ 314,092
Other Governmental Funds	36,050	(36,050)	-	-
Enterprise Funds	719,054	44,996	(764,050)	-
Internal Service	539,737	70,000	82,910	(692,647)
Total	<b>\$ 585,888</b>	<b>\$ 370,119</b>	<b>\$ (577,452)</b>	<b>\$ (378,555)</b>

Interfund transfers are primarily performed for two reasons: 1) taxes, fees, penalties, and other revenues are transferred from the statutory funds that initially collect them to the General Fund or other funds as dictated by state law; and 2) revenues are transferred from the fund that is statutorily required to collect them to the fund that is directed, by budgetary authorization, to spend them.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

Significant interfund transfers during the fiscal year include:

- General fund transfers of \$197,590 to other governmental funds and \$102,426 to Solid Waste to cover Wage Adjustments.
- General Fund transfer to support other governmental fund programs (Centennial Trail – \$10,000, Parks and Waterways - \$3,250).
- General fund transfers to other governmental funds of \$7,025, and to Solid Waste of \$1,262, to provide sick leave termination.
- Solid Waste transfer to general government of \$719,054 and Health District of \$44,996, to provide administrative and overhead costs.
- Internal Service Fund transfer out of \$378,555 to cover health insurance increases. Transfers in include \$152,337 to General Government, \$143,308 to other governmental funds, and \$82,910 to Solid Waste.
- Aquifer Protection Fund transfer of \$36,050 to General Fund to provide administrative services.

**NOTE 16: FUND EQUITY**

***Fund Equity Balances:***

At September 30, 2019, the details of fund equity balances are as follows:

<b><u>Fund Balances:</u></b>	<b>Non-Major</b>		
	<b><u>General</u></b>	<b><u>Other Govt</u></b>	<b><u>Total</u></b>
<b>Nonspendable:</b>			
Prepays	\$ 55,331	\$ 12,909	\$ 68,240
<b>Total Nonspendable</b>	<u>55,331</u>	<u>12,909</u>	<u>68,240</u>
<b>Restricted</b>			
Juvenile justice services	276,521	-	276,521
Enhanced 9-1-1 Services	2,124,147	-	2,124,147
Court facility construction	625,670	-	625,670
Sheriff Commissary	186,410	-	186,410
Sheriff Drug Seizure	196,599	-	196,599
Court interlock devices	-	120,715	120,715
Operations	196,838	6,531,514	6,728,352
<b>Total Restricted</b>	<u>3,606,185</u>	<u>6,652,229</u>	<u>10,258,414</u>
<b>Committed:</b>			
Jail Expansion	309,906	-	309,906
Facilities Projects	518,432	269,786	788,217
Info Systems Projects	98,971	155,183	254,154
Other Capital Projects	3,960,953	-	3,960,953
Operations	3,207,312	1,184,213	4,391,525
<b>Total Committed</b>	<u>8,095,572</u>	<u>1,609,182</u>	<u>9,704,754</u>
<b>Assigned</b>			
Capital Project Reserve-Facilities Master Plan	3,398,917	-	3,398,917
Capital Project Reserve-Info System Infrastructure	600,000	-	600,000
Health Care	1,504,296	-	1,504,296
General Fund and Grant Match Reserves	1,612,036	-	1,612,036
<b>Total Assigned</b>	<u>7,115,249</u>	<u>-</u>	<u>7,115,249</u>
<b>Unassigned</b>	<u>20,739,409</u>	<u>-</u>	<u>20,739,409</u>
<b>Total fund balances</b>	<u><u>\$ 39,611,747</u></u>	<u><u>\$ 8,274,320</u></u>	<u><u>\$ 47,886,067</u></u>

# **Required Supplementary Information**



# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 41,871,644	\$ 41,871,644	\$ 42,102,732	\$ 231,088
Licenses and permits	1,439,768	1,439,768	1,503,867	64,099
Intergovernmental	11,032,783	12,327,868	13,983,455	1,655,587
Interest	1,260,000	1,260,000	4,072,816	2,812,816
Fines and forfeitures	402,250	402,250	459,802	57,552
Charges for services	7,031,623	7,161,471	7,714,443	552,972
Miscellaneous	3,334,462	4,656,263	559,446	(4,096,817)
<i>Total Revenues</i>	<i>66,372,530</i>	<i>69,119,264</i>	<i>70,396,561</i>	<i>1,277,297</i>
<b>Expenditures</b>				
Current:				
General government				
Assessor	1,858,964	1,929,491	1,868,965	60,526
Building & grounds	629,739	613,425	621,314	(7,889)
County auto shop	214,770	224,463	223,632	831
County clerk	5,292,186	5,553,116	5,321,546	231,570
County commissioner	610,100	623,773	637,846	(14,073)
County grant writer	216,395	222,628	213,695	8,933
General accounts	3,466,429	1,574,208	1,116,781	457,427
Office of emergency management	255,512	896,813	572,432	324,381
Human resources	396,148	477,322	463,053	14,269
Information services	2,277,182	2,340,214	2,293,344	46,870
Liability insurance	795,890	795,890	807,100	(11,210)
Community development	2,006,067	2,068,880	2,019,060	49,820
Prosecuting attorney	3,743,434	4,048,612	4,050,241	(1,629)
Public defender	3,322,597	3,718,893	3,527,944	190,949
Reprographics/mail room	281,880	296,660	284,014	12,646
Treasurer	817,298	842,296	722,431	119,865
Veterans services	110,442	115,994	122,216	(6,222)

The notes to the required supplementary information are an integral part of this financial schedule.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
<i>(Continued)</i>				
Public safety				
9-1-1	3,767,430	3,829,177	3,628,727	200,450
Adult misdemeanor probation	778,756	814,435	791,324	23,111
Coroner	389,029	419,133	361,668	57,465
Justice - general accounts	1,735,954	1,016,094	875,603	140,491
Juvenile detention center	2,712,237	2,910,809	2,706,941	203,868
Juvenile diversion	307,434	337,440	328,830	8,610
Juvenile probation	1,203,828	1,282,408	1,231,472	50,936
Sheriff	26,443,003	27,571,042	27,495,086	75,956
Health & welfare				
County assistance	600,266	560,266	395,473	164,793
Capital outlay:				
Capital expenditures	2,764,401	3,476,048	2,313,376	1,162,672
Construction in progress	660,000	1,145,622	486,324	659,298
Total Expenditures	67,657,371	69,705,152	65,480,438	4,224,714
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,284,841)	(585,888)	4,916,123	5,502,011
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,364,841	1,294,841	1,294,841	-
Transfers (out)	(80,000)	(708,953)	(708,953)	-
Total Other Financing Sources (Uses)	1,284,841	585,888	585,888	-
<b>Revenues and Other Financing Sources Over (Under)</b>				
<b>Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>5,502,011</b>	
Fund Balances Beginning of Year			34,102,735	
<b>Fund Balances End of Year</b>			<b>\$ 39,604,746</b>	

The notes to the required supplementary information are an integral part of this financial schedule.



**KOOTENAI COUNTY, IDAHO**  
**Notes to Required Supplementary Information – Basis of Budgetary Reporting;**  
**Stewardship, Compliance, and Accountability**  
**For the Year Ended September 30, 2019**

***Basis of Budgetary Accounting***

The County's legal budget is prepared on the modified accrual basis of accounting. Appropriations are made for the fiscal year, and lapse at the close of the year. The Budget and Actual schedules are prepared on the budgetary basis which agrees to Generally Accepted Accounting Principles (GAAP).

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 claim presented after that day comes out of the subsequent year's budget.

Unexpended appropriations for incomplete capital improvements will carry forward into the subsequent year's budget upon request of the responsible department and approval of the Board of County Commissioners.

***Stewardship, Compliance, and Accountability***

The County budgets revenues and expenditures as required by Idaho Code Section 31, Chapter 16. Following these guidelines, the County adopts annual appropriations for General, Special Revenue, and Enterprise Funds. Capital project activities are integrated into the related fund's budget. All budgets are adopted on an accounting basis that differs from GAAP as described above. The following is a summary of the budgetary process for the County:

Prior to the fourth Monday in April, each elected official or department head submits to the Auditor's Office a proposed operating budget, and detailed listing of capital needs for the next fiscal year. The budget request addresses any appropriate redistribution of funds between operating elements and explains any increase in staffing or operating costs. The Auditor's Office assures the accuracy of the submissions and submits the requests to the Board of County Commissioners for review and departmental budget hearings, deliberations and public presentation.

On or before the first Monday in August, the proposed budget is submitted to the County Commissioners for final review and tentative approval for publication. The public budget hearing is conducted on or before the Tuesday after Labor Day to obtain taxpayer comments and concerns. After the hearing is closed the Commissioners legally adopt the budget by resolution and it becomes an official record of the Board.

The budget that is adopted cannot increase the amount that was published in the local newspaper. Per Idaho Code Section 31, the actual expenditures for the ensuing fiscal year shall not exceed the appropriations legally adopted by the Commissioners.

During the year the county commissioners may proceed to adjust the budget as adopted to reflect the receipt of unanticipated revenue, grants, or donations from federal, state or local governments or private sources, provided that there shall be no increase in anticipated property taxes. Budget increases can only occur after advertising the proposed change, holding a public hearing, and a subsequent resolution of the Board of County Commissioners.

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

Kootenai County employs formal budgetary accounting as a management control. The Board of County Commissioners adopts the annual budget via resolution and formally integrates the budget into the accounting system. The annual budget is prepared and adopted on a modified accrual basis that departs from generally accepted accounting principles. Budgets for governmental funds are prepared in accordance with the modified accrual basis, which is the same accounting basis used to reflect actual revenues and expenditures.

## Kootenai County Comprehensive Annual Financial Report – FY 2019

The level of budgetary control at which expenditures may not exceed appropriations is the elected official level. Budgeted expenditures are considered in total by elected officials across all County funds (general fund, special revenue funds, and enterprise funds). No elected official group exceeded final amended budget for Fiscal year 2019. Explanations of overspending at the fund level include the following:

- In general, non-major governmental funds are balanced using their own fund balance reserves at year-end. This year Tourism Promotion, Snowmobile, Public Access, District Court, and pass through tax collections to Kootenai Emergency Management were balanced using this method.

Kootenai County Board of County Commissioners approved multiple unexpended capital projects totaling \$4,420,277 to be carried forward from the prior fiscal year budget as allowed by Idaho Code Section 31, Chapter 16. The following schedule details the in-process projects carried over from prior year:

	Carryforward Balance 10/1/2018	Appropriation FY 2019	Expenditures FY 2019	Carryforward Balance 9/30/2019
Landfill Capital Improvement Projects	\$ 1,120,793	\$ 2,047,001	\$ 1,892,228	\$ 1,275,566
Landfill Closure / Post Closure Project	254,568	121,787	18,943	357,412
HazMat Facility Remodel	490,500	438,000	498,119	430,381
Ramsey Vehicles	-	612,000	556,878	55,122
Prairie Vehicles	-	605,488	198,324	407,164
Landfill Vehicles	-	100,650	99,471	1,179
Lighting Upgrades utilizing rebates	62,111	347,000	278,860	130,251
Rose Lake Collection Site	93,816	-	2,093	91,723
Video Surveillance	49,370	-	27,353	22,017
District Court Case Management Software	18,680	-	18,680	-
SH Evidence Storage Remodel	26,909	-	742	26,167
IT Software Projects	-	21,571	19,850	1,721
Access Control Project/Spillman VMWare	11,010	191,338	155,048	47,300
911- Pole Barn/Radio Room Reconfiguration	-	84,471	4,804	79,667
Capital Archiving Project	83,475	16,755	6,880	93,350
Computer Hardware Projects	32,771	-	29,093	3,678
Network	98,853	188,279	240,860	46,272
Facilities Improvement Projects	1,279,583	-	1,250,466	29,117
Jail Expansion	478,900	-	168,994	309,906
Facilities Building Repair & Maintenance 5YP	-	235,803	103,860	131,943
Parking Projects	-	635,000	316,852	318,148
Coroner's Office Project	-	13,564	507	13,057
911 - Pole Barn/Radio Room/Trunking Gateway/MCU/Pro QA	38,946	1,350,089	661,057	727,978
HR-Recruiting Project	19,811	-	16,144	3,667
CorEMR Paperless Medical System project	-	81,111	2,784	78,327
SH Software and Retention	118,611	-	118,611	-
SH-Recruiting - retention funds	-	37,500	15,000	22,500
Search & Rescue Fiber Cable Project	925	-	925	-
Centennial Trail Signage Project	-	14,500	945	13,555
Phantom Drive Paving Project	70,000	-	30,397	39,603
Airport Utilities	-	30,000	-	30,000
Pole Barn/Dual Band Radios	22,426	80,000	6,547	95,879
County Fair ADA Improvements	48,219	-	48,219	-
Ongoing District Court Project	-	12,483	6,870	5,613
<b>Total Carryforward</b>	<b>\$ 4,420,277</b>	<b>\$ 7,264,390</b>	<b>\$ 6,796,406</b>	<b>\$ 4,888,261</b>

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Employer’s Share of Net Pension Liability - PERSI For the Year Ended September 30, 2019

Last Five Fiscal Years<sup>(1)</sup>  
(dollars in thousands)

	2015 <sup>(2)</sup>	2016 <sup>(2)</sup>	2017 <sup>(2)</sup>	2018 <sup>(2)</sup>	2019 <sup>(2)</sup>
Proportion of the net pension liability	1.2024%	1.2650%	1.1721%	1.2015%	1.2080%
Proportionate share of the net pension liability	\$ 15,833	\$ 25,645	\$ 18,423	\$ 17,722	\$ 13,789
Covered payroll	\$ 33,347	\$ 36,726	\$ 36,210	\$ 38,420	\$ 37,681
Proportionate share of the net pension liability as a percentage of its covered payroll	47.48%	69.83%	50.88%	46.13%	36.59%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%	90.68%	91.69%	93.79%

(1) The County will continue to annually report information until this schedule includes 10 fiscal years.

(2) Amounts as of the measurement date of June 30.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Employer's Contributions For the Year Ended September 30, 2019

Last Five Fiscal Years<sup>(1)</sup>  
(dollars in thousands)

	2015 <sup>(2)</sup>	2016 <sup>(2)</sup>	2017 <sup>(2)</sup>	2018 <sup>(2)</sup>	2019 <sup>(2)</sup>
Contractually required contributions	\$ 3,881	\$ 4,059	\$ 4,173	\$ 4,447	\$ 4,735
Contributions in relation to the contractually required contributions	(3,881)	(4,059)	(4,173)	(4,447)	(4,735)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 34,023	\$ 35,591	\$ 36,489	\$ 39,061	\$ 41,077
Contributions as a percentage of covered payroll	11.41%	11.40%	11.44%	11.38%	11.53%

(1) The County will continue to annually report information until this schedule includes 10 fiscal years.

(2) Amounts as of fiscal year-end date of September 30.

# Supplementary Information



## Non-major Governmental Funds Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Centennial Trail Fund** – accounts for maintenance, improvements, and capital expansion of the Idaho Centennial Trail. Funding is provided by participating City Joint Powers Board members, and Federal, State, and Local grants.

**Tourism Promotion Fund** – accounts for proceeds collected from pari-mutuel betting at the Greyhound Park in Post Falls. The Board of County Commissioners has made a decision to pass along revenues to the Visitor’s Bureau of Post Falls for its gateway community services.

**Airport Fund** – accounts for the operation of the County airport. Funding is provided through property taxes, rents, and fees.

**County Fair** – accounts for the funding of the North Idaho Fair & Rodeo. Funding is provided through property taxes.

**Noxious Weeds** - accounts for the operation of weed control. Funding is provided through property taxes, fees, and grants.

**Health District** - accounts for the funding of the County’s obligation to the Health District. Funding is provided through property taxes.

**Historical Society** - accounts for the funding of the County’s obligation to the local Historical Society. Funding is provided through property taxes.

**Parks** accounts for the operation of the County’s Parks Department. Funding is provided through property taxes, grants and fees.

**Snowmobile Fund** - accounts for the funding of the local Snowmobile Society. Funding is provided through licenses and permits.

**County Vessel** - accounts for the operation, patrol and improvements of county waterways. Funding is provided through boater registration receipts, licenses, fees, and grants.

**Public Access Contribution** - accounts for resources provided by a lease with the Hagadone Corporation for mitigation of loss of public waterfront access due to the lake bed encroachment from the floating green. Funding is provided through a lease agreement based upon golf course green fees.

**Indigent Fund** - accounts for the operation of County Assistance. Funding is provided through property taxes.

**FTA Public Transportation Fund** - accounts for the operation of the County’s Public Transportation. Funding is provided through FTA grants and agreements with local agencies.

**District Court** - accounts for the operation of County court system. Funding is provided through property taxes, charges for services, fines and forfeitures.

**Revaluation** - accounts for the operation re-assessing county property. Funding is provided through property taxes and fees.

**Kootenai County Emergency Management** - accounts for the provision of paramedic and ambulance district support for the residents of Kootenai County. Funding is provided through taxes, licenses, and fees.

**Aquifer Protection Fund** - accounts for Aquifer protection fees collected for the preservation and protection of the Rathdrum Prairie Aquifer.

**Non-major Capital Projects Funds  
Capital Projects Funds**

The Capital Projects Fund is used to account for resources utilized to acquire and construct major capital facilities and improvements, other than those financed by proprietary funds.

**General Construction Fund** - This fund is used to account for major capital projects established within the County's operation of the general governmental activities. Funding sources are provided through capital grant receipts from Federal, State, and other governmental agencies.

# **Combining Financial Statements**



**Kootenai County Comprehensive Annual Financial Report – FY 2019**

**KOOTENAI COUNTY, IDAHO  
Combining Balance Sheet  
Non-Major Governmental Funds  
September 30, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash in bank and investments	\$ 8,513,574	\$ 54	\$ 8,513,628
Taxes delinquent-receivable	87,349	-	87,349
Accounts receivable (net)	175,652	-	175,652
Interest receivable	5	-	5
Grants receivable	1,159,850	79,928	1,239,778
Prepays	12,909	-	12,909
<b>Total Assets</b>	<b>\$ 9,949,339</b>	<b>\$ 79,982</b>	<b>\$ 10,029,321</b>
<b>Liabilities</b>			
Accounts payable	\$ 426,028	\$ 50,882	\$ 476,910
Advanced revenues-other	227,760	-	227,760
Advanced revenues-grants	608,798	-	608,798
Due to other funds	337,700	29,100	366,800
<b>Total Liabilities</b>	<b>1,600,286</b>	<b>79,982</b>	<b>1,680,268</b>
<b>Deferred Inflows of Resources</b>			
Unavailable property taxes	74,733	-	74,733
<b>Total Deferred Inflows of Resources</b>	<b>74,733</b>	<b>-</b>	<b>74,733</b>
<b>Fund Balances:</b>			
Nonspendable	12,909	-	12,909
Restricted	6,652,229	-	6,652,229
Committed	1,609,182	-	1,609,182
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<b>8,274,320</b>	<b>-</b>	<b>8,274,320</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 9,949,339</b>	<b>\$ 79,982</b>	<b>\$ 10,029,321</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2019

	Centennial Trail	Tourism Promotion	Airport	County Fair	Noxious Weeds
<b>Assets</b>					
Cash in bank and investments	\$ 127,291	\$ 1,162	\$ 1,076,404	\$ 12,336	\$ 74,489
Taxes delinquent-receivable	-	-	2,795	646	2,663
Accounts receivable (net)	-	219	-	-	-
Interest receivable	-	-	-	-	-
Grants receivable	-	-	-	-	-
Prepays	-	-	600	-	-
<b>Total Assets</b>	<b>\$ 127,291</b>	<b>\$ 1,381</b>	<b>\$ 1,079,799</b>	<b>\$ 12,982</b>	<b>\$ 77,152</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 403	\$ 27,780	\$ -	\$ 3,640
Advanced revenues	-	-	51,185	-	2,000
Advanced grant revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>403</b>	<b>78,965</b>	<b>-</b>	<b>5,640</b>
<b>Deferred Inflows of Resources</b>					
Unavailable property taxes	-	-	2,419	523	2,245
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>2,419</b>	<b>523</b>	<b>2,245</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	600	-	-
Restricted	127,291	978	769,521	12,459	24,267
Committed	-	-	228,294	-	45,000
<b>Total Fund Balances</b>	<b>127,291</b>	<b>978</b>	<b>998,415</b>	<b>12,459</b>	<b>69,267</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 127,291</b>	<b>\$ 1,381</b>	<b>\$ 1,079,799</b>	<b>\$ 12,982</b>	<b>\$ 77,152</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2019

	Health District	Historical Society	Parks	Snowmobile	County Vessel
<b>Assets</b>					
Cash in bank and investments	\$ 165,345	\$ 975	\$ 321,275	\$ 201,980	\$ 488,184
Taxes delinquent-receivable	6,364	150	2,910	-	-
Accounts receivable (net)	-	-	-	-	91,962
Interest receivable	-	-	-	-	-
Grants receivable	-	-	-	-	-
Prepays	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 171,709</b>	<b>\$ 1,125</b>	<b>\$ 324,185</b>	<b>\$ 201,980</b>	<b>\$ 580,146</b>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 15,812	\$ 143	\$ 3,776
Advanced revenues	-	-	9,702	-	-
Advanced grant revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>25,514</b>	<b>143</b>	<b>3,776</b>
<b>Deferred Inflows of Resources</b>					
Unavailable property taxes	5,358	130	2,466	-	-
<b>Total deferred inflows of resources</b>	<b>5,358</b>	<b>130</b>	<b>2,466</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	166,351	995	206,944	181,830	480,491
Committed	-	-	89,261	20,007	95,879
<b>Total Fund Balances</b>	<b>166,351</b>	<b>995</b>	<b>296,205</b>	<b>201,837</b>	<b>576,370</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 171,709</b>	<b>\$ 1,125</b>	<b>\$ 324,185</b>	<b>\$ 201,980</b>	<b>\$ 580,146</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2019

	Public Access	Indigent	FTA Public Transit	District Court
<b>Assets</b>				
Cash in bank and investments	\$ 23,579	\$ 3,755,228	\$ 61	\$ 732,630
Taxes delinquent-receivable	-	-	-	13,534
Accounts receivable (net)	-	-	-	51,252
Interest receivable	5	-	-	-
Grants receivable	-	-	1,159,850	-
Prepays	-	-	-	12,309
<b>Total Assets</b>	<b>\$ 23,584</b>	<b>\$ 3,755,228</b>	<b>\$ 1,159,911</b>	<b>\$ 809,725</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 40,165	\$ 208,963	\$ 36,294
Advanced revenues	-	15,937	4,450	144,486
Advanced grant revenues	-	-	608,798	-
Due to other funds	-	-	337,700	-
<b>Total Liabilities</b>	<b>-</b>	<b>56,102</b>	<b>1,159,911</b>	<b>180,780</b>
<b>Deferred Inflows of Resources</b>				
Unavailable property taxes	-	(270)	-	11,448
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>(270)</b>	<b>-</b>	<b>11,448</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	12,309
Restricted	23,584	2,958,830	-	599,575
Committed	-	740,566	-	5,613
<b>Total Fund Balances</b>	<b>23,584</b>	<b>3,699,396</b>	<b>-</b>	<b>617,497</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 23,584</b>	<b>\$ 3,755,228</b>	<b>\$ 1,159,911</b>	<b>\$ 809,725</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2019

	Revaluation	KCEMSS	Aquifer Protections	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Cash in bank and investments	\$ 761,019	\$ 14,890	\$ 756,726	\$ 8,513,574
Taxes delinquent-receivable	21,581	21,970	14,736	87,349
Accounts receivable (net)	-	32,219	-	175,652
Interest receivable	-	-	-	5
Grants receivable	-	-	-	1,159,850
Prepays	-	-	-	12,909
<b>Total Assets</b>	<b>\$ 782,600</b>	<b>\$ 69,079</b>	<b>\$ 771,462</b>	<b>\$ 9,949,339</b>
<b>Liabilities:</b>				
Accounts payable	\$ 3,968	\$ 11,516	\$ 73,568	\$ 426,028
Advanced revenues	-	-	-	227,760
Advanced grant revenues	-	-	-	608,798
Due to other funds	-	-	-	337,700
<b>Total Liabilities</b>	<b>3,968</b>	<b>11,516</b>	<b>73,568</b>	<b>1,600,286</b>
<b>Deferred Inflows of Resources</b>				
Unavailable property taxes	18,210	18,520	13,684	74,733
<b>Total deferred inflows of resources</b>	<b>18,210</b>	<b>18,520</b>	<b>13,684</b>	<b>74,733</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	12,909
Restricted	470,709	39,043	589,361	6,652,229
Committed	289,713	-	94,849	1,609,182
<b>Total Fund Balances</b>	<b>760,422</b>	<b>39,043</b>	<b>684,210</b>	<b>8,274,320</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 782,600</b>	<b>\$ 69,079</b>	<b>\$ 771,462</b>	<b>\$ 9,949,339</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Capital Projects Funds For the Year Ended September 30, 2019

	General Construction Capital Projects	Total Nonmajor Capital Project Fund
<b>Assets</b>		
Cash in bank and investments	\$ 54	\$ 54
Grants receivable	79,928	79,928
Prepays	-	-
<b><i>Total Assets</i></b>	<b>\$ 79,982</b>	<b>\$ 79,982</b>
 <b>Liabilities</b>		
Accounts payable	\$ 50,882	\$ 50,882
Advanced grant revenues	-	-
Due to other funds	29,100	29,100
<b><i>Total Liabilities</i></b>	<b>79,982</b>	<b>79,982</b>
 <b>Fund Balances</b>		
Unassigned	-	-
<b><i>Total Fund Balances</i></b>	<b>-</b>	<b>-</b>
 <b><i>Total Liabilities and Fund Balances</i></b>	<b>\$ 79,982</b>	<b>\$ 79,982</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the Year Ended September 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes	\$ 9,092,934	\$ -	\$ 9,092,934
Licenses and permits	129,080	-	129,080
Intergovernmental	4,237,940	153,301	4,391,241
Interest	535	-	535
Fines and forfeitures	870,956	-	870,956
Charges for services	1,954,302	-	1,954,302
Miscellaneous	1,072,982	18,585	1,091,567
<i>Total Revenues</i>	<u>17,358,729</u>	<u>171,886</u>	<u>17,530,615</u>
<b>Expenditures</b>			
Current:			
General government	4,238,651	-	4,238,651
Public works	1,198,251	568	1,198,819
Public safety	5,913,526	-	5,913,526
Sanitation	304,715	-	304,715
Health & welfare	1,907,505	-	1,907,505
Culture and recreation	855,081	-	855,081
Capital Outlay:			
Capital expenditures	223,418	-	223,418
Construction in progress	2,332,318	171,318	2,503,636
<i>Total Expenditures</i>	<u>16,973,465</u>	<u>171,886</u>	<u>17,145,351</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>385,264</u>	<u>-</u>	<u>385,264</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	406,169	-	406,169
Transfers (out)	(36,050)	-	(36,050)
<i>Total Other Financing Sources (Uses)</i>	<u>370,119</u>	<u>-</u>	<u>370,119</u>
<i>Net Change in Fund Balances</i>	755,383	-	755,383
<i>Fund Balances Beginning of Year</i>	<u>7,518,937</u>	<u>-</u>	<u>7,518,937</u>
<i>Fund Balances End of Year</i>	<u><u>\$ 8,274,320</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,274,320</u></u>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2019

	Centennial Trail	Tourism Promotion	Airport	County Fair	Noxious Weed
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ 267,773	\$ 76,999	\$ 319,721
Licenses and permits	-	-	-	-	-
Intergovernmental	-	1,817	-	54,033	3,687
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	18,000	-	903,182	-	180
Miscellaneous	-	-	38,864	27,726	-
<i>Total Revenues</i>	<u>18,000</u>	<u>1,817</u>	<u>1,209,819</u>	<u>158,758</u>	<u>323,588</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public works	-	-	1,198,251	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	304,715
Health & welfare	-	-	-	-	-
Culture and recreation	945	1,817	-	123,142	-
Capital outlay:					
Capital expenditures	-	-	29,089	63,012	-
Construction in progress	-	-	17,949	-	-
<i>Total Expenditures</i>	<u>945</u>	<u>1,817</u>	<u>1,245,289</u>	<u>186,154</u>	<u>304,715</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>17,055</u>	<u>-</u>	<u>(35,470)</u>	<u>(27,396)</u>	<u>18,873</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	10,000	-	61,478	-	3,685
Transfers (out)	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>10,000</u>	<u>-</u>	<u>61,478</u>	<u>-</u>	<u>3,685</u>
<i>Net Change in Fund Balances</i>	27,055	-	26,008	(27,396)	22,558
<i>Fund Balances Beginning of Year</i>	<u>100,236</u>	<u>978</u>	<u>972,407</u>	<u>39,855</u>	<u>46,709</u>
<i>Fund Balances End of Year</i>	<u>\$ 127,291</u>	<u>\$ 978</u>	<u>\$ 998,415</u>	<u>\$ 12,459</u>	<u>\$ 69,267</u>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2019

	Health District	Historical Society	Parks	Snowmobile	County Vessel
<b>Revenues</b>					
Taxes	\$ 763,586	\$ 15,155	\$ 348,803	\$ -	\$ -
Licenses and permits	-	-	-	81,773	-
Intergovernmental	-	7,896	-	-	937,408
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	400
Charges for services	-	-	118,511	-	-
Miscellaneous	-	7,896	5,110	-	-
<i>Total Revenues</i>	<u>763,586</u>	<u>30,947</u>	<u>472,424</u>	<u>81,773</u>	<u>937,808</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	-	-	-	4,457	245,040
Sanitation	-	-	-	-	-
Health & welfare	800,545	-	-	-	-
Culture and recreation	-	30,792	375,978	62,595	254,961
Capital outlay:					
Capital expenditures	-	-	24,655	-	77,295
Construction in progress	-	-	-	-	-
<i>Total Expenditures</i>	<u>800,545</u>	<u>30,792</u>	<u>400,633</u>	<u>67,052</u>	<u>577,296</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(36,959)</u>	<u>155</u>	<u>71,791</u>	<u>14,721</u>	<u>360,512</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	44,996	-	11,130	1,853	7,974
Transfers (out)	-	-	-	-	-
<i>Total Other Financing Sources</i>	<u>44,996</u>	<u>-</u>	<u>11,130</u>	<u>1,853</u>	<u>7,974</u>
<i>Net Change in Fund Balances</i>	8,037	155	82,921	16,574	368,486
<i>Fund Balances Beginning of Year</i>	<u>158,314</u>	<u>840</u>	<u>213,284</u>	<u>185,263</u>	<u>207,884</u>
<i>Fund Balances End of Year</i>	<u>\$ 166,351</u>	<u>\$ 995</u>	<u>\$ 296,205</u>	<u>\$ 201,837</u>	<u>\$ 576,370</u>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2019

	Public Access	Indigent	FTA Public Transportation	District Court
<b>Revenues</b>				
Taxes	\$ -	\$ 13,442	\$ -	\$ 1,622,097
Licenses and permits	-	-	-	425
Intergovernmental	6,917	-	2,795,845	300,362
Interest	535	-	-	-
Fines and forfeitures	-	20	-	870,536
Charges for services	-	-	798,636	115,793
Miscellaneous	-	494,277	399,109	-
<i>Total Revenues</i>	<u>7,452</u>	<u>507,739</u>	<u>3,993,590</u>	<u>2,909,213</u>
<b>Expenditures</b>				
Current:				
General government	-	-	1,669,482	-
Public works	-	-	-	-
Public safety	-	-	-	2,814,699
Sanitation	-	-	-	-
Health & welfare	-	703,475	-	-
Culture and recreation	4,851	-	-	-
Capital outlay:				
Capital expenditures	-	-	9,739	12,428
Construction in progress	-	-	2,314,369	-
<i>Total Expenditures</i>	<u>4,851</u>	<u>703,475</u>	<u>3,993,590</u>	<u>2,827,127</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>2,601</u>	<u>(195,736)</u>	<u>-</u>	<u>82,086</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	13,103	-	117,072
Transfers (out)	-	-	-	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>13,103</u>	<u>-</u>	<u>117,072</u>
<i>Net Change in Fund Balances</i>	2,601	(182,633)	-	199,158
<i>Fund Balances Beginning of Year</i>	<u>20,983</u>	<u>3,882,029</u>	<u>-</u>	<u>418,339</u>
<i>Fund Balances End of Year</i>	<u>\$ 23,584</u>	<u>\$ 3,699,396</u>	<u>\$ -</u>	<u>\$ 617,497</u>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2019

	Revaluation	Kootenai Emergency Management	Aquifer Protection District	Total Non-Major
<b>Revenues</b>				
Taxes	\$ 2,590,612	\$ 2,671,172	\$ 403,574	\$ 9,092,934
Licenses and permits	-	46,882	-	129,080
Intergovernmental	-	129,975	-	4,237,940
Interest	-	-	-	535
Fines and forfeitures	-	-	-	870,956
Charges for services	-	-	-	1,954,302
Miscellaneous	-	-	100,000	1,072,982
<i>Total Revenues</i>	<u>2,590,612</u>	<u>2,848,029</u>	<u>503,574</u>	<u>17,358,729</u>
<b>Expenditures</b>				
Current:				
General government	2,569,169	-	-	4,238,651
Public works	-	-	-	1,198,251
Public safety	-	2,849,330	-	5,913,526
Sanitation	-	-	-	304,715
Health & welfare	-	-	403,485	1,907,505
Culture and recreation	-	-	-	855,081
Capital outlay:				
Capital expenditures	7,200	-	-	223,418
Construction in progress	-	-	-	2,332,318
<i>Total Expenditures</i>	<u>2,576,369</u>	<u>2,849,330</u>	<u>403,485</u>	<u>16,973,465</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>14,243</u>	<u>(1,301)</u>	<u>100,089</u>	<u>385,264</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	134,878	-	-	406,169
Transfers (out)	-	-	(36,050)	(36,050)
<i>Total Other Financing Sources (Uses)</i>	<u>134,878</u>	<u>-</u>	<u>(36,050)</u>	<u>370,119</u>
<i>Net Change in Fund Balances</i>	149,121	(1,301)	64,039	755,383
<i>Fund Balances Beginning of Year</i>	<u>611,301</u>	<u>40,344</u>	<u>620,171</u>	<u>7,518,937</u>
<i>Fund Balances End of Year</i>	<u>\$ 760,422</u>	<u>\$ 39,043</u>	<u>\$ 684,210</u>	<u>\$ 8,274,320</u>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Capital Projects Funds For the Year Ended September 30, 2019

	General Construction Capital Projects	Total Nonmajor Capital Project Fund
<b>Revenues</b>		
Intergovernmental	\$ 153,301	\$ 153,301
Miscellaneous	18,585	18,585
	<i>Total Revenues</i>	<i>171,886</i>
<b>Expenditures</b>		
Current:		
General government	-	-
Public works	568	568
Culture and recreation	-	-
Capital outlay:		
Capital expenditures	-	-
Construction in progress	171,318	171,318
	<i>Total Expenditures</i>	<i>171,886</i>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-
<i>Net Change in Fund Balances</i>	-	-
<i>Fund Balances Beginning of Year</i>	-	-
<i>Fund Balances End of Year</i>	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Centennial Trail and Tourism Promotion Special Revenue Funds For the Year Ended September 30, 2019

	Centennial Trail			Tourism Promotion		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 500	\$ 1,817	\$ 1,317
Charges for services	20,000	18,000	(2,000)	-	-	-
Miscellaneous	(15,500)	-	15,500	-	-	-
<i>Total Revenues</i>	4,500	18,000	13,500	500	1,817	1,317
<b>Expenditures</b>						
Current:						
Culture and recreation	14,500	945	13,555	500	1,817	(1,317)
<i>Total Expenditures</i>	14,500	945	13,555	500	1,817	(1,317)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(10,000)	17,055	27,055	-	-	-
<b>Other Financing Sources</b>						
Transfers In	10,000	10,000	-	-	-	-
<i>Total Other Financing Sources</i>	10,000	10,000	-	-	-	-
<i>Net Change in Fund Balances</i>	-	27,055	27,055	-	-	-
<i>Fund Balances Beginning of Year</i>	100,236	100,236	-	978	978	-
<i>Fund Balances End of Year</i>	\$ 100,236	\$ 127,291	\$ 27,055	\$ 978	\$ 978	\$ -

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Airport and County Fair Special Revenue Funds For the Year Ended September 30, 2019

	Airport			County Fair		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
<b>Revenues</b>						
Taxes	\$ 263,729	\$ 267,773	\$ 4,044	\$ 75,000	\$ 76,999	\$ 1,999
Intergovernmental	-	-	-	540,949	54,033	(486,916)
Charges for services	832,000	903,182	71,182	-	-	-
Miscellaneous	88,083	38,864	(49,219)	102,198	27,726	(74,472)
<i>Total Revenues</i>	<u>1,183,812</u>	<u>1,209,819</u>	<u>26,007</u>	<u>718,147</u>	<u>158,758</u>	<u>(559,389)</u>
<b>Expenditures</b>						
Current:						
Public works	1,142,417	1,198,251	(55,834)	-	-	-
Culture and recreation	-	-	-	123,219	123,142	77
Capital outlay:						
Capital expenditures	60,000	29,089	30,911	63,013	63,012	1
Construction in progress	42,873	17,949	24,924	531,915	-	531,915
<i>Total Expenditures</i>	<u>1,245,290</u>	<u>1,245,289</u>	<u>1</u>	<u>718,147</u>	<u>186,154</u>	<u>531,993</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(61,478)</u>	<u>(35,470)</u>	<u>26,008</u>	<u>-</u>	<u>(27,396)</u>	<u>(27,396)</u>
<b>Other Financing Sources</b>						
Transfer in	61,478	61,478	-	-	-	-
<i>Total Other Financing Sources</i>	<u>61,478</u>	<u>61,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>26,008</u>	<u>26,008</u>	<u>-</u>	<u>(27,396)</u>	<u>(27,396)</u>
<i>Fund Balances Beginning of Year</i>	<u>972,407</u>	<u>972,407</u>	<u>-</u>	<u>39,855</u>	<u>39,855</u>	<u>-</u>
<b><i>Fund Balances End of Year</i></b>	<u><b>\$ 972,407</b></u>	<u><b>\$ 998,415</b></u>	<u><b>\$ 26,008</b></u>	<u><b>\$ 39,855</b></u>	<u><b>\$ 12,459</b></u>	<u><b>\$ (27,396)</b></u>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Noxious Weeds and Health District Special Revenue Funds For the Year Ended September 30, 2019

	Noxious Weeds			Health District		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
<b>Revenues</b>						
Taxes	\$ 316,578	\$ 319,721	\$ 3,143	\$ 755,549	\$ 763,586	\$ 8,037
Intergovernmental	3,181	3,687	506	-	-	-
Charges for services	200	180	(20)	-	-	-
Miscellaneous	-	-	-	-	-	-
<i>Total Revenues</i>	319,959	323,588	3,629	755,549	763,586	8,037
<b>Expenditures</b>						
Current:						
Sanitation	323,644	304,715	18,929	-	-	-
Health & welfare	-	-	-	800,545	800,545	-
<i>Total Expenditures</i>	323,644	304,715	18,929	800,545	800,545	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(3,685)	18,873	22,558	(44,996)	(36,959)	8,037
<b>Other Financing Sources</b>						
Transfers In	3,685	3,685	-	44,996	44,996	-
<i>Total Other Financing Sources</i>	3,685	3,685	-	44,996	44,996	-
<i>Net Change in Fund Balances</i>	-	22,558	22,558	-	8,037	8,037
<i>Fund Balances Beginning of Year</i>	46,709	46,709	-	158,314	158,314	-
<i>Fund Balances End of Year</i>	\$ 46,709	\$ 69,267	\$ 22,558	\$ 158,314	\$ 166,351	\$ 8,037

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Historical Society and Parks Special Revenue Funds For the Year Ended September 30, 2019

	Historical Society			Parks Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
<b>Revenues</b>						
Taxes	\$ 15,000	\$ 15,155	\$ 155	\$ 346,002	\$ 348,803	\$ 2,801
Intergovernmental	21,000	7,896	(13,104)	-	-	-
Charges for services	-	-	-	93,000	118,511	25,511
Miscellaneous	21,000	7,896	(13,104)	(42,615)	5,110	47,725
<i>Total Revenues</i>	<u>57,000</u>	<u>30,947</u>	<u>(26,053)</u>	<u>396,387</u>	<u>472,424</u>	<u>76,037</u>
<b>Expenditures</b>						
Current:						
Culture and recreation	57,000	30,792	26,208	381,267	375,978	5,289
Capital outlay:						
Capital expenditures	-	-	-	26,250	24,655	1,595
<i>Total Expenditures</i>	<u>57,000</u>	<u>30,792</u>	<u>26,208</u>	<u>407,517</u>	<u>400,633</u>	<u>6,884</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>155</u>	<u>155</u>	<u>(11,130)</u>	<u>71,791</u>	<u>82,921</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	11,130	11,130	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,130</u>	<u>11,130</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>155</u>	<u>155</u>	<u>-</u>	<u>82,921</u>	<u>82,921</u>
<i>Fund Balances Beginning of Year</i>	<u>840</u>	<u>840</u>	<u>-</u>	<u>213,284</u>	<u>213,284</u>	<u>-</u>
<b><i>Fund Balances End of Year</i></b>	<b><u>\$ 840</u></b>	<b><u>\$ 995</u></b>	<b><u>\$ 155</u></b>	<b><u>\$ 213,284</u></b>	<b><u>\$ 296,205</u></b>	<b><u>\$ 82,921</u></b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Snowmobile and County Vessel Special Revenue Funds For the Year Ended September 30, 2019

	Snowmobile			County Vessel		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
<b>Revenues</b>						
Licenses and permits	\$ 74,007	\$ 81,773	\$ 7,766	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	794,493	937,408	142,915
Fines and forfeitures	-	-	-	-	400	400
Miscellaneous	(20,471)	-	20,471	(78,976)	-	78,976
<i>Total Revenues</i>	<u>53,536</u>	<u>81,773</u>	<u>28,237</u>	<u>715,517</u>	<u>937,808</u>	<u>222,291</u>
<b>Expenditures</b>						
Current:						
Public safety	3,273	4,457	(1,184)	298,987	245,040	53,947
Culture and recreation	52,116	62,595	(10,479)	267,960	254,961	12,999
Capital outlay:						
Capital expenditures	-	-	-	156,544	77,295	79,249
<i>Total Expenditures</i>	<u>55,389</u>	<u>67,052</u>	<u>(11,663)</u>	<u>723,491</u>	<u>577,296</u>	<u>146,195</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(1,853)</u>	<u>14,721</u>	<u>16,574</u>	<u>(7,974)</u>	<u>360,512</u>	<u>368,486</u>
<b>Other Financing Sources</b>						
Transfer in	1,853	1,853	-	7,974	7,974	-
<i>Total Other Financing Sources</i>	<u>1,853</u>	<u>1,853</u>	<u>-</u>	<u>7,974</u>	<u>7,974</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	-	16,574	16,574	-	368,486	368,486
<i>Fund Balances Beginning of Year</i>	<u>185,263</u>	<u>185,263</u>	<u>-</u>	<u>207,884</u>	<u>207,884</u>	<u>-</u>
<b><i>Fund Balances End of Year (deficit)</i></b>	<b><u>\$ 185,263</u></b>	<b><u>\$ 201,837</u></b>	<b><u>\$ 16,574</u></b>	<b><u>\$ 207,884</u></b>	<b><u>\$ 576,370</u></b>	<b><u>\$ 368,486</u></b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Public Access and Indigent Special Revenue Funds For the Year Ended September 30, 2019

	Public Access			Indigent		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 13,442	\$ 13,442
Intergovernmental	6,500	6,917	417	-	-	-
Fines and forfeitures	-	-	-	-	20	20
Interest	-	535	535	-	-	-
Miscellaneous	(6,500)	-	6,500	1,138,994	494,277	(644,717)
<i>Total Revenues</i>	-	7,452	7,452	1,138,994	507,739	(631,255)
<b>Expenditures</b>						
Current:						
Health & welfare	-	-	-	1,152,097	703,475	448,622
Culture and recreation	-	4,851	(4,851)	-	-	-
Capital outlay:						
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	-	4,851	(4,851)	1,152,097	703,475	448,622
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	2,601	2,601	(13,103)	(195,736)	(182,633)
<b>Other Financing Sources</b>						
Transfer in	-	-	-	13,103	13,103	-
<i>Total Other Financing Sources</i>	-	-	-	13,103	13,103	-
<i>Net Change in Fund Balances</i>	-	2,601	2,601	-	(182,633)	(182,633)
<i>Fund Balances Beginning of Year</i>	20,983	20,983	-	3,882,029	3,882,029	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 20,983</b>	<b>\$ 23,584</b>	<b>\$ 2,601</b>	<b>\$ 3,882,029</b>	<b>\$ 3,699,396</b>	<b>\$ (182,633)</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Public Transportation Special Revenue Funds For the Year Ended September 30, 2019

	FTA Public Transportation		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
<b>Revenues</b>			
Intergovernmental	\$ 4,573,843	\$ 2,795,845	\$ (1,777,998)
Charges for services	813,439	798,636	(14,803)
Miscellaneous	543,691	399,109	(144,582)
<i>Total Revenues</i>	5,930,973	3,993,590	(1,937,383)
<b>Expenditures</b>			
Current:			
General government	1,837,232	1,669,482	167,750
Capital outlay:			
Capital expenditures	1,511,196	9,739	1,501,457
Construction in progress	2,582,545	2,314,369	268,176
<i>Total Expenditures</i>	5,930,973	3,993,590	1,937,383
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual District Court and Revaluation Special Revenue Funds For the Year Ended September 30, 2019

	District Court			Revaluation		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
<b>Revenues</b>						
Taxes	\$ 1,607,600	\$ 1,622,097	\$ 14,497	\$ 2,565,685	\$ 2,590,612	\$ 24,927
Licenses and permits	-	425	425	-	-	-
Intergovernmental	189,810	300,362	110,552	-	-	-
Fines and forfeitures	776,792	870,536	93,744	-	-	-
Charges for services	126,960	115,793	(11,167)	-	-	-
<i>Total Revenues</i>	<u>2,701,162</u>	<u>2,909,213</u>	<u>208,051</u>	<u>2,565,685</u>	<u>2,590,612</u>	<u>24,927</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	2,693,363	2,569,169	124,194
Public safety	2,800,193	2,814,699	(14,506)	-	-	-
Capital outlay:						
Capital expenditures	18,041	12,428	5,613	7,200	7,200	-
<i>Total Expenditures</i>	<u>2,818,234</u>	<u>2,827,127</u>	<u>(8,893)</u>	<u>2,700,563</u>	<u>2,576,369</u>	<u>124,194</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(117,072)</u>	<u>82,086</u>	<u>199,158</u>	<u>(134,878)</u>	<u>14,243</u>	<u>149,121</u>
<b>Other Financing Sources (Uses)</b>						
Transfer in	117,072	117,072	-	134,878	134,878	-
<i>Total Other Financing Sources</i>	<u>117,072</u>	<u>117,072</u>	<u>-</u>	<u>134,878</u>	<u>134,878</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>199,158</u>	<u>199,158</u>	<u>-</u>	<u>149,121</u>	<u>149,121</u>
<i>Fund Balances Beginning of Year</i>	<u>418,339</u>	<u>418,339</u>	<u>-</u>	<u>611,301</u>	<u>611,301</u>	<u>-</u>
<b><i>Fund Balances End of Year</i></b>	<u><b>\$ 418,339</b></u>	<u><b>\$ 617,497</b></u>	<u><b>\$ 199,158</b></u>	<u><b>\$ 611,301</b></u>	<u><b>\$ 760,422</b></u>	<u><b>\$ 149,121</b></u>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual

### Kootenai Emergency Management and Aquifer Protection District Special Revenue Funds For the Year Ended September 30, 2019

	Kootenai Emergency Management			Aquifer Protection District		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
<b>Revenues</b>						
Taxes	\$ 2,630,085	\$ 2,671,172	\$ 41,087	\$ 390,808	\$ 403,574	\$ 12,766
Licenses and permits	42,000	46,882	4,882	-	-	-
Intergovernmental	97,911	129,975	32,064	-	-	-
Miscellaneous	-	-	-	200,936	100,000	(100,936)
<i>Total Revenues</i>	<u>2,769,996</u>	<u>2,848,029</u>	<u>78,033</u>	<u>591,744</u>	<u>503,574</u>	<u>(88,170)</u>
<b>Expenditures</b>						
Current:						
Public safety	2,769,996	2,849,330	(79,334)	-	-	-
Health & welfare	-	-	-	555,694	403,485	152,209
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>2,769,996</u>	<u>2,849,330</u>	<u>(79,334)</u>	<u>555,694</u>	<u>403,485</u>	<u>152,209</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,301)</u>	<u>(1,301)</u>	<u>36,050</u>	<u>100,089</u>	<u>64,039</u>
<b>Other Financing (Uses)</b>						
Transfer out	-	-	-	(36,050)	(36,050)	-
<i>Total Other Financing (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,050)</u>	<u>(36,050)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>(1,301)</u>	<u>(1,301)</u>	<u>-</u>	<u>64,039</u>	<u>64,039</u>
<i>Fund Balances Beginning of Year</i>	<u>40,344</u>	<u>40,344</u>	<u>-</u>	<u>620,171</u>	<u>620,171</u>	<u>-</u>
<b><i>Fund Balances End of Year</i></b>	<u><b>\$ 40,344</b></u>	<u><b>\$ 39,043</b></u>	<u><b>\$ (1,301)</b></u>	<u><b>\$ 620,171</b></u>	<u><b>\$ 684,210</b></u>	<u><b>\$ 64,039</b></u>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Construction Funds For the Year Ended September 30, 2019

	General Construction Capital Projects Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
<b>Revenues</b>			
Intergovernmental	\$ 1,102,078	\$ 153,301	\$ (948,777)
Miscellaneous	517,891	18,585	(499,306)
<i>Total Revenues</i>	1,619,969	171,886	(1,448,083)
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public works	170	568	(398)
Culture and recreation	328,596	-	328,596
Capital outlay:			
Capital expenditures	-	-	-
Construction in progress	1,291,203	171,318	1,119,885
<i>Total Expenditures</i>	1,619,969	171,886	1,448,083
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<i>Fund Balances End of Year</i>	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

## Fiduciary Funds

Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the County's own programs. The following provides a brief description of the County's fiduciary funds:

**State of Idaho Agency Fund** - accounts for fines, fees, and charges collected on behalf of the State through County operations. County departments collecting State receipts include District Court, Vehicle and Driver Licensing, and Tax Collector for Forest Protection fees.

**Taxing Districts Agency Funds** account for property tax collected by the county but due to the underlying taxing districts. These agencies include Cities, Highway Districts, School Districts, Fire Districts, Public Library, Water & Sewer Districts, North Idaho College, and Urban Renewal Districts.

**Unapportioned Agency Funds** are monies held by Kootenai County on behalf of other individuals and governmental entities. These fiduciary monies that are held in trust capacity include undistributed tax collections, district court holdings, law enforcement seizure assets, and unclaimed property.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**September 30, 2019**  
**With Comparative Totals for September 30, 2018**

	<b>Agency Funds</b>			
	State of Idaho	Cities	Highway Districts	School Districts
<b>Assets</b>				
Cash in bank and investments	\$ 2,002,071	\$ 102,239	\$ 29,274	\$ 134,194
Receivables:				
Taxes delinquent	79,259	226,004	182,482	513,700
<b>Total Assets</b>	<b><u>\$ 2,081,330</u></b>	<b><u>\$ 328,243</u></b>	<b><u>\$ 211,756</u></b>	<b><u>\$ 647,894</u></b>
<b>Liabilities</b>				
Due to agency activity	2,081,330	328,243	211,756	647,894
<b>Total Liabilities</b>	<b><u>2,081,330</u></b>	<b><u>328,243</u></b>	<b><u>211,756</u></b>	<b><u>647,894</u></b>
<b>Net Position</b>				
Held in trust for other purposes	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**September 30, 2019**  
**With Comparative Totals for September 30, 2018**

	<b>Agency Funds</b>			
	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
<b>Assets</b>				
Cash in bank and investments	\$ 54,036	\$ 14,317	\$ 3,336	\$ 42,383
Receivables:				
Taxes delinquent	218,084	44,031	18,739	127,799
<b>Total Assets</b>	<b>\$ 272,120</b>	<b>\$ 58,348</b>	<b>\$ 22,075</b>	<b>\$ 170,182</b>
<b>Liabilities</b>				
Due to agency activity	272,120	58,348	22,075	170,182
<b>Total Liabilities</b>	<b>272,120</b>	<b>58,348</b>	<b>22,075</b>	<b>170,182</b>
<b>Net Position</b>				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

**KOOTENAI COUNTY, IDAHO**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**September 30, 2019**  
**With Comparative Totals for September 30, 2018**

	Agency Funds		Totals	
	Urban Renewal Districts	Unapportioned Agencies	2019	2018
<b>Assets</b>				
Cash in bank and investments	\$ 22,472	\$ 4,707,622	\$ 7,111,944	\$ 8,680,950
Receivables:				
Taxes delinquent	405,607	38,791	1,854,496	1,902,220
Accounts receivable, (net)	-	39,186	39,186	37,910
	<b>\$ 428,079</b>	<b>\$ 4,785,599</b>	<b>\$ 9,005,626</b>	<b>\$ 10,621,080</b>
<b>Liabilities</b>				
Accounts payable	-	553,101	553,101	32,022
Due to agency activity	428,079	106,331	4,326,358	4,164,861
Unavailable property tax	-	636,719	636,719	636,835
Due to other individuals	-	3,489,448	3,489,448	5,787,362
	<b>428,079</b>	<b>4,785,599</b>	<b>9,005,626</b>	<b>10,621,080</b>
<b>Net Position</b>				
Held in trust for other purposes	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The notes to the financial statements are an integral part of this statement.

**Kootenai County Comprehensive Annual Financial Report – FY 2019**

**KOOTENAI COUNTY, IDAHO**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**September 30, 2019**

	<b>Agency Funds</b>			
	Balance 10/1/18	Additions	Deductions	
<b><i>State of Idaho</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 1,688,694	\$ 29,119,338	\$ 28,805,961	\$ 2,002,071
Receivables:				
Taxes delinquent	76,498	1,293,486	1,290,725	79,259
<b>Total Assets</b>	<b>\$ 1,765,192</b>	<b>\$ 30,412,824</b>	<b>\$ 30,096,686</b>	<b>\$ 2,081,330</b>
<b>Liabilities</b>				
Due to agency activity	1,765,192	29,246,495	28,930,357	2,081,330
<b>Total Liabilities</b>	<b>\$ 1,765,192</b>	<b>\$ 29,246,495</b>	<b>\$ 28,930,357</b>	<b>\$ 2,081,330</b>
<b><i>Cities</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 102,785	\$ 44,582,807	\$ 44,583,353	\$ 102,239
Receivables:				
Taxes delinquent	227,792	39,032,705	39,034,493	226,004
<b>Total Assets</b>	<b>\$ 330,577</b>	<b>\$ 83,615,512</b>	<b>\$ 83,617,846</b>	<b>\$ 328,243</b>
<b>Liabilities</b>				
Due to agency activity	330,577	83,432,420	83,434,754	328,243
<b>Total Liabilities</b>	<b>\$ 330,577</b>	<b>\$ 83,432,420</b>	<b>\$ 83,434,754</b>	<b>\$ 328,243</b>
<b><i>Highway Districts</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 34,375	\$ 10,922,470	\$ 10,927,571	\$ 29,274
Receivables:				
Taxes delinquent	193,847	11,296,276	11,307,641	182,482
<b>Total Assets</b>	<b>\$ 228,222</b>	<b>\$ 22,218,746</b>	<b>\$ 22,235,212</b>	<b>\$ 211,756</b>
<b>Liabilities</b>				
Due to agency activity	228,222	22,218,746	22,235,212	211,756
<b>Total Liabilities</b>	<b>\$ 228,222</b>	<b>\$ 22,218,746</b>	<b>\$ 22,235,212</b>	<b>\$ 211,756</b>
<b><i>School Districts</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 165,749	\$ 47,751,786	\$ 47,783,341	\$ 134,194
Receivables:				
Taxes delinquent	458,874	46,608,461	46,553,635	513,700
<b>Total Assets</b>	<b>\$ 624,623</b>	<b>\$ 94,360,247</b>	<b>\$ 94,336,976</b>	<b>\$ 647,894</b>
<b>Liabilities</b>				
Due to agency activity	624,623	94,348,185	94,324,914	647,894
<b>Total Liabilities</b>	<b>\$ 624,623</b>	<b>\$ 94,348,185</b>	<b>\$ 94,324,914</b>	<b>\$ 647,894</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Assets and Liabilities Fiduciary Funds September 30, 2019

	Agency Funds			Balance 9/30/19
	Balance 10/1/18	Additions	Deductions	
<b><i>Fire Districts</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 62,134	\$ 18,410,870	\$ 18,418,968	\$ 54,036
Receivables:				
Taxes delinquent	210,897	17,311,936	17,304,749	218,084
<b>Total Assets</b>	<b>\$ 273,031</b>	<b>\$ 35,722,806</b>	<b>\$ 35,723,717</b>	<b>\$ 272,120</b>
<b>Liabilities</b>				
Due to agency activity	273,031	35,737,944	35,738,855	272,120
<b>Total Liabilities</b>	<b>\$ 273,031</b>	<b>\$ 35,737,944</b>	<b>\$ 35,738,855</b>	<b>\$ 272,120</b>
<b><i>Public Library</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 16,595	\$ 4,778,587	\$ 4,780,865	\$ 14,317
Receivables:				
Taxes delinquent	47,937	4,494,348	4,498,254	44,031
<b>Total Assets</b>	<b>\$ 64,532</b>	<b>\$ 9,272,935</b>	<b>\$ 9,279,119</b>	<b>\$ 58,348</b>
<b>Liabilities</b>				
Due to agency activity	64,532	9,272,935	9,279,119	58,348
<b>Total Liabilities</b>	<b>\$ 64,532</b>	<b>\$ 9,272,935</b>	<b>\$ 9,279,119</b>	<b>\$ 58,348</b>
<b><i>Water &amp; Sewer Districts</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 4,205	\$ 491,884	\$ 492,753	\$ 3,336
Receivables:				
Taxes delinquent	30,275	396,119	407,655	18,739
<b>Total Assets</b>	<b>\$ 34,480</b>	<b>\$ 888,003</b>	<b>\$ 900,408</b>	<b>\$ 22,075</b>
<b>Liabilities</b>				
Due to agency activity	34,480	887,722	900,127	22,075
<b>Total Liabilities</b>	<b>\$ 34,480</b>	<b>\$ 887,722</b>	<b>\$ 900,127</b>	<b>\$ 22,075</b>
<b><i>North Idaho College</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 50,826	\$ 16,446,355	\$ 16,454,798	\$ 42,383
Receivables:				
Taxes delinquent	135,986	15,299,607	15,307,794	127,799
<b>Total Assets</b>	<b>\$ 186,812</b>	<b>\$ 31,745,962</b>	<b>\$ 31,762,592</b>	<b>\$ 170,182</b>
<b>Liabilities</b>				
Due to agency activity	186,812	31,745,963	31,762,593	170,182
<b>Total Liabilities</b>	<b>\$ 186,812</b>	<b>\$ 31,745,963</b>	<b>\$ 31,762,593</b>	<b>\$ 170,182</b>

The notes to the financial statements are an integral part of this statement.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Assets and Liabilities Fiduciary Funds September 30, 2019

	Agency Funds			
	Balance 10/1/18	Additions	Deductions	Balance 9/30/19
<b><i>Kootenai County Public Hospital</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ -	\$ 14,388	\$ 14,388	\$ -
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 14,388</b>	<b>\$ 14,388</b>	<b>\$ -</b>
<b>Liabilities</b>				
Due to agency activity	\$ -	\$ 14,388	14,388	\$ -
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 14,388</b>	<b>\$ 14,388</b>	<b>\$ -</b>
<b><i>Urban Renewal Districts</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 45,379	\$ 11,798,186	\$ 11,821,093	\$ 22,472
Receivables:				
Taxes delinquent	481,287	11,389,562	11,465,242	405,607
<b>Total Assets</b>	<b>\$ 526,666</b>	<b>\$ 23,187,748</b>	<b>\$ 23,286,335</b>	<b>\$ 428,079</b>
<b>Liabilities</b>				
Due to agency activity	526,666	23,172,890	23,271,477	428,079
<b>Total Liabilities</b>	<b>\$ 526,666</b>	<b>\$ 23,172,890</b>	<b>\$ 23,271,477</b>	<b>\$ 428,079</b>
<b><i>Unapportioned Agency Funds</i></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 6,510,208	\$ 226,463,599	\$ 228,266,185	\$ 4,707,622
Receivables:				
Accounts receivable	76,737	2,782,911	2,781,671	77,977
<b>Total Assets</b>	<b>\$ 6,586,945</b>	<b>\$ 229,246,510</b>	<b>\$ 231,047,856</b>	<b>\$ 4,785,599</b>
<b>Liabilities</b>				
Accounts payable	\$ 32,022	\$ 4,871,812	\$ 4,350,733	\$ 553,101
Unavailable property taxes	636,835	206,301,660	206,301,776	636,719
Due to individuals	5,787,362	20,098,126	22,396,040	3,489,448
Due to other governments	130,726	2,260,761	2,285,156	106,331
<b>Total Liabilities</b>	<b>\$ 6,586,945</b>	<b>\$ 233,532,359</b>	<b>\$ 235,333,705</b>	<b>\$ 4,785,599</b>
<b><i>Total Agency Activity</i></b>				
<b>Total Assets</b>	<b>\$ 10,621,080</b>			<b>\$ 9,005,626</b>
<b>Total Liabilities</b>	<b>\$ 10,621,080</b>			<b>\$ 9,005,626</b>

The notes to the financial statements are an integral part of this statement.

# Statistical Section



## STATISTICAL SECTION

This part of Kootenai County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>CONTENTS</b>	<b>Page</b>
Financial Trends	116
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	119
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.</i>	
Debt Capacity	131
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	133
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	137
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Net Position by Component Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net investment in capital assets	\$ 50,237	\$ 51,342	\$ 54,424	\$ 53,954	\$ 52,716	\$ 50,379	\$ 48,152	\$ 49,060	\$ 59,959	\$ 58,895
Restricted	6,739	3,587	4,178	5,120	5,443	7,228	9,236	10,669	10,496	10,258
Unrestricted	24,431	27,311	28,196	29,856	31,379	20,165	21,672	21,145	11,481	17,496
Total governmental activities net position	<u>\$ 81,407</u>	<u>\$ 82,240</u>	<u>\$ 86,798</u>	<u>\$ 88,930</u>	<u>\$ 89,538</u>	<u>\$ 77,772</u>	<u>\$ 79,060</u>	<u>\$ 80,874</u>	<u>\$ 81,936</u>	<u>\$ 86,649</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 28,905	\$ 26,800	\$ 25,796	\$ 28,810	\$ 28,752	\$ 28,059	\$ 26,765	\$ 27,405	\$ 27,857	\$ 27,872
Restricted	8,549	1,800	8,775	5,589	1,777	1,468	2,955	4,410	5,803	4,690
Unrestricted	6,399	16,137	12,079	14,854	21,074	17,461	18,994	18,875	19,542	22,585
Total business-type activities net position	<u>\$ 43,853</u>	<u>\$ 44,737</u>	<u>\$ 46,650</u>	<u>\$ 49,253</u>	<u>\$ 51,603</u>	<u>\$ 46,988</u>	<u>\$ 48,714</u>	<u>\$ 50,690</u>	<u>\$ 53,202</u>	<u>\$ 55,147</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 79,142	\$ 78,142	\$ 80,220	\$ 82,764	\$ 81,468	\$ 78,438	\$ 74,917	\$ 76,465	\$ 87,816	\$ 86,767
Restricted	15,288	5,387	12,953	10,709	7,220	8,696	12,191	15,079	16,299	14,948
Unrestricted	30,830	43,448	40,275	44,710	52,453	37,626	40,666	40,020	31,023	40,081
Total primary government net position	<u>\$125,260</u>	<u>\$126,977</u>	<u>\$133,448</u>	<u>\$138,183</u>	<u>\$141,141</u>	<u>\$124,760</u>	<u>\$127,774</u>	<u>\$131,564</u>	<u>\$135,138</u>	<u>\$141,796</u>

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

Expenses	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities:</b>										
General government	\$ 21,652	\$ 22,126	\$ 23,479	\$ 23,043	\$ 24,614	\$ 27,129	\$ 27,344	\$ 26,963	\$ 29,821	\$ 30,684
Public works	2,032	2,131	1,947	3,204	2,814	2,564	2,629	3,073	3,466	3,088
Public safety	31,144	34,056	33,654	36,439	36,578	37,411	39,748	41,509	44,378	46,274
Sanitation weed control	446	429	301	342	303	321	335	356	345	319
Health and welfare	4,929	4,020	4,549	3,808	3,834	3,127	2,761	2,419	2,610	2,300
Culture and recreation	796	950	818	727	1,040	1,049	1,285	1,247	1,355	1,213
Interest on long-term debt	30	-	-	-	-	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>61,029</b>	<b>63,712</b>	<b>64,748</b>	<b>67,563</b>	<b>69,183</b>	<b>71,601</b>	<b>74,102</b>	<b>75,567</b>	<b>81,975</b>	<b>83,878</b>
<b>Business-type activities:</b>										
Solid waste and landfill	8,779	9,439	9,038	8,396	8,852	9,027	10,134	10,336	10,706	11,831
<b>Total business-type activities expenses</b>	<b>8,779</b>	<b>9,439</b>	<b>9,038</b>	<b>8,396</b>	<b>8,852</b>	<b>9,027</b>	<b>10,134</b>	<b>10,336</b>	<b>10,706</b>	<b>11,831</b>
<b>Total primary government expenses</b>	<b>\$ 69,808</b>	<b>\$ 73,151</b>	<b>\$ 73,786</b>	<b>\$ 75,959</b>	<b>\$ 78,035</b>	<b>\$ 80,628</b>	<b>\$ 84,236</b>	<b>\$ 85,903</b>	<b>\$ 92,681</b>	<b>\$ 95,709</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 6,790	\$ 6,747	\$ 7,426	\$ 8,166	\$ 8,401	\$ 8,627	\$ 10,274	\$ 10,833	\$ 11,776	\$ 11,345
Public safety	9,710	10,371	10,774	12,012	11,480	11,539	10,903	11,476	11,564	13,107
Culture and recreation	411	451	469	421	448	447	409	490	505	640
Other activities	56	70	108	768	821	879	862	851	1,707	994
Operating grants and contributions	2,286	2,012	2,819	2,602	2,814	2,789	2,000	2,322	2,889	4,536
Capital grants and contributions	2,089	2,414	3,848	2,224	1,549	1,372	1,666	646	2,465	706
<b>Total governmental activities program revenues</b>	<b>21,342</b>	<b>22,065</b>	<b>25,444</b>	<b>26,193</b>	<b>25,513</b>	<b>25,653</b>	<b>26,114</b>	<b>26,618</b>	<b>30,906</b>	<b>31,328</b>
<b>Business-type activities:</b>										
Charges for services:										
Solid waste and landfill	10,594	10,597	10,722	10,962	11,451	12,021	12,604	12,907	13,630	14,258
Operating grants and contributions	-	-	-	-	-	-	-	73	113	-
Capital grants and contributions	-	-	170	-	-	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>10,594</b>	<b>10,597</b>	<b>10,892</b>	<b>10,962</b>	<b>11,451</b>	<b>12,021</b>	<b>12,604</b>	<b>12,980</b>	<b>13,743</b>	<b>14,258</b>
<b>Total primary government program revenues</b>	<b>\$ 31,936</b>	<b>\$ 32,662</b>	<b>\$ 36,336</b>	<b>\$ 37,155</b>	<b>\$ 36,964</b>	<b>\$ 37,674</b>	<b>\$ 38,718</b>	<b>\$ 39,598</b>	<b>\$ 44,649</b>	<b>\$ 45,586</b>

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (expense)/revenue										
Governmental activities	\$ (39,687)	\$ (41,647)	\$ (39,304)	\$ (41,370)	\$ (43,670)	\$ (45,948)	\$ (47,988)	\$ (48,949)	\$ (51,069)	\$ (52,550)
Business-type activities	1,815	1,158	1,854	2,566	2,599	2,994	2,470	2,644	3,037	2,427
Total primary government net (expense)/revenue	<u>\$ (37,872)</u>	<u>\$ (40,489)</u>	<u>\$ (37,450)</u>	<u>\$ (38,804)</u>	<u>\$ (41,071)</u>	<u>\$ (42,954)</u>	<u>\$ (45,518)</u>	<u>\$ (46,305)</u>	<u>\$ (48,032)</u>	<u>\$ (50,123)</u>
<b>General Revenues and other Changes in Net Assets</b>										
<b>Governmental activities:</b>										
Taxes:										
Property taxes, levied for general purposes	\$ 41,574	\$ 40,537	\$ 42,015	\$ 42,290	\$ 43,357	\$ 44,076	\$ 45,283	\$ 47,659	\$ 49,371	\$ 51,277
Sales and use taxes										
Miscellaneous	784	927	927	425	344	559	2,110	1,748	1,656	1,337
Interest and investment earnings	434	240	401	416	81	773	1,086	487	334	4,073
Gain (Loss) on sale of assets/property	(10)	(41)	(6)	(236)	(47)	110	38	135	12	-
Transfers	521	816	526	608	543	6,507	759	734	757	577
Total governmental activities	<u>\$ 43,303</u>	<u>\$ 42,479</u>	<u>\$ 43,863</u>	<u>\$ 43,503</u>	<u>\$ 44,278</u>	<u>\$ 52,025</u>	<u>\$ 49,276</u>	<u>\$ 50,763</u>	<u>\$ 52,130</u>	<u>\$ 57,264</u>
<b>Business-type activities:</b>										
Miscellaneous	263	431	346	319	357	-	-	227	213	58
Interest and investment earnings	193	95	234	277	71	-	-	-	-	-
Gain (Loss) on sale of assets/property	15	17	4	50	(135)	99	14	(161)	20	37
Transfers	(521)	(816)	(526)	(608)	(543)	(6,507)	(759)	(734)	(757)	(577)
Total business-type activities	<u>(50)</u>	<u>(273)</u>	<u>58</u>	<u>38</u>	<u>(250)</u>	<u>(6,408)</u>	<u>(745)</u>	<u>(668)</u>	<u>(524)</u>	<u>(482)</u>
Total primary government	<u>\$ 43,253</u>	<u>\$ 42,206</u>	<u>\$ 43,921</u>	<u>\$ 43,541</u>	<u>\$ 44,028</u>	<u>\$ 45,617</u>	<u>\$ 48,531</u>	<u>\$ 50,095</u>	<u>\$ 51,606</u>	<u>\$ 56,782</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 3,616	\$ 832	\$ 4,559	\$ 2,133	\$ 608	\$ 6,077	\$ 1,288	\$ 1,814	\$ 1,061	\$ 4,714
Business-type activities	1,765	885	1,912	2,604	2,349	(3,414)	1,725	1,976	2,513	1,945
Total primary government	<u>\$ 5,381</u>	<u>\$ 1,717</u>	<u>\$ 6,471</u>	<u>\$ 4,737</u>	<u>\$ 2,957</u>	<u>\$ 2,663</u>	<u>\$ 3,013</u>	<u>\$ 3,790</u>	<u>\$ 3,574</u>	<u>\$ 6,659</u>

**KOOTENAI COUNTY, IDAHO**  
**Governmental Activities Tax Revenue By Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Property Tax</b>
2010	41,574
2011	40,537
2012	42,015
2013	42,290
2014	43,357
2015	44,075
2016	45,283
2017	47,659
2018	49,371
2019	51,277

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

	2010 <sup>a</sup>	2011 <sup>b</sup>	2012	2013	2014	2015	2016 <sup>c</sup>	2017	2018	2019
<b>General fund</b>										
Nonspendable		\$ 18	\$ 12	\$ 274	\$ 146	\$ 99	\$ 499	\$ 489	\$ 56	\$ 55
Restricted		1,087	1,623	3,083	3,613	3,874	4,210	4,307	4,628	3,606
Committed		7,079	7,119	15,813	13,796	20,082	26,115	14,777	3,839	8,096
Assigned		-	526	555	655	-	-	12,569	13,247	7,115
Unassigned		20,150	21,335	13,223	16,378	18,987	15,511	12,607	12,333	20,732
Reserved	\$ 5,262									
Unreserved	22,687									
<b>Total general fund</b>	<b>\$ 27,949</b>	<b>\$ 28,334</b>	<b>\$ 30,615</b>	<b>\$ 32,948</b>	<b>\$ 34,588</b>	<b>\$ 43,042</b>	<b>\$ 46,335</b>	<b>\$ 44,749</b>	<b>\$ 34,103</b>	<b>\$ 39,604</b>
<b>All other governmental funds</b>										
Nonspendable		\$ 1	\$ 27	\$ 4	\$ 14	\$ 1	\$ 1	\$ 11	\$ 2	\$ 13
Restricted		2,499	2,555	2,037	1,830	3,353	5,026	6,363	6,560	6,652
Committed		1,322	880	1,487	1,726	1,077	888	287	965	1,609
Assigned		-	-	106	115	-	-	-	-	-
Reserved	\$ 1,476								(8)	-
Unreserved, reported in:										
Special revenue funds	2,290									
Capital projects funds										
Jail tax payment fund	-									
<b>Total all other governmental funds</b>	<b>\$ 3,766</b>	<b>\$ 3,822</b>	<b>\$ 3,462</b>	<b>\$ 3,634</b>	<b>\$ 3,685</b>	<b>\$ 4,431</b>	<b>\$ 5,915</b>	<b>\$ 6,661</b>	<b>\$ 7,519</b>	<b>\$ 8,274</b>

- Notes:
- a) Years prior to and including 2010 use the old fund balance classifications prior to GASB 54. These classifications include Reserved and Unreserved.
  - b) In 2011, the fund balance classifications have been changed to reflect the implementation of GASB 54. These classifications include Nonspendable, Restricted, Committed, Assigned, and Unassigned.
  - c) In 2016, certain Committed fund balance amounts were reclassified as Assigned for future planned project not appropriated in the next fiscal year. The Board of County Commissioner identifies these Assigned projects annually as part of their Fund Balance Policy.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 41,267	\$ 41,169	\$ 42,406	\$ 42,644	\$ 43,496	\$ 44,236	\$ 45,252	\$ 47,625	\$ 49,517	\$ 51,196
Licenses and permits	1,398	1,443	1,490	1,468	1,462	1,518	1,573	1,571	1,580	1,633
Intergovernmental	12,121	12,128	14,545	13,555	13,792	13,729	14,357	14,490	16,938	18,375
Interest	433	240	401	416	81	773	1,086	487	334	4,073
Fines and forfeitures	1,364	1,276	1,278	2,284	1,369	1,351	1,318	1,264	1,733	1,331
Charges for services	6,591	6,533	7,377	7,220	7,814	8,532	8,635	8,928	10,270	9,669
Miscellaneous	1,302	1,600	1,659	1,702	1,516	1,615	1,678	1,632	2,142	1,650
<b>Total revenues</b>	<b>64,476</b>	<b>64,389</b>	<b>69,156</b>	<b>69,289</b>	<b>69,530</b>	<b>71,754</b>	<b>73,899</b>	<b>75,997</b>	<b>82,514</b>	<b>87,927</b>
<b>Expenditures</b>										
General government	21,244	21,283	21,958	22,012	23,325	24,644	24,866	26,580	28,335	29,104
Public works	754	737	725	810	800	863	916	1,036	1,628	1,199
Public safety	29,676	32,096	32,117	33,762	34,136	34,734	36,675	39,474	42,026	43,333
Sanitation	445	418	290	289	304	315	326	351	348	305
Health & welfare	4,927	4,021	4,539	3,807	3,836	3,143	2,764	2,422	2,610	2,303
Culture and recreation	678	759	643	625	764	694	911	851	1,114	855
Debt Service:										
Principal retirement	87	508	-	-	-	-	-	-	-	-
Interest expense	30	23	-	-	-	-	-	-	-	-
Capital Outlay:										
Capital expenditures	2,836	2,760	2,618	3,461	2,860	2,914	2,007	3,413	3,492	2,537
Construction in progress	1,790	2,202	4,893	2,652	2,372	1,284	1,165	3,445	13,507	2,990
<b>Total expenditures</b>	<b>62,467</b>	<b>64,807</b>	<b>67,783</b>	<b>67,418</b>	<b>68,397</b>	<b>68,591</b>	<b>69,630</b>	<b>77,572</b>	<b>93,060</b>	<b>82,626</b>
<i>Excess of revenues over (under) expenditures</i>	<b>2,009</b>	<b>(418)</b>	<b>1,373</b>	<b>1,871</b>	<b>1,133</b>	<b>3,163</b>	<b>4,269</b>	<b>(1,575)</b>	<b>(10,546)</b>	<b>5,301</b>
<b>Other financing sources (uses)</b>										
Proceeds capital leases	-	-	-	-	-	-	-	-	-	-
Proceeds on asset disposal	-	-	-	-	-	-	-	-	-	-
Proceeds insurance	25	42	23	26	14	-	-	-	-	-
Transfers in	3,876	1,885	2,992	1,299	844	7,703	1,608	1,162	1,109	1,701
Transfers out	(3,355)	(1,069)	(2,466)	(691)	(301)	(1,666)	(1,099)	(427)	(352)	(745)
<b>Total other financing sources (uses)</b>	<b>546</b>	<b>858</b>	<b>549</b>	<b>634</b>	<b>557</b>	<b>6,037</b>	<b>509</b>	<b>735</b>	<b>757</b>	<b>956</b>
<b>Net change in fund balances</b>	<b>\$ 2,555</b>	<b>\$ 440</b>	<b>\$ 1,922</b>	<b>\$ 2,505</b>	<b>\$ 1,690</b>	<b>\$ 9,200</b>	<b>\$ 4,778</b>	<b>\$ (840)</b>	<b>\$ (9,789)</b>	<b>\$ 6,257</b>

Debt service and capital outlay as a percentage of noncapital expenditures	8.2%	9.3%	12.5%	10.0%	8.3%	6.5%	4.8%	9.7%	22.3%	7.2%
--	------	------	-------	-------	------	------	------	------	-------	------

**KOOTENAI COUNTY, IDAHO**  
**Governmental Activities Tax Revenue By Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Property Tax</b>
2010	41,267
2011	41,169
2012	42,406
2013	42,644
2014	43,496
2015	44,236
2016	45,252
2017	47,625
2018	49,517
2019	51,196

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Assessed Valuation and Tax Rates Last Ten Property Tax Years

Property Tax Year	Assessed Valuation	Homeowner's Exemptions	Net Taxable Value	Valuation Increase (Decrease)		Tax Rate per \$1,000 Value
				Amount	Percentage	
2009	17,827,693,186	3,038,098,804	14,789,594,382	(588,175,040)	-3.82%	2.52
2010	15,850,875,155	2,864,229,504	12,986,645,651	(1,802,948,731)	-12.19%	2.94
2011	14,849,948,100	2,692,289,417	12,157,658,683	(828,986,968)	-6.38%	3.20
2012	13,734,843,490	2,459,392,651	11,275,450,839	(882,207,844)	-7.26%	3.48
2013	14,025,313,586	2,489,942,844	11,535,370,742	259,919,903	2.31%	3.51
2014	15,151,795,597	2,716,861,499	12,434,934,098	899,563,356	7.80%	3.28
2015	16,095,591,743	2,972,809,230	13,122,782,513	687,848,415	5.53%	3.18
2016	17,269,402,857	3,243,314,553	14,026,088,304	903,305,791	6.88%	3.13
2017	18,949,571,071	3,609,413,391	15,340,157,680	1,314,069,376	9.37%	2.97
2018	21,193,383,834	3,883,558,094	17,309,825,740	1,969,668,060	12.84%	2.74

Notes:

Values based on 2018 December values certified by the State Tax Commission.

Property tax year lags one (1) year behind Fiscal Year.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Property Tax Rates – Direct and Overlapping Rates Last Ten Fiscal Years (rate per \$1,000 of assessed value)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>County Direct Rates</b>										
Current Expense	0.75	0.76	0.87	0.97	0.82	0.70	0.78	0.72	0.54	0.57
Liability Insurance	0.04	0.05	0.01	0.07	0.05	0.05	0.05	0.02	0.04	0.03
Airport Fund	0.03	0.03	0.03	0.01	0.03	0.02	0.02	0.03	0.02	0.02
Indigent Fund	0.12	0.24	0.24	0.18	0.06	0.09	0.02	0.06	0.00	0.00
District Court Fund	0.05	0.04	0.04	0.08	0.09	0.11	0.10	0.09	0.09	0.09
County Fair	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.00	0.00
Health District Fund	0.05	0.05	0.06	0.06	0.05	0.06	0.05	0.05	0.04	0.04
Historical Society	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Noxious Weed Control	0.02	0.02	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Parks Fund	0.02	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Revaluation Fund	0.16	0.17	0.20	0.13	0.18	0.18	0.17	0.16	0.16	0.13
Justice Fund	1.69	1.82	1.98	1.96	1.95	1.92	1.89	1.79	1.81	1.57
County Direct Rate	2.94	3.19	3.48	3.51	3.28	3.18	3.13	2.97	2.74	2.49
<b>City Rates</b>										
Athol	2.96	3.51	3.57	3.23	3.63	3.57	3.54	3.46	3.40	3.01
Coeur d'Alene	5.76	6.28	6.77	6.74	6.46	6.09	5.90	5.51	4.97	4.46
Dalton Gardens	0.53	0.54	0.60	0.56	0.52	0.54	0.49	0.48	0.45	0.40
Fernan	1.34	1.37	1.51	1.42	1.36	1.35	1.19	1.17	1.63	1.34
Harrison	2.78	2.95	3.66	3.66	4.03	3.76	3.89	3.84	3.74	3.39
Hauser Lake	0.49	0.52	0.54	0.52	0.58	0.57	0.57	0.54	0.48	0.44
Hayden	1.11	1.23	1.36	1.35	1.29	1.30	1.28	1.23	1.15	1.02
Hayden Lake	0.60	0.64	0.72	0.75	0.75	0.74	0.75	0.66	0.63	0.59
Huetter	4.90	5.42	5.71	5.63	5.93	5.52	5.35	4.97	4.52	4.30
Post Falls	5.21	5.71	6.00	5.79	5.55	5.45	5.59	5.25	4.83	4.26
Rathdrum	4.71	5.04	5.83	5.83	5.67	5.69	5.77	5.52	5.22	4.49
Spirit Lake	4.93	5.70	6.70	6.93	6.65	6.94	6.48	5.93	5.33	4.42
Worley	3.06	4.07	4.61	4.71	4.74	4.34	5.05	5.07	4.65	3.81
<b>School District Rates</b>										
Coeur d'Alene # 271	1.50	2.17	2.32	2.51	2.11	2.38	2.31	2.31	2.23	1.96
Lakeland Joint #272	3.58	3.78	3.56	3.41	3.31	3.19	3.44	4.53	4.12	3.48
Post Falls # 273	2.58	2.83	3.15	3.16	3.08	2.82	2.63	2.44	2.08	2.07
Kootenai # 274	1.16	1.82	1.73	2.79	2.20	2.13	1.61	1.75	1.58	1.45
Kellogg Joint #391	6.17	6.62	6.26	6.26	6.73	6.92	6.76	6.26	6.29	5.32
Plummer-Worley Joint #44 <sup>(a)</sup>	1.44	1.43	1.49	2.74	2.68	2.72	2.70	2.80	2.54	2.86
<b>Highway District Rates</b>										
Post Falls # 1	0.45	0.49	0.68	0.69	0.67	0.65	0.61	0.57	0.51	0.45
Lakes # 2	0.67	0.72	0.79	0.80	0.78	0.76	0.74	0.69	0.63	0.58
East Side # 3	0.49	0.56	0.64	0.68	0.66	0.65	0.64	0.63	0.58	0.54
Worley # 4	0.87	1.00	1.18	1.28	1.26	1.25	1.24	1.21	1.16	1.09

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Property Tax Rates – Direct and Overlapping Rates Last Ten Fiscal Years (rate per \$1,000 of assessed value)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Fire District Rates</b>										
East Side	0.62	0.73	0.84	0.91	0.89	0.89	0.89	0.91	0.86	0.83
Hauser Lake	1.21	1.32	1.47	1.42	1.38	1.39	1.39	1.28	1.14	1.00
Northern Lakes	1.18	1.31	1.46	1.48	1.42	1.41	1.40	1.33	1.25	1.13
KC Fire & Rescue	1.86	1.99	1.98	2.01	1.92	1.93	1.89	1.89	1.88	1.70
Mica Kidd Island	0.48	0.56	0.64	0.68	0.65	0.64	0.64	0.63	0.61	0.57
Shoshone County #2	1.57	1.77	1.90	2.01	2.08	2.09	2.15	2.15	2.54	2.21
Spirit Lake	0.95	1.04	1.21	1.22	1.24	1.27	1.27	1.21	1.07	0.98
St. Maries	0.81	0.82	0.97	1.00	1.01	1.01	1.05	1.03	0.95	0.92
Timberlake	1.13	1.21	1.34	1.38	1.33	1.34	1.31	1.25	1.15	1.05
Worley	0.66	0.76	0.95	1.04	1.02	1.02	1.02	1.01	0.97	0.92
<b>Water/Sewer District Rates</b>										
Cataldo Water	0.44	0.48	0.53	0.54	0.53	0.52	0.51	0.51	0.52	0.47
Cleland Bay Sewer	0.29	0.31	0.40	0.43	0.43	0.42	0.42	0.41	0.39	0.39
Hayden Lake Sewer	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.05	0.05	0.05
Kidd Island Bay Sewer	0.43	0.50	0.71	0.71	0.66	0.69	0.68	0.66	0.65	0.62
Kingston-Cataldo Sewer	0.52	0.58	0.67	0.69	0.70	0.71	0.70	0.71	0.72	0.63
Kootenai Water #1	1.18	1.53	1.81	2.01	2.00	1.78	1.59	1.47	1.38	1.20
<b>Other Special District Rates</b>										
Community Library Network	0.31	0.36	0.41	0.42	0.41	0.40	0.40	0.38	0.36	0.32
KCEMSS	0.15	0.16	0.17	0.18	0.17	0.17	0.17	0.16	0.15	0.14
North Idaho College	1.00	1.10	1.22	1.20	1.12	1.10	1.04	0.98	0.89	0.80
Flood Control #17	0.41	0.45	0.45	0.40	0.20	0.19	0.18	0.17	0.14	0.14
Hayden Lake Watershed Improvement	0.00	0.00	0.00	0.00	0.13	0.12	0.12	0.11	0.10	0.09

**Notes:**

All Urban Renewal Districts have been omitted from this schedule.

- <sup>(a)</sup> In 2010, the Idaho State Board of Education approved School District 44J's application for State financial support of plant & facilities. Payment for the financial support is generated through a property tax levy, which created an increase to the direct rate paid by taxpayers in Plummer/Worley School District 44J.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Property Tax Rates – Direct and All Overlapping Governments Last Ten Tax Years

### Cumulative levy totals for all agencies within each classification

Tax Year	County	Cities	Highways	Schools	Fire Districts	Water and Sewer Districts	Other Districts
2010	0.002940391	0.038373823	0.002481024	0.016415676	0.010491113	0.002921322	0.137520768
2011	0.003195029	0.043042145	0.002783659	0.018686644	0.011562790	0.003485345	0.138552530
2012	0.003478006	0.047635446	0.003310129	0.018549900	0.012811468	0.004212173	0.145968269
2013	0.003507607	0.047135525	0.003444384	0.020873900	0.013137037	0.004437574	0.145870150
2014	0.003283784	0.047154592	0.003358059	0.020112143	0.012947053	0.004378301	0.139119572
2015	0.003178062	0.045863086	0.003305299	0.020160875	0.012996882	0.004164335	0.134979701
2016	0.003128520	0.045865262	0.003230770	0.019463275	0.013015654	0.003950021	0.122326472
2017	0.002970344	0.043635763	0.003100654	0.020099903	0.012697494	0.003805762	0.115832517
2018	0.002737167	0.040992691	0.002882903	0.018834746	0.012415637	0.003713929	0.093264408
2019	0.002488493	0.035930178	0.002627921	0.017139170	0.011298161	0.003354613	0.101956939

Tax Year 2019	Cities	Highways	Schools	Fire	Water & Sewer	Other
Number of taxing district:	13	4	6	10	6	16
Average tax rate per distr	0.002763860	0.000656980	0.002856528	0.001129816	0.000559102	0.006372309
Minimum levy rate	0.000402644	0.000448421	0.001447199	0.000571102	0.000047177	0.000086818
Maximum levy rate	0.004488580	0.001086944	0.005317524	0.002214685	0.001198420	0.010344255

**Notes:**

Tax rates are expressed as \$1 per market value.

Other Districts include Libraries, North Idaho College, Kootenai EMS, Flood Control, Hayden Lake Watershed Improvement and (11) URDs.

Kootenai Health's (hospital) last levy was 1996.

The number of URDs may change from year to year. TY2018 Post Falls City Center URD Closed. TY2019 (2)

New URDs: CDA Atlas & Post Falls Tech

No single taxpayer in Kootenai County is subject to all tax levies.

2019 levy rates as of 9/30/19.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Principal Property Taxpayers, Current Year and Nine Years Ago September 30, 2019

Taxpayer	FY 2019 <sup>1</sup>			FY 2010 <sup>2</sup>		
	Net Taxes Due	Rank	Percentage of Total Net Taxes Due	Net Taxes Due	Rank	Percentage of Total Net Taxes Due
Avista Corporation	\$ 2,767,979	1	1.41%	\$ 1,313,337	2	3.53%
Hagadone Hospitality Co., Hagadone Holdings, LLP	1,402,932	2	0.72%	1,300,809	3	3.50%
Rathdrum Power, LLC	1,051,940	3	0.54%	1,396,868	1	3.75%
Burlington No & Santa Fe RR	644,355	4	0.33%	-	-	-
Wal-Mart Real Estate Business & Trust, Wal-Mart Stores Inc.	504,157	5	0.26%	-	-	-
Idaho Forest Group. LLC	498,206	6	0.25%	263,596	8	0.71%
Post Falls Retirement Real Estate Investors, LLC	454,079	7	0.23%	-	-	-
Union Pacific Railroad Co.	427,885	8	0.22%	-	-	-
Gas Transmission Northwest	425,040	9	0.22%	329,244	6	0.88%
North Idaho Surgical Hospital Bldg LLC	410,909	10	0.21%	229,019	11	0.62%
Glacier 1919 Lincoln Way LLC, 400 Wilbur LLC, 600 LLC, 700 LLC	409,122	11	0.21%	-	-	-
Silverwood Inc.	344,700	12	0.18%	-	-	-
Biopole Laboratory	334,062	13	0.17%	-	-	-
Horowitz Limited Partnership VII	298,234	14	0.15%	-	-	-
Riverview Venture, LLC	254,465	15	0.13%	-	-	-
Verizon Northwest	-	-	-	781,927	4	2.10%
Kimball International Market Inc, Flexcel Inc.	-	-	-	373,567	5	1.00%
Discovery CDA, Investors LLC	-	-	-	274,372	7	0.74%
Riverstone Center	-	-	-	260,351	9	0.70%
Stephen F Meyer, ETUX	-	-	-	253,687	10	0.68%
Norton Aero, LTD	-	-	-	216,755	12	0.58%
Stimson Lumber Company	-	-	-	212,806	13	0.57%
Silver Lake Mall, LLC	-	-	-	210,059	14	0.56%
Pointe LLC (The)	-	-	-	194,919	15	0.52%
Sub Total	<u>10,228,065</u>		<u>5.23%</u>	<u>7,611,316</u>		<u>20.44%</u>
All Other Taxpayers	<u>185,488,282</u>		<u>94.77%</u>	<u>127,037,582</u>		<u>79.56%</u>
<b>Total Net Taxes For All Taxing Districts in Kootenai County</b>	<b><u>\$ 195,716,347</u></b>		<b><u>100.00%</u></b>	<b><u>\$ 134,648,898</u></b>		<b><u>100.00%</u></b>
<b>Total Net Taxes Due to Kootenai County</b>	<b><u>\$ 47,299,287</u></b>			<b><u>\$ 37,210,362</u></b>		

**Notes:**

<sup>1</sup> Based on 2018 Net Taxes billed in FY 2019.

<sup>2</sup> For the historical data, an overall County average property tax percentage was applied. Based on Kootenai County as a taxing district.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO County Property Tax Levy and Collections Last Ten Fiscal Years

Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Tax Collections to Date	
		Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
2010	37,210,362	35,877,963	96.42%	1,332,399	37,210,362	100.00%
2011	38,012,979	36,799,874	96.81%	1,213,105	38,012,979	100.00%
2012	38,522,997	37,321,699	96.88%	1,201,299	38,522,998	100.00%
2013	38,955,671	38,235,796	98.15%	719,875	38,955,671	100.00%
2014	40,239,694	39,208,624	97.44%	1,031,070	40,239,694	100.00%
2015	40,587,506	40,140,395	98.90%	447,111	40,587,506	100.00%
2016	41,594,122	41,054,462	98.70%	539,660	41,594,122	100.00%
2017	43,843,913	43,262,208	98.67%	581,705	43,843,913	100.00%
2018	45,435,436	45,168,727	99.41%	266,709	45,435,436	100.00%
2019	47,299,287	46,901,227	99.16%	48,782	46,950,009	99.26%

Note: Tax levy and collection figures do not include Kootenai EMS.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years (amounts in thousands of dollars)

Fiscal Year Ended September 30,	Real Property	Personal Property	Operating Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (per \$1,000 of assessed value)
2010	13,994,225	407,616	478,545	1,998,707	12,881,679	2.94
2011	13,010,643	338,341	448,973	1,785,737	12,012,220	3.19
2012	12,153,910	382,298	440,487	1,793,655	11,183,040	3.48
2013	12,433,334	350,489	452,752	1,861,665	11,374,910	3.51
2014	13,479,812	325,041	460,932	1,916,353	12,349,432	3.28
2015	14,266,156	281,525	471,392	1,948,409	13,070,664	3.18
2016	15,201,408	258,831	480,106	2,008,886	13,931,459	3.13
2017	16,560,772	256,242	522,114	2,103,454	15,235,674	2.97
2018	18,629,320	275,095	563,729	2,247,066	17,221,078	2.74
2019	21,685,131	271,132	578,977	2,525,850	20,009,390	2.49

**Notes:**

Operating property values are wholly assigned by the Idaho State Tax Commission.

Property in Kootenai County is revalued on a rotating schedule that affects every property once in five years.

**Source:** Kootenai County abstracts produced by the Kootenai County Assessor's Office.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Forgone Amounts as of the 2019 Tax Year

District	Forgone Amount
Kootenai County	\$ 9,105,938
City of Athol	387
City of Coeur d'Alene	5,668,772
City of Dalton Gardens	2,046
City of Harrison	11,857
City of Hauser Lake	1,999
City of Hayden	38
City of Hayden Lake	614
City of Huetter	3,329
City of Post Falls	2,617,249
City of Rathdrum	427,330
City of Spirit Lake	30,739
KC Emergency Medical Services System	180,647
East Side Fire	126,267
Hauser Lake	9,544
Kootenai County Fire & Rescue	342,638
Northern Lakes Fire	153
Shoshone Fire #2	103
St. Maries Fire	603
Timberlake Fire	6
Twin Lakes-Rathdrum Flood Control #17	25,649
Lakes Highway # 2	1,398,178
Post Falls Highway # 1	810,114
Worley Highway # 4	12,301
Kootenai Hospital	61,391
North Idaho College	3,341,527
Community Library Network	23,539
Cataldo Water	1,279
Cleland Bay Sewer	345
Hayden Lake Sewer	16,165
Kidd Island Bay Sewer	1,262
Kingston Cataldo Sewer	252
Kootenai County Water #1	12,397
Hayden Lake Watershed	27,220

Note: Forgone is defined as the amount of a previously allowable increase in the non-exempt property tax portion of the budget that was not taken. This amount is available for the district to add to the regular budget increase calculation and can be levied in subsequent years.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Legal Debt Margin Information Last Ten Fiscal Years

Legal Debt Margin Calculation For Fiscal Year 2019

Assessed Valuations:

Assessed Value	\$ 24,722,741,270
Add Back Homestead Exemptions	\$ 4,145,131,416
Total Assessed Value <sup>1</sup>	<u>\$28,867,872,686</u>

Legal Debt Margin

Debt Limitation*: 2% of assessed market value	\$577,357,454
Less: Debt applicable to limitation	-
Legal Debt Margin	\$577,357,454

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$349,275,816	\$323,594,507	\$296,253,149	\$302,545,434	\$329,958,607	\$390,188,661	\$413,970,564	\$451,644,044	\$504,241,245	\$577,357,454
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$349,275,816	\$323,594,507	\$296,253,149	\$302,545,434	\$329,958,607	\$390,188,661	\$413,970,564	\$451,644,044	\$504,241,245	\$577,357,454
Total net debt applicable to the limit as a percentage of debt lin	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<sup>1</sup> Assessed Values released as of July 2019 for Tax Year 2019

\*Idaho Code: 31-1901;50-1019

Kootenai County Board of County Commissioners may issue negotiable coupon bonds for purposes of satisfying outstanding indebtedness.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Direct and Overlapping Debt September 30, 2019

Number of Issues	Jurisdiction	Net Debt Outstanding	Earliest Issue Date (Month/Year)	Oldest Maturity Date (Month/Year)	Estimated Percentage Applicable <sup>(1)</sup>	Estimated Share of Overlapping Debt
<b>Direct Debt:</b>						
0	Kootenai County	\$ -	N/A	N/A	N/A	N/A
<b>Direct Debt</b>						
<b>Overlapping Debt:</b>						
2	City of Coeur d'Alene	\$ 4,909,189	July/15	Sep/25	100.00%	\$ 4,909,189
2	Coeur d'Alene SD #271	44,180,000	Nov/12	Sep/31	100.00%	44,180,000
2	Lakeland SD #272	6,410,000	June/12	Aug/25	99.53%	6,379,873
2	Post Falls SD #273	32,560,000	May/15	Sept/39	100.00%	32,560,000
1	Kootenai Joint SD #274	660,000	Feb/13	Aug/22	99.44%	656,304
1	Kellogg Joint SD #391	6,624,825	Nov/05	Sep/26	17.58%	1,164,644
1	Plummer Worley #44 <sup>(2)</sup>	3,911,388	Sep/10	Sep/30	68.65%	2,685,168
1	St. Maries Fire District	220,000	Feb/12	Sep/27	25.32%	55,704
1	Community Library Network	1,425,000	Oct/05	Aug/25	97.96%	1,395,930
1	Bayview Water/Sewer District	359,599	Nov/04	Nov/22	N/A	N/A <sup>(3) (4)</sup>
<b>Subtotal, Overlapping Debt</b>		<u>101,260,001</u>				<u>93,986,812</u>
<b>Total Overlapping &amp; Underlying Debt</b>		<u>\$ 101,260,001</u>				<u>\$ 93,986,812</u>

**Notes:**

All the above districts are individual taxing districts within Kootenai County.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Kootenai County. This process recognizes that, when considering the county's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>(1)</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the county's boundaries and dividing it by each unit's total taxable assessed value.

<sup>(2)</sup> In 2010, the Idaho State Board of Education approved School District 44J's application for State financial support of plant & facilities. Payment for the financial support is generated through a property tax levy, which created an increase to the direct rate paid by taxpayers in Plummer/Worley School District 44J.

<sup>(3)</sup> Bayview Water and Sewer District is a non-levying district, therefore there is no ability to calculate overlapping debt

<sup>(4)</sup> Bayview W/S data is estimated based on 2016 report from district, no current reports provided.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Demographic and Economic Statistics Last Ten Fiscal Years

Population <sup>(a)</sup>					
Year	Kootenai County	Change from prior year	State of Idaho	Change from prior year	
2010	138,494	-0.6%	1,570,773	1.6%	
2011	140,881	1.7%	1,583,828	0.8%	
2012	142,071	0.8%	1,595,441	0.7%	
2013	143,887	1.3%	1,611,530	1.0%	
2014	146,556	1.9%	1,631,479	1.2%	
2015	149,414	2.0%	1,651,523	1.2%	
2016	153,144	2.5%	1,682,930	1.9%	
2017	157,637	2.9%	1,718,904	2.1%	
2018	161,505	2.5%	1,754,208	2.1%	
2019	N/A	N/A	1,787,065	1.9%	

Per Capita Personal Income <sup>(b)</sup>					
Year	Kootenai County	State of Idaho	Kootenai Co. as a % of State of Idaho	Personal Income (thousands of dollars)	Annual Average Unemployment Rate <sup>5</sup>
2010	32,098	31,921	100.6%	4,428,438	10.8%
2011	33,714	33,503	100.6%	4,646,516	9.8%
2012	35,502	35,187	100.9%	4,933,536	8.4%
2013	36,413	36,167	100.7%	5,262,500	7.4%
2014	38,416	37,896	101.4%	5,400,382	5.8%
2015	40,453	39,857	101.5%	5,804,150	5.2%
2016	41,370	40,670	101.7%	6,335,567	4.7%
2017	43,129	42,094	102.5%	6,656,049	3.9%
2018	44,987	43,901	102.5%	7,265,573	3.5%
2019	N/A	N/A	N/A	N/A	3.2%

Year	School Enrollment <sup>(c)3</sup>	Regular High School Diplomas <sup>(c)4</sup>	Median Age		
			Year	Kootenai County (a)	State of Idaho (a)
2010	22,806	1,362	2010	39.1	34.7
2011	22,870	1,563	2011	39.0	35.0
2012	22,645	1,467	2012	39.4	35.2
2013	23,185	1,695	2013	39.8	35.4
2014	22,367	1,496	2014	39.8	35.6
2015	22,575	1,388	2015	40.1	35.9
2016	23,187	1,441	2016	39.7	36.1
2017	23,466	1,485	2017	41.4	36.3
2018	23,639	1,424	2018	39.7	35.9
2019	24,532	N/A	2019	N/A	N/A

Source for Data (except where noted): Idaho Department of Commerce & Labor

(a) US Census Bureau

(b) US Department of Commerce

(c) Idaho Department of Education; for 2019, we have not received a response for number of diplomas

<sup>1</sup> Population estimates for the current year are not available at report date.

<sup>2</sup> Data is based on income tax information from the Internal Revenue Service and is not currently available.

<sup>3</sup> School enrollment includes data from School Districts 44J, 271J, 274J, and 391J, which are joint districts and partially located in Kootenai County. It also includes all charter academies in the County, except for the Idaho Distance Education Academy Resource Center in Post Falls, ID.

<sup>4</sup> Regular high school diplomas includes those from alternative high schools and charter academies.

<sup>5</sup> Annual average is calculated as the sum of the unemployment rate each month of the calendar year divided by 12.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Principal Employers Current Year and Nine Years Ago

Employer	2019			2010		
	Range of Employees	Rank	Percentage of Total County Employment	Range of Employees	Rank	Percentage of Total County Employment
Kootenai Health	3,000+	1	3.9%+	1,800 - 1,899	1	3.43 - 3.62%
Hagadone Hospitality Co.	1,000 - 2,000	2	1.3 - 2.6%	900 - 999	4	1.72 - 1.90%
Kootenai County	800 - 899	3	1.0 - 1.2%	700 - 799	7	1.33 - 1.52%
Coeur d'Alene Casino (Tribe)	800 - 899	4	1.0 - 1.2%	800 - 899	5	1.53 - 1.71%
North Idaho College	800 - 899	5	1.0 - 1.2%	800 - 899	6	1.53 - 1.71%
Wal-Mart	600 - 699	6	0.8 - 0.9%	700 - 799	8	1.33 - 1.52%
US Bank	600 - 699	7	0.8 - 0.9%	-	-	-
Qualfon Data	400 - 499	8	0.5 - 0.7%	-	-	-
City of Coeur d'Alene	400 - 499	9	0.5 - 0.7%	-	-	-
Costco Wholesale	300 - 399	10	0.4 - 0.5%	-	-	-
Center Partners (CDA)	-	-	-	1,500-1,999	2	2.86 - 3.81%
Coeur d'Alene School District <sup>1</sup>	-	-	-	1,000-1,499	3	1.91 - 2.86%
Post Falls School District <sup>1</sup>	-	-	-	600 - 699	9	1.14 - 1.32%
Lakeland School District <sup>1</sup>	-	-	-	500 - 599	10	0.95 - 1.13%
Average employment size of the 10 largest employers	913			1,020		
Kootenai County Non-Farm Payroll Employment Total <sup>2</sup>	76,757			52,456		

Source for Data: Idaho Department of Commerce & Labor and US Bureau of Labor Statistics local office

<sup>1</sup> Per local economist at IDCL, some employment data, mainly school districts, did not make employment information available in 2019.

<sup>2</sup> Non-Farm Payroll Employment excludes Kootenai County residents who are self-employed and who work outside Kootenai County.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Summary of Deposits Domestic Financial Institutions Operating in Kootenai County, Idaho Last Ten Years (amounts in millions of dollars)

Institution Type	Branches	Headquarters	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	in Kootenai County	in Kootenai County										
<i>(1) Data as of June 30th</i>												
Commercial Banks	54	-	3,391	3,315	3,261	2,764	2,182	2,018	1,861	1,817	1,740	\$1,837
FDIC Savings Banks	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal FDIC- Insured Institutions</b>	54		\$3,391	\$3,315	\$3,261	\$2,764	\$2,182	\$2,018	\$1,861	\$1,817	\$1,740	\$1,837
<i>(2) Data as of December 31st</i>												
Credit Unions	-	-	13	17	9	9	9	9	9	9	8	9
<b>Total</b>	54	-	\$3,391	\$3,315	\$3,261	\$2,764	\$2,182	\$2,018	\$1,861	\$1,817	\$1,740	\$1,837

Kootenai County's total deposit market share for all FDIC-Insured institutions rank at 10.08% of the total deposits at like institutions within the State of Idaho.

*(1) Source: Federal Deposit Insurance Corporation*

*(2) Source: Local Credit Union listing online research*

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO County Employees by Function Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
Assessor	66.5	66.0	66.0	61.0	61.0	59.0	61.0	63.0	63.0	66.0
Clerk	<sup>1</sup> 75.5	75.5	77.5	77.5	78.5	84.8	84.5	84.5	86.5	83.4
Commissioners	<sup>1</sup> 107.3	105.9	100.4	99.4	99.5	106.5	108.7	108.7	110.3	112.9
Prosecuting Attorney	35.5	35.5	36.5	38.5	43.5	44.2	41.2	41.2	50.0	50.0
Sheriff	4.0	4.0	4.0	4.0	3.8	4.0	4.0	3.0	3.0	3.0
Treasurer	<sup>1</sup> 7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	7.0
<b>Public Safety</b>										
Commissioners	77.1	78.1	69.1	64.6	64.9	64.9	63.5	64.5	67.4	72.5
Coroner	2.0	2.3	2.3	2.0	2.0	3.0	2.5	2.5	3.0	3.1
Sheriff	<sup>1</sup> 154.3	156.4	163.4	162.7	162.3	165.8	170.3	174.6	174.5	177.3
Jail (Sheriff)	124.4	120.4	122.4	122.4	126.4	121.0	119.5	119.5	129.5	134.5
Prosecuting Attorney	-	-	-	-	-	-	4.0	4.0	4.6	7.6
District Court Judges	34.0	34.0	34.0	35.0	34.0	32.0	33.0	33.0	34.0	34.0
<b>Culture and Recreation</b>										
Commissioners	7.5	7.5	7.5	7.5	6.3	7.8	7.8	8.0	7.8	7.8
<b>Public Works</b>										
Commissioners	7.6	7.6	7.6	7.6	7.6	9.8	7.6	7.6	9.6	9.6
<b>Health and Welfare</b>										
Clerk	7.0	7.0	8.0	7.0	7.0	6.0	6.0	6.0	6.0	5.6
<b>Sanitation</b>										
Commissioners	3.6	2.6	1.6	1.9	1.9	4.9	2.8	2.8	2.6	3.2
<b>Solid Waste</b>										
Commissioners	64.3	61.0	59.0	59.0	58.0	58.0	59.0	60.0	60.0	62.0
<b>Total</b>	<b>777.6</b>	<b>770.8</b>	<b>766.3</b>	<b>757.1</b>	<b>763.7</b>	<b>778.7</b>	<b>782.4</b>	<b>790.9</b>	<b>819.8</b>	<b>839.5</b>

Source: Kootenai County Adopted Budget Documents and Payroll Data

<sup>1</sup> Temporary & Seasonal employees in these departments total 18 countywide

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Police</b>										
Physical arrests	9,156	8,291	7,824	7,830	6,983	7,936	8,423	8,055	8,542	7,998
<b>District Court Caseload</b>										
Felonies	2,028	1,957	920	1,101	1,114	1,091	1,325	1,415		
Misdemeanors	11,195	10,217	7,077	7,226	6,893	8,397	7,488	7,778		
Infractions <sup>1</sup>	18,379	17,400	14,613	16,473	16,489	16,246	17,542	15,901	12,770	14,191
Criminal <sup>1</sup>									8,916	7,490
Civil <sup>1</sup>									9,910	9,316
<b>Refuse Collection</b>										
Landfilled refuse <sup>2</sup>	123	122	123	128	133	137	155	162	174	181
Refuse collected <sup>2</sup>	150	144	142	153	159	168	188	191	203	212
Recyclables collected <sup>2</sup>	21	14	15	15	15	17	24	16	19	19
<b>Parks and Waterways</b>										
Improved facilities	24	24	24	24	24	24	24	24	24	24
<b>Airport</b>										
Buildings <sup>3</sup>	95	95	95	95	95	95	99	103	106	108

Sources: Various County Departments

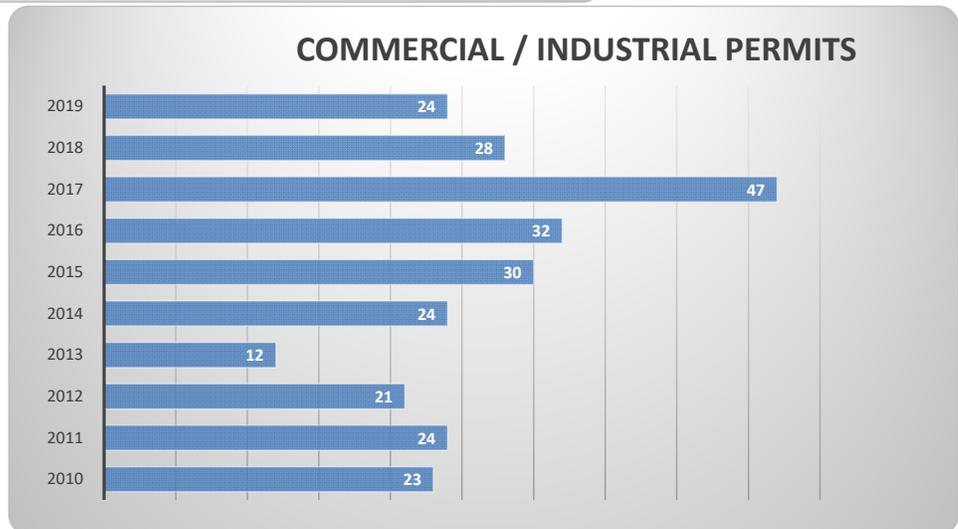
<sup>1</sup> The Idaho Supreme Court changed case management systems in April 2018. The new system combines certain types of types of cases for reporting which may not be comparable to pre-2018 case counts. Additionally, case counts do not account for the complexity and length of certain types of cases.

<sup>2</sup> Amounts shown in thousands of tons.

<sup>3</sup> Each year reflects the cumulative total of completed buildings located at the Coeur d'Alene Airport.

**KOOTENAI COUNTY, IDAHO  
Building Permits and Construction Values  
For the Last Ten Years**

Year	Residential		Commerical/Industrial	
	Permits	Value	Permits	Value
2010	145	42,458,717	23	7,672,725
2011	119	37,889,702	24	4,372,917
2012	136	37,992,115	21	6,066,286
2013	201	58,014,200	12	3,017,010
2014	229	73,205,987	24	3,034,482
2015	285	82,038,426	30	7,787,390
2016	315	94,246,973	32	12,353,808
2017	383	113,586,535	47	17,883,226
2018	347	108,710,280	28	11,367,726
2019	330	99,971,381	24	10,517,068



Notes:

- (1) Values based on estimated replacement cost per square foot as determined by the International Building Code.
- (2) The "Opt-Out" provision for county building permits was in force from April 2018 through April 2019, reducing both the number and amounts of rural permits during that period.

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Capital Asset Values by Function Last Ten Fiscal Years (amounts in thousands of dollars)

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government:										
Land	\$ 3,023	\$ 3,232	\$ 3,232	\$ 3,232	\$ 3,847	\$ 3,838	\$ 3,973	\$ 4,342	\$ 4,342	\$ 4,342
Buildings	16,567	18,210	18,316	15,938	15,938	17,196	17,461	18,057	18,671	18,539
Improvements	60	61	240	1,417	1,915	2,651	2,770	2,856	4,627	5,030
Machinery and equipment	10,452	10,182	11,077	12,334	12,463	11,582	10,066	10,845	11,283	11,332
Public works:										
Land	1,828	1,828	1,828	1,828	1,828	2,437	2,437	2,437	3,233	3,233
Buildings	562	562	562	562	562	1,888	2,357	2,357	2,357	2,357
Improvements	25,247	26,143	27,665	28,623	32,131	32,491	33,780	34,330	34,182	34,830
Machinery and equipment	2,011	2,210	2,183	2,349	2,391	2,015	2,497	2,964	2,979	2,868
Public safety:										
Land	107	107	107	108	108	107	107	107	107	107
Buildings	21,774	20,280	20,539	23,245	23,245	23,294	23,294	23,366	23,738	35,905
Improvements	51	99	5,008	3,921	3,913	4,647	4,667	4,667	4,676	4,646
Machinery and equipment	10,076	10,062	12,024	13,891	15,454	12,958	14,953	16,039	16,695	17,211
Sanitation:										
Land	1,658	1,658	1,782	1,747	1,747	1,747	1,751	1,896	1,896	1,896
Buildings	632	613	7,166	740	818	838	873	935	935	989
Improvements	34,233	39,755	33,747	40,289	45,012	45,295	46,272	46,672	47,899	50,179
Machinery and equipment	10,518	10,475	10,895	11,608	12,085	12,556	13,555	13,905	14,375	14,929
Health & welfare:										
Machinery and equipment	21	16	10	22	16	11	9	9	-	-
Culture and recreation:										
Land	249	249	249	249	249	249	249	249	249	249
Buildings	371	358	358	410	410	397	457	457	457	457
Improvements	1,201	1,206	1,858	3,159	3,516	3,521	3,444	3,667	4,090	4,974
Machinery and equipment	608	1,612	1,569	1,136	1,114	1,118	1,021	1,035	1,128	1,147
Capital projects:										
Construction in progress	12,205	9,168	6,027	9,046	3,580	2,247	953	4,788	17,247	6,873
	<u>\$ 153,454</u>	<u>\$ 158,086</u>	<u>\$ 166,442</u>	<u>\$ 175,854</u>	<u>\$ 182,343</u>	<u>\$ 183,084</u>	<u>\$ 186,945</u>	<u>\$ 195,983</u>	<u>\$ 215,168</u>	<u>\$ 222,097</u>

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Capital Assets Statistics by Function Last Ten Fiscal Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 <sup>1</sup>
General Government:											
Vehicles									38	36	42
Public safety:											
Kootenai County Sheriff											
Patrol Units - Vehicle	58	62	71	76	78	81	77	73	72	71	69
Patrol Units - Boat		10	10	10	10	10	10	10	10	11	11
Certified Jail Beds							327	327	327	452	452
Juvenile Detention Center											
Beds							53	53	53	53	53
Public Works:											
Airport											
Acreage	1,140	1,140	1,140	1,140	1,140	1,140	1,198	1,198	1,235	1,235	1,235
Length of Longest Runway (Ft.)		7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400
Apron Marked Tie Downs	73	73	73	73	73	73	73	73	73	70	70
Sanitation:											
Solid Waste											
Transfer Trailers	33	37	34	34	34	32	34	38	37	40	43
Landfill Available Capacity (in 1,000 tons)				635	2,602	2,471	2,073	1,918	1,756	1,583	1,402
Rural Sites		14	14	14	14	13	13	13	13	12	12
Culture and Recreation:											
Waterways/Park & Recreation											
Parks									10	10	10
Boat Launches									22	22	22
Dock Sq. Feet									52,800	52,800	52,800

Sources: Various County Departments

<sup>1</sup> Statistic schedule was revised in FY 2019, providing at least 2 years of prior data as comparison. Information will be added annually until 10 years of data is presented.

# **Single Audit Section**



# **Auditor's Section**





**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of County Commissioners  
Kootenai County, Idaho  
Coeur d’Alene, Idaho

We have audited, 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, the financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated March 5, 2020. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units Kootenai County Emergency Medical Services System as of and for the year ended September 30, 2019, and North Idaho Fair & Rodeo as of and for the year ended December 31, 2018. This report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those discretely presented component units.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

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. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**What inspires you, inspires us. Let’s talk. | [eidebailly.com](http://eidebailly.com)**

877 W. Main St., Ste. 800 | Boise, ID 83702-5858 | T 208.344.7150 | F 208.344.7435 | EOE

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho  
March 5, 2020



**Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Commissioners  
Kootenai County, Idaho  
Coeur d’Alene, Idaho

**Report on Compliance for the Major Federal Program**

We have audited Kootenai County, Idaho’s (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County’s major federal program for the year ended September 30, 2019. The County’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the compliance of the County’s major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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 the 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the County’s compliance.

**Opinion on the Major Federal Program**

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended September 30, 2019.

**What inspires you, inspires us. Let’s talk. | [eidebailly.com](http://eidebailly.com)**

877 W. Main St., Ste. 800 | Boise, ID 83702-5858 | T 208.344.7150 | F 208.344.7435 | EOE

## Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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 the 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Boise, Idaho  
March 5, 2020

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Audit Findings and Questioned Costs For the Year Ended September 30, 2019

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

#### Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

#### Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Federal Transit Cluster	20.507/20.526
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**KOOTENAI COUNTY, IDAHO**  
**Schedule of Audit Findings and Questioned Costs**  
**For the Year Ended September 30, 2019**

**Section II – Financial Statement Findings**

No findings noted.

**Section III – Federal Award Findings and Questioned Costs**

No findings noted.

# **Auditee's Section**



# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2019

Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
<b>Department of Agriculture</b>				
<u>Direct Programs</u>				
Forest Service Schools and Roads Cluster				
Title III	10.665		\$ 47,111	\$ -
Subtotal Forests Service Schools and Roads Cluster			<u>47,111</u>	<u>-</u>
<u>Pass-Through Programs</u>				
Idaho State Superintendent of Public Instruction				
Child Nutrition Cluster				
School Breakfast Program	10.553	RC28-03	19,157	-
National School Lunch Program	10.555	RC28-03	<u>30,209</u>	<u>-</u>
Subtotal Child Nutrition Cluster			<u>49,366</u>	<u>-</u>
Idaho Department of Lands				
Wildland Urban Interface Western State Grant	10.664	15WFM-Kootenai	<u>124,713</u>	<u>-</u>
Subtotal Wildland Urban Interface Western State Grant			<u>124,713</u>	<u>-</u>
<b>Total Department of Agriculture</b>			<u>221,190</u>	<u>-</u>
<b>Department of Interior</b>				
<u>Pass-Through Programs</u>				
Idaho State Historical Society				
Certified Local Government Program	15.904	CLG-2018	<u>7,896</u>	<u>-</u>
Idaho Department of Parks and Recreation				
2018 Harrison Breakwater Replacement	15.622	BG18-1-28-1	22,913	-
2019 Harrison Breakwater Replacement	15.622	BG19-1-28-1	<u>14,553</u>	<u>-</u>
Subtotal Idaho Department of Parks and Recreation			<u>37,466</u>	<u>-</u>
<b>Total Department of Interior</b>			<u>45,362</u>	<u>-</u>
<b>Department of Justice</b>				
<u>Direct Programs</u>				
Sheriff Fund	16.922		25,389	-
North Idaho Violent Crimes Task Force Fund	16.922		<u>6,930</u>	<u>-</u>
Subtotal Direct Programs			<u>32,319</u>	<u>-</u>
<u>Pass-Through Programs</u>				
Idaho Supreme Court				
OVW Domestic Violence Court	16.013	2015-FJ-AX-0007	<u>43,724</u>	<u>-</u>
City of Coeur D'Alene, Kootenai County				
2016 Byrne Justice Assistance Grant	16.738	2016-H2891-ID-DJ	20,052	-
2017 Byrne Justice Assistance Grant	16.738	2017-H2426-ID-DJ	21,303	-
2018 Byrne Justice Assistance Grant	16.738	2018-DJ-BX-0276	<u>3,518</u>	<u>-</u>
Subtotal City of Coeur D'Alene, Kootenai County			<u>44,873</u>	<u>-</u>
Idaho State Police				
2017 Byrne Justice Assistance Grant (Livescan)	16.738	2017-DS-BX-0008	<u>19,582</u>	<u>-</u>
<b>Total Department of Justice</b>			<u>140,498</u>	<u>-</u>

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2019

Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
<b>Department of Transportation</b>				
<u>Direct Programs</u>				
Airport Improvement Program	20.106		109,740	-
Federal Transit Cluster FTA Section 5307 Small Urbanized Area Grant	20.507		<u>1,961,633</u>	<u>329,597</u>
Subtotal Department of Transportation Direct Programs			<u>2,071,373</u>	<u>329,597</u>
<u>Pass-Through Programs</u>				
Federal Transit Cluster				
Idaho Department of Transportation 5339 Small Urban Funding	20.526	ITD-5339	<u>781,881</u>	-
Subtotal Federal Transit Cluster			<u>2,743,514</u>	<u>329,597</u>
Transit Services Program Cluster				
5310 Small Urban Funding	20.513	ITD-5310	52,332	-
Formula Grants for Rural Area				
Idaho Rural Transportation Assistance Program	20.509	RTAP 2019 KC	12,158	
Highway Safety Cluster				
Traffic Enforcement Mobilization FY2019	20.600	N/A	2,034	-
National Priority Safety Programs				
Traffic Enforcement Mobilization FY2019	20.616	N/A	<u>7,287</u>	-
Subtotal Highway Safety Cluster			<u>9,321</u>	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated				
Traffic Enforcement Mobilization FY2019	20.608	N/A	<u>1,105</u>	-
Subtotal Department of Transportation Pass-Through Programs			<u>74,916</u>	-
<b>Total Department of Transportation</b>			<u>2,928,170</u>	<u>329,597</u>
<b>Department of Health &amp; Human Services</b>				
<u>Pass-Through Programs</u>				
Idaho Department of Health & Welfare				
Idaho State Association of County Coroners 2019 Toxicology Grant	93.136	HC982600	4,165	-
Idaho Office of Drug Policy				
2019 Partnership for Success Law Enforcement Grant	93.243	5H79SP080981-02	19,567	-
2020 Partnership for Success Law Enforcement Grant	93.243	5H79SP080981-02	<u>57,715</u>	-
Subtotal Idaho Office of Drug Policy			77,282	-
Block Grants for Prevention and Treatment of Substance Abuse				
2018 Substance Abuse Grant	93.959	N/A	681	-
2019 Substance Abuse Grant	93.959	N/A	3,808	-
2020 Substance Abuse Grant	93.959	N/A	<u>1,128</u>	-
Subtotal Block Grants for Prevention and Treatment of Substance Abuse			<u>5,617</u>	-
<b>Total Department of Health &amp; Human Services</b>			<u>87,064</u>	-

# Kootenai County Comprehensive Annual Financial Report – FY 2019

## KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2019

Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
<b>Department of Homeland Security</b>				
<u>Pass-Through Programs</u>				
State Department of Parks & Rec				
Boater Safety Financial Assistance	97.012	FFY 19 RBS Grant	102,240	-
State of Idaho Military Division				
Emergency Management Performance Grant 2017	97.042	EMW-2017-EP-0003-S01	3,195	-
Emergency Management Performance Grant 2019	97.042	EMS-2019-EP-00002-S01	97,782	-
Subtotal Emergency Management Performance Grant			100,977	-
Homeland Security - 2017	97.067	DHS-17-GPD-067-00-01	61,895	36,992
Homeland Security - 2018	97.067	EMW-2018-SS-00040-S01	166,745	130,370
Subtotal Homeland Security			228,640	167,362
Subtotal Department of Homeland Security Pass-Through Programs			431,857	167,362
<b>Total Department of Homeland Security</b>			431,857	167,362
<b>Total Expenditures of Federal Awards</b>			\$ 3,854,141	\$ 496,959

**KOOTENAI COUNTY, IDAHO**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2019**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Kootenai County, Idaho (the County) under programs of the federal government for the year ended September 30, 2019. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the County.

**Note B – Summary of Significant Accounting Policies**

Expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis of accounting, except for subrecipient expenditures which are recorded on the cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C – Indirect Cost Rate**

The County has not elected to use the 10% de minimis cost rate.