

Kootenai County, Idaho



COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2016
Jim Brannon ~ Auditor



KOOTENAI COUNTY, IDAHO

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2016

Jim Brannon
County Auditor

Prepared by the Office of the County Auditor

KOOTENAI COUNTY, IDAHO

Office of the County Auditor

Finance Director
Dena Darrow

ACKNOWLEDGMENTS:

Staff Accountants

Keith Taylor
Kim Riley
Grace Blomgren
Julina Hildreth
Leighanna Ward

Accounting Staff

JoAnn Conner
Chenyi Olson
Lori Shaw
Kathy vonKienast

Kootenai County Comprehensive Annual Financial Report – FY 2016

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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, 2015

Executive Director/CEO



Kootenai County Clerk Jim Brannon

Auditor · Clerk of the District Court · County Assistance · Elections · Recorder

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 jbrannon@kcgov.us

February 22, 2017

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) to you for the Fiscal Year ended September 30, 2016. 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, 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 151.

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 Seneaqueoten 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 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 150,000. 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 300,000, and Missoula, Montana, 150 miles to the east, with a population of over 71,000. 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 Community College, Kootenai Health, and the ten (10) 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. Expenditures made, or liabilities incurred, in excess of the budget appropriations that have not been approved by the Board of County Commissioners, are the liability of the elected official that made or incurred the liability. The County is not responsible for these liabilities.

ECONOMIC CONDITION

Local Economy

During the last 25 years, the local economy grew at an astounding rate on a diversifying manufacturing base, expanded tourism and new call centers and other business services. Tourism and population growth fueled the construction boom and boosted retail, health care, services and government jobs. The opening of the Coeur d'Alene Resort in 1987 spurred tourism. The Silverwood theme park opened in 1988 and has continued to grow every year, hitting record levels in 2015. In 1994, the Coeur d'Alene Tribe opened a casino in Worley. Today, the golf course, hotel, and recently expanded casino employ nearly 1,580 people. Tourism employment peaked in 2007 at 9,050, hit bottom at 7,800 in 2010 and is on the rebound providing over 8,200 jobs in 2015. Also promoting economic diversification and growth during the last decade was the relocation of many manufacturing operations and four call centers to Kootenai County. Over 4,700 people work in the County's manufacturing businesses while over 1,400 people work at call centers. A new manufacturer to the area in 2016 is Tedder Industries, the maker of Alien Gear gun holsters. The company plans to make Post Falls its headquarters and is on a strong growth path which will provide local jobs. Overall, the County's low business costs, good business climate and quality of life has attracted many new employers.

Kootenai County's growing population and economic development provide many opportunities for business creation. The number of private-sector employers increased slightly in 2015 to 4,588, employing 45,703 workers. Low business costs, a pleasant business climate, low electricity and natural gas costs and an affordable workforce are among the County's attractions for new businesses. The Innovation Collective, a grassroots group of local business leaders, entrepreneurs, students, government leaders, and technology professionals, is driving economic development by creating an environment

Kootenai County Comprehensive Annual Financial Report – FY 2016

of knowledge sharing for new ideas and opportunities for start-up businesses. The group also promotes professional development through leadership summits, networking sessions, and monthly group experiences. The “Think Big” Festival is an annual event dedicated to bringing local innovators together with top industry leaders to provide learning, mentoring, and support.

Kootenai County remains in sound financial condition at the conclusion of fiscal year 2016, largely due to an ongoing commitment to conservative budgeting processes. The County’s justice system continues to be a concern as the County moves forward. The Board of County Commissioners continues to evaluate alternatives to alleviate jail overcrowding, which is currently being addressed by housing inmates at surrounding facilities. This solution cost Kootenai County taxpayers in excess of \$500,000 for 2016. Preliminary design work commenced to offer a more sustainable solution. Total investment in the jail expansion project for fiscal year 2016 included design fees of \$147,080.

Major Initiatives

During 2016 several County goals were met, which included:

Continuing to adhere to the County Fund Balance Policy while presenting a balanced budget.

The policy for the recording of interest revenue for the Solid Waste Enterprise Fund continues. Interest on idle funds is now deposited into the General Fund. Total interest Income countywide in 2016 was \$1.1 million.

The budget process continues to improve. Fiscal year 2016 revenue trend analysis is now included in the budget projections. In addition to this more holistic approach, budget summaries are included for each meeting with the Board, helping decision-makers focus on key areas while keeping the entire budget in context.

The County’s commitment to public transportation included approximately \$1 million in FTA grant awards to purchase ADA compliant buses and construct the Riverstone transit center.

The County Commissioners approved a mid-year pay increase for the Sheriff’s command staff of \$710,000, patrol deputies of \$204,000 and detective personnel of \$188,000 in fiscal year 2016. Other Personnel increases included 2 new positions for the Prosecuting Attorney of \$104,000 and 2 new positions for the Public Defender of \$112,000. Community development invested in another position for \$57,400.

The increase in health insurance costs for \$1.7 million was absorbed by the County in 2016.

Ongoing Activities and Future Projects

For 2017, the County continues to focus on needs resulting from rapid growth and a desire to deliver services in a cost effective efficient manner; such as:

Increasing costs and work-load 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. Careful prioritization of Sheriff’s Department resources is required and space in our jail is at a premium. To address the increasing demand of our court, the County applied for and received a grant from the Idaho Public Defense Commission to improve levels of service. To address increasing costs and jail overcrowding, the 2017 budget includes a \$12 million fund balance commitment for jail expansion.

Management continues to develop and implement better ways to use county facilities to improve delivery of services to the residents of Kootenai County. Specific items to be addressed include the need for additional parking at the Kootenai County Administration Building. Remodeling underutilized spaces in the County and moving high traffic activities to less congested locations will also be considered in the coming year. The 2017 budget includes a \$1.3 million fund balance commitment for shared parking with the City of Coeur d’Alene.

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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 \$1.1 million was recognized in Fiscal Year 2016 and is reported on page 31 in the Government-Wide Statement of Activities.

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, 2016, 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 is debt free; therefore, no contingent obligation exists at this time. The North Idaho Fair & Rodeo has three outstanding capital lease notes payable balances totaling \$20,267, with debt lease payments due in one year of \$11,685.

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

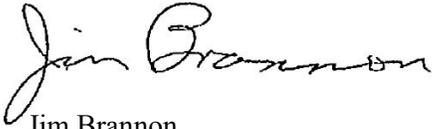
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kootenai County for its comprehensive annual financial report for the fiscal year ending September 30, 2015. This Certificate of Achievement 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.

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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, Kim Riley, Julina Hildreth, and Dena Darrow.

Sincerely,

A handwritten signature in cursive script that reads "Jim Brannon".

Jim Brannon
Kootenai County Auditor

Elected Officials and Judges in Fiscal Year 2016



Marc Eberlein
Commissioner District #1



David Stewart
Commissioner District #2



Dan Green
Commissioner District #3



Jim Brannon
County Clerk



Steve Matheson
County Treasurer



Mike McDowell
County Assessor



Ben Wolfinger
County Sheriff



Barry McHugh
County Prosecutor

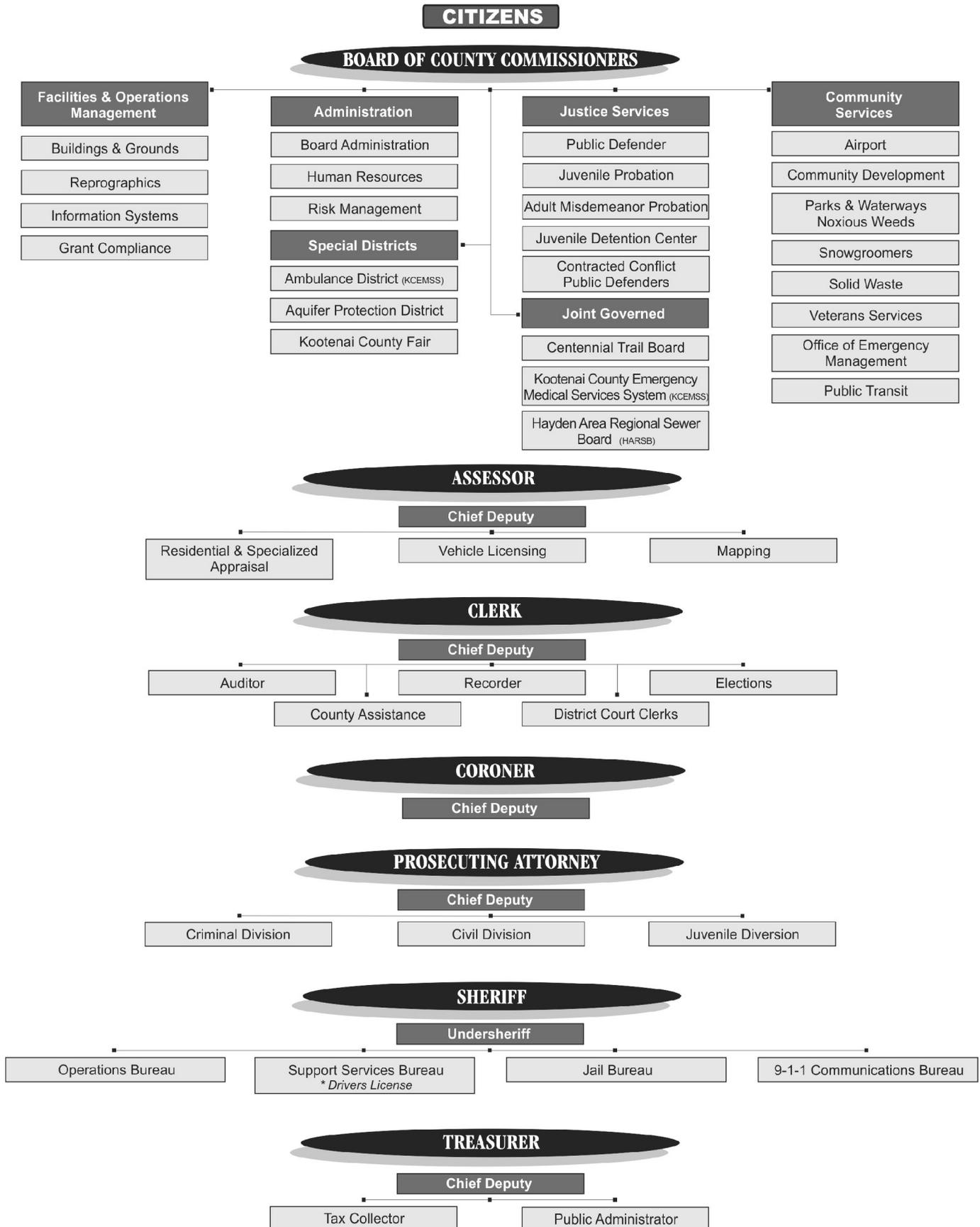


Warren Keene
County Coroner

District Judge
District Judge
District Judge
District Judge
District Judge
District Judge
Magistrate Judge

Lansing Haynes
John T. Mitchell
John P. Luster
Rich Christensen
Cynthia Meyer
Barbra Buchanan
Scott Wayman
Mayli Walsh
James D. Stow
Clark A. Peterson
Robert Caldwell
James Combo
Anna M. Eckhart
Tim VanValin

**KOOTENAI COUNTY, IDAHO
ORGANIZATIONAL CHART**



Financial Section





CPAs & BUSINESS ADVISORS

Independent Auditor’s Report

To the Board of Commissioners
Kootenai County, Idaho
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, 2016, and North Idaho Fair & Rodeo, a discretely presented component unit as of and for the year ended December 31, 2015, 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 audits. We did not audit the financial statements of North Idaho Fair & Rodeo as of and for the year ended December 31, 2015 and Kootenai County Emergency Medical Services System as of and for the year ended September 30, 2016, 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.

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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, 2016, and North Idaho Fair & Rodeo, a discretely presented component unit as of December 31, 2015, 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

The financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho, as of September 30, 2015, were audited by other auditors, whose report dated March 11, 2016, expressed an unmodified opinion on those financial statements. In our opinion, based on our audit and the reports of other auditors, the summarized comparative information presented for the Solid Waste and Health Insurance funds as of and for the year ended September 30, 2016, is consistent, in all material respects, 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, Schedule of Expenditures Compliance at the Legal Level of Budgetary Control, and the schedule of employer's share of the net pension liability and schedule 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 and other auditors. 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 February 22, 2017 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 describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

Boise, Idaho
February 22, 2017

Management's Discussion and Analysis



Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016 (UNAUDITED)

As management of Kootenai County, Idaho, we offer readers this narrative overview and analysis of the County's financial activities for the fiscal year ended September 30, 2016. 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 2016 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 Commissioner's allocated \$4 million of existing fund balance to cover budgeted expenditures instead of levying additional property tax. Management will continue controlling costs, and judiciously apply existing funds to improve department operations. Increases in property taxes in future years will be applied as growth of population and demand for services increase.

The County has no outstanding debt at Fiscal Year-end 2016.

The Board of County Commissioner's fund balance policy directed funds to be saved for future facility and infrastructure projects. Commitments totaling \$17.3 million have been set aside for County-wide facilities to address growing service needs of citizens. Included in this figure is \$14 million committed for the facilities master plan.

The Board of County Commissioner's granted wage increases totaling \$0.4 million to compensate Sheriff's Department employees. This action was taken to increase employee wages closer to market rate of pay and was part of the 2016 budget plan effective in March.

Public defense and capital crimes costs continue to grow. The cost of conflict attorneys alone has risen 21% in the last year for a total of \$755,000. Capital crimes costs are up 49% over last year, driving the total cost of public defense up to \$2.7 million. Of that total, 13% is related to capital crimes.

Health care costs have risen dramatically. This year, increased employee health insurance premiums as well as larger claims expenses have been absorbed by the County totaling nearly \$2 million.

The County's combined Governmental and Business activities ending net position totaled \$127.8 million. Of this amount, \$40.7 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 \$21.7 million, a 7.5% increase over the prior year. New financial accounting rules required the County to assess the proper classification and valuation of investments held. No material differences in valuation were realized this year over the prior year.

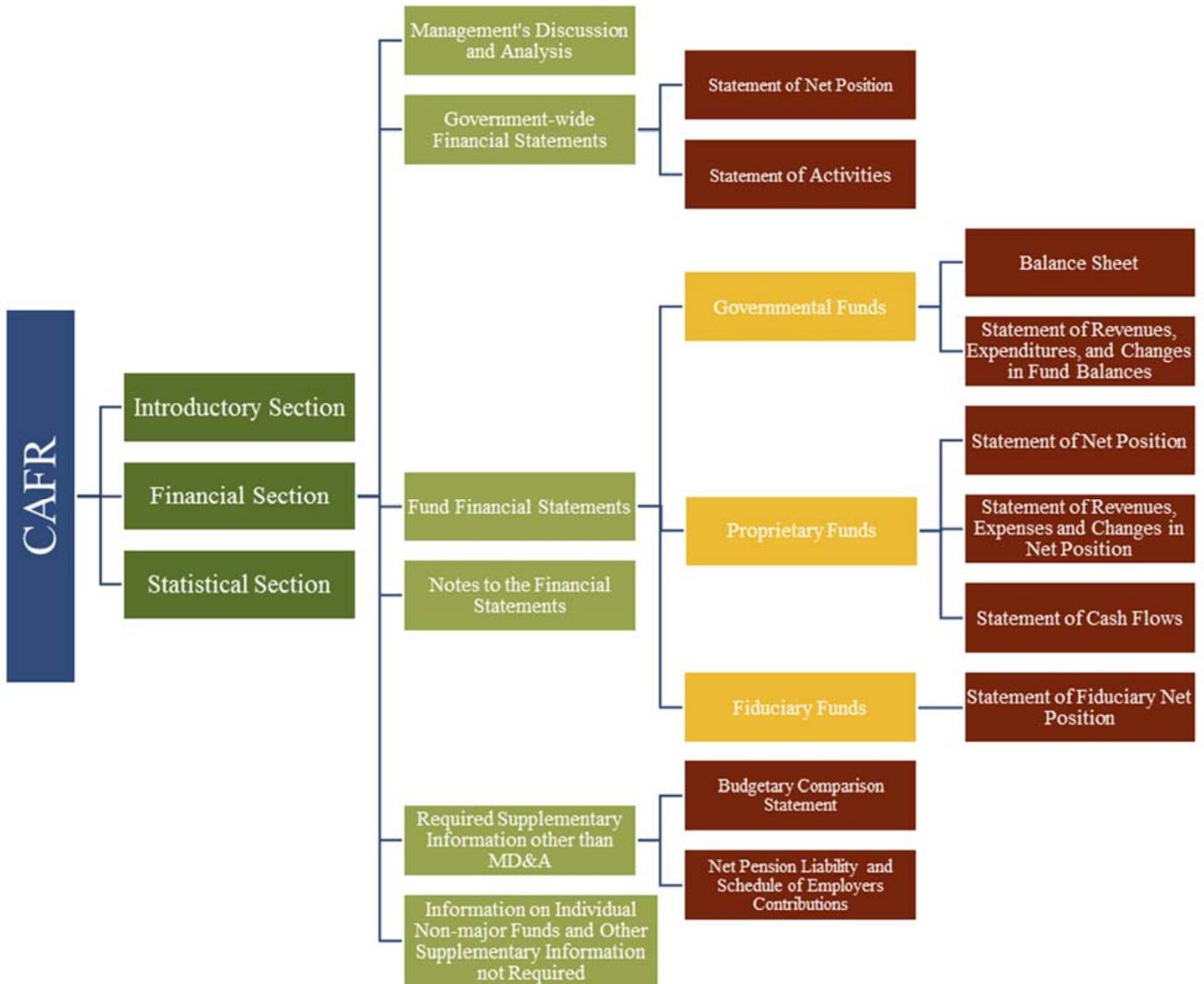
The Solid Waste Enterprise Fund gained \$1.7 million in net position, a 3.7% increase over prior year. Driving this increase was 60% growth in transfer station revenue and 12% growth in commercial customer revenue.

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 County-wide 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 2016

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



Kootenai County Comprehensive Annual Financial Report – FY 2016

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
Scope	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
Accounting basis and measurement focus	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
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; excludes capital assets and long-term liabilities	All assets and liabilities, both financial and capital, short-term and long-term	All assets held in a trustee or agency capacity for others and all liabilities
Type of inflow and outflow information	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. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County’s Solid Waste Fund 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.

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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.

Government-wide Financial Analysis

Table 1, summarizes Kootenai County’s Net Position for 2015 compared with 2016

	Kootenai County's Net Position (amounts in thousands)						
	Governmental Activities		Business-type Activities		Total		Total % Change
	2015	2016	2015	2016	2015	2016	2015-2016
Current and other assets	\$ 96,003	\$ 102,753	\$ 27,763	\$ 31,539	\$ 123,766	\$ 134,292	8.5%
Capital assets	50,379	48,152	28,059	26,765	78,438	74,917	-4.5%
Total Assets	146,382	150,905	55,822	58,304	202,204	209,209	3.5%
Deferred Outflows	6,890	14,108	462	924	7,352	15,032	104.5%
Other liabilities	24,336	34,887	8,653	9,980	32,989	44,867	36.0%
Total Liabilities	24,336	34,887	8,653	9,980	32,989	44,867	36.0%
Deferred Inflows	51,164	51,067	643	534	51,807	51,601	-0.4%
Net investment in capital assets	50,379	48,152	28,059	26,765	78,438	74,917	-4.5%
Restricted	7,227	9,236	1,468	2,955	8,695	12,191	40.2%
Unrestricted	20,166	21,671	17,461	18,994	37,627	40,665	8.1%
Total Net Position	\$ 77,772	\$ 79,059	\$ 46,988	\$ 48,714	\$ 124,760	\$ 127,773	2.4%

Total County assets and deferred outflows exceeded liabilities and deferred inflows by \$127.8 million (\$79 million in Governmental activities and \$49 million in Business-Type activities). This compares to \$124.8 million in 2015, a \$3.0 million increase in net position that strengthens the County’s cash and investment position.

Pension obligations cause significant variances in deferred outflows, deferred inflows, and other liabilities from year-to-year. However, pension obligations decreased net position by only \$0.3 million in 2016. 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 State of Idaho retirement plan.

Net Investment in Capital Assets (land, buildings, improvements, machinery and equipment, vehicles and infrastructure) totals \$74.9 million, which represents 59% 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.

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.

\$9.2 million of the County’s Governmental Activities net position (11.7%) has restrictions on how the assets can be used. The \$21.7 million (27.4%) of Unrestricted Governmental Activities Net Position may be used to meet the County’s ongoing obligations.

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Table 2, shows the changes in net position for 2015 and 2016:

Changes in Kootenai County's Net Position							
as of September 30, 2015 and 2016							
(amounts in thousands)							
	Governmental		Business-type		Total		Percentage
	Activities	Activities	Activities	Activities	Activities	Activities	Change
	2015	2016	2015	2016	2015	2016	2015-2016
Revenues							
Program revenues							
Charges for services	\$ 21,493	\$ 22,448	\$ 12,021	\$ 12,604	\$ 33,514	\$ 35,052	4.6%
Federal grants	2,878	2,749	-	-	2,878	2,749	-4.5%
State & local grants	1,283	917	-	-	1,283	917	-28.5%
General revenues							
Property taxes	44,075	45,283	-	-	44,075	45,283	2.7%
Other	1,332	3,195	-	-	1,332	3,195	139.9%
Total revenues	71,061	74,592	12,021	12,604	83,082	87,196	5.0%
Expenses							
General government	27,129	27,344	-	-	27,129	27,344	0.8%
Public works	2,564	2,629	-	-	2,564	2,629	2.5%
Public safety	37,411	39,748	-	-	37,411	39,748	6.2%
Sanitation weed control	321	335	-	-	321	335	4.4%
Health and welfare	3,127	2,761	-	-	3,127	2,761	-11.7%
Culture and recreation	1,049	1,285	-	-	1,049	1,285	22.5%
Solid waste	-	-	9,027	10,133	9,027	10,133	12.3%
Total expenses	71,601	74,102	9,027	10,133	80,628	84,235	4.5%
Excess before special items and transfers	(540)	490	2,994	2,471	2,454	2,961	20.7%
Gain on sale of assets	110	38	99	14	209	52	75.1%
Transfers In (out)	6,507	759	(6,507)	(759)	-	-	0.0%
Increase (decrease) net position	\$ 6,077	\$ 1,287	\$ (3,414)	\$ 1,726	\$ 2,663	\$ 3,013	13.1%

Governmental Activities

Program revenues increased slightly overall in fiscal 2016; with \$0.9 million increase in charges for services offsetting the \$0.5 million decrease in grant revenue. Charges for services is the County's second largest source of revenue (behind property tax revenue), and it accounted for \$22.4 million (30.1%) of total governmental revenues. The sources providing charges for service revenue remained the same in both fiscal years for governmental activities.

Combined Charges for services and grant source revenue totaled \$26.1 million, (35.2%) of the County's governmental expenses in 2016. This compares to \$25.7 million or 35.8% in 2015; with increasing program expenses accounting for the percentage difference.

Federal and State grant sources made up \$3.7 million (4.9%) of total governmental revenues; this is down from 2015 of \$4.1 million (5.9%). Grants decreased between years as a Community Block grant construction project ended in 2015, and fewer COPS grant were received in 2016. Significant current year grant activities include the Citilink transit grant of \$1.3 million, and airport improvement grants totaling \$0.8 million.

Property tax revenues supporting Governmental activities were \$45.3 million (60.7%) of the \$74.6 million revenue total. Property tax revenue increased \$1.2 million (2.7%) from 2015, comprised of additional collections from new construction.

General government expenses are \$27.3 million, or 37% of total expense. This compares to \$27.1 million in 2015, an increase of \$0.2 million (0.8%). Factors contributing to the increase include rising health insurance costs, employee wage increases, losses on capital assets, and higher project costs.

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Public Safety expenses of \$39.7 million (53.6%) are the largest portion of the County’s total expenses of \$74.1 million. Compared to prior year, Public Safety expenses increased \$2.3 million or 6.2%, primarily due to wage increases. The County’s largest tax-supported operational expenses are the Sheriff’s Jail program (\$12.1 million), and Sheriff’s Patrol (\$6.8 million).

Health and welfare expenses of \$2.8 million decreased by \$0.4 million, or 12% from the prior year. Fewer indigent medical claims resulted in cost savings in the current year.

Total Governmental Activity expenses were \$74.1 million in 2016, an increase of \$2.5 million (3.5%) from the prior year. The additional funds were spent on employee wages and benefits.

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, 2015 and 2016
(amounts in thousands)

	Total Cost of Services		Percentage Change	Net Cost of Service		Percentage Change
	2015	2016	2015-2016	2015	2016	2015-2016
General government	\$ 27,129	\$ 27,344	0.8%	\$ 15,716	\$ 15,301	-2.6%
Public works	2,564	2,629	2.5%	1,113	598	-46.3%
Public safety	37,411	39,748	6.2%	25,309	28,383	12.1%
Sanitation (Weed control)	321	335	4.4%	288	294	2.1%
Health and welfare	3,127	2,761	-11.7%	2,922	2,624	-10.2%
Culture and recreation	1,049	1,285	22.5%	600	788	31.3%
Total	\$ 71,601	\$ 74,102	3.5%	\$ 45,948	\$ 47,988	4.4%

The County’s total cost of services increased by \$2.5 million (3.5%) over the prior year. Additional expenses were driven by employee wage and benefit costs (\$2 million) and increased health insurance expenses.

Public safety is both the largest portion (53.6%) of overall County expense at \$39.7 million, and the largest portion (59.1%) of net cost of service at \$28.4 million. Public safety net cost of service increased by \$3.1 million or 12.1% from the prior year. Contributing to this increase was employee wage costs.

General Government is the second largest portion (36.9%) of overall County expenses at \$27.3 million. Of those costs, General Government funds \$12 million (44%) with direct charges for services or grant revenue. The remaining \$15.3 million is primarily supported by property tax.

Net Cost of Service totaled \$48 million, an increase of \$2 million (4.4%) in 2016. Public Safety required the greatest cost support increase (\$3.1 million) in unrestricted net position or tax revenue as compared with 2015.

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.

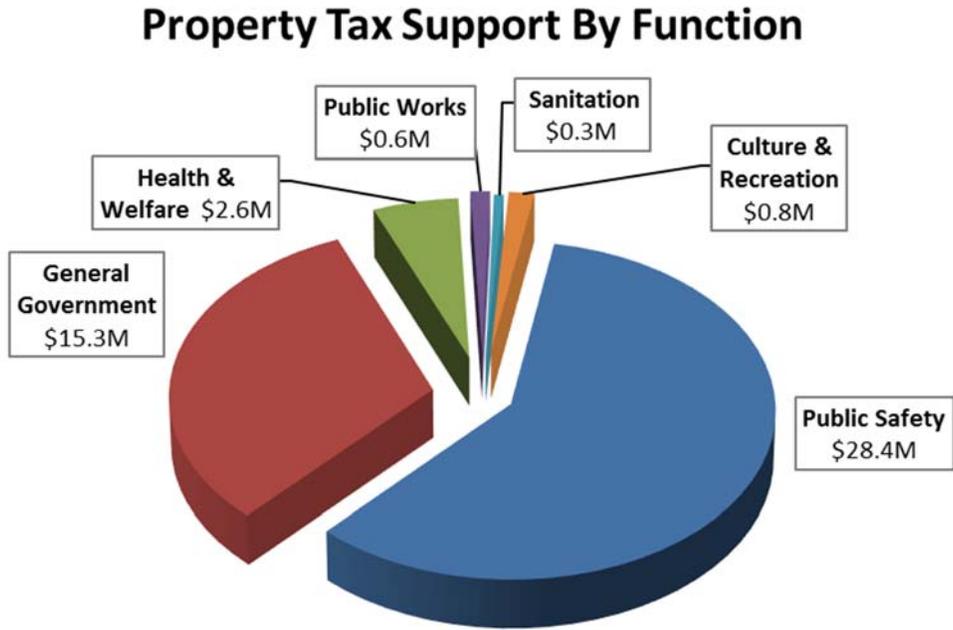
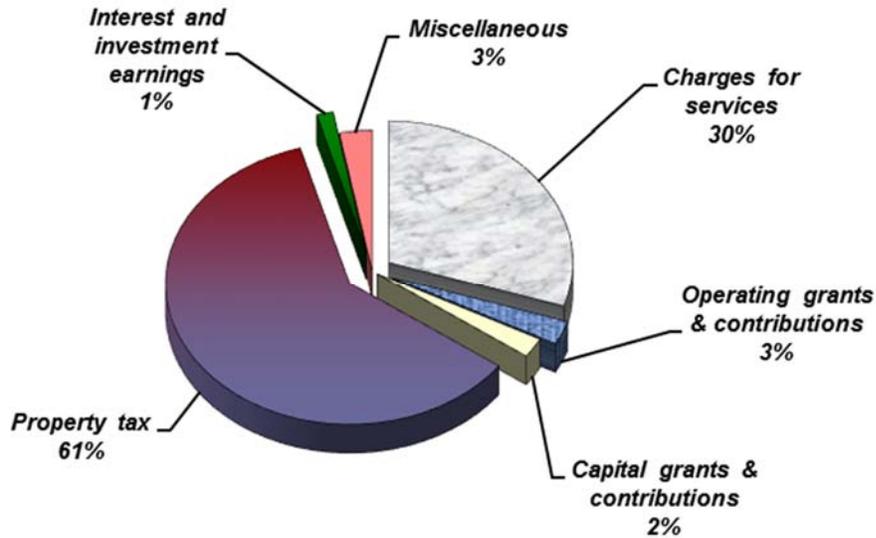


Figure 5: Revenues by Source-Government Activities

The figure below indicates County fiscal 2016 revenue by category and percent of the total revenue.



Business-Type Activities

Solid Waste, business-type, income for the year was \$2.5 million, with revenue of \$12.6 million and expenses of \$10.1 million. Investment earnings on Solid Waste idle funds that were recorded by the General Fund totaled \$427,000. Landfill closure/post closure costs were \$431,000 in 2016.

Figure 6: Program Revenues and Expenses-Business Type Activities

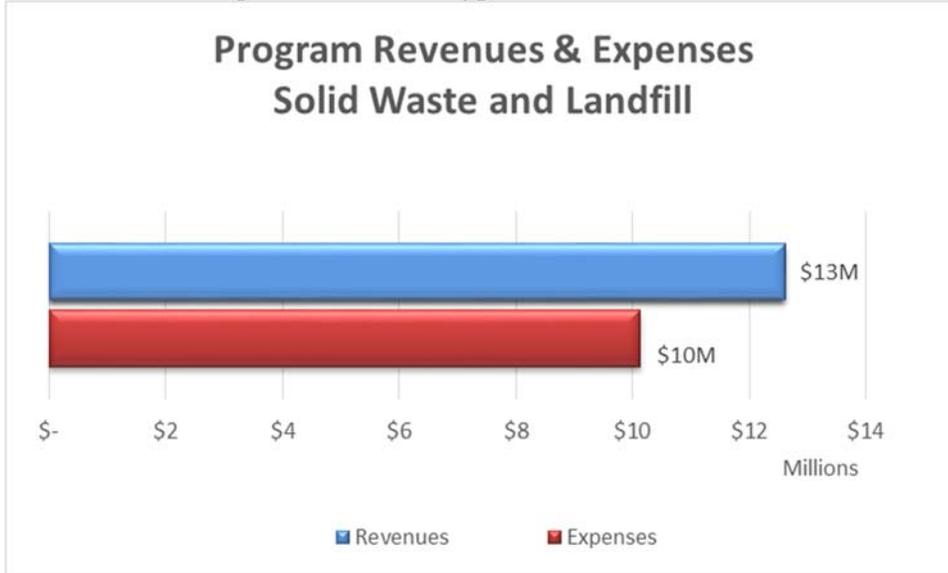
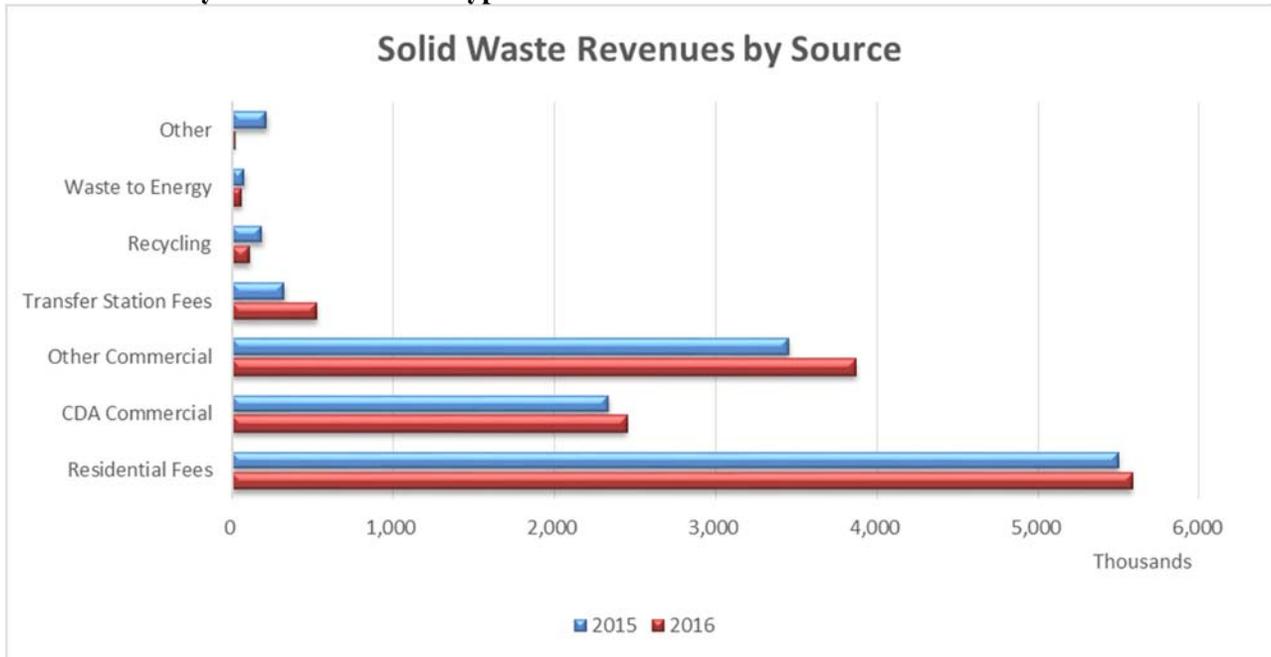


Figure 7: Revenues by Source - Business Type Activities - Solid Waste



The greatest percentage of growth in revenues was from customers bringing material to sites. Transfer station revenues are up 60% over 2015. Greatest overall growth in revenues driven by other commercial accounts (\$0.4 million). Recycling and waste to energy revenue is down approximately \$0.1 million from 2015 primarily from decrease in value of recycled material.

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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, 2016, the County's governmental funds had a combined ending fund balance of \$52.3 million, an increase of \$4.8 million over the prior year. Approximately \$15.6 million (30%) of this total is unassigned fund balance, available for spending at the County's discretion. The remaining \$36.7 million (70%) is reserved for dedicated purposes in one of four designated fund balance categories: Unassigned, 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 balance increased by \$3.3 million (7.7%) during fiscal year 2016. This increase was primarily the result of Solid Waste transfers, interest income, and fewer capital purchases. General Fund expenditures of \$55.2 million increased \$1.9 million (3.6%) over the prior year.

As a liquidity measure, it is useful to compare both unassigned fund balance (\$15.5 million) and total fund balance (\$46.3 million) to total General Government expenditures (\$55.2 million). Therefore, unassigned fund balance represents 28% of total General Fund expenditures, and total fund balance represents 83% of total expenditures.

Unanticipated fund balance totaling \$0.5 million was transferred from general fund to support other government fund operations during the year. Fund balance transfers were necessary for increased health insurance claims (\$250,000), capital case expenses for Prosecutor (\$152,000) and Public Defender (\$98,000).

Enterprise Funds

The County's enterprise funds (Solid Waste) had unrestricted net position of \$19 million in 2016, up from \$17.5 million in fiscal 2015. As previously discussed, the increase primarily resulted from stronger business revenue generation.

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 2016 was \$80,870,409 of which \$41,594,122 was funded by property tax. Because allowable 3% tax increase was not utilized, the County's forgone property tax balance grew to \$9.1 million.

Mid-year sworn officers and command staff salary comprise \$710,000 of the salary increases. Additional positions for Prosecutor, Public Defender and Community Development total \$274,000. Other employee costs include \$660,000 for health insurance increases absorbed by the County.

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CAPITAL ASSETS

Kootenai County’s fiscal 2016 capital investments for its Governmental and Business Type activities totaled \$74.9 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 \$3.5 million (a 4.4% decrease for Governmental activities, and a 4.6% decrease for Business Type activities).

Table: 8

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2015	2016	2015	2016	2015	2016	2015-2016
	Land	\$ 6,632	\$ 6,768	\$ 1,747	\$ 1,751	\$ 8,379	\$ 8,519
Buildings	19,465	18,846	249	215	19,714	19,061	-3.3%
Improvements other than Buildings	16,639	15,659	1,399	1,266	18,038	16,925	-6.2%
Machinery and Equipment	6,169	5,926	3,349	3,581	9,518	9,507	-0.1%
Transfer Stations	-	-	11,982	11,368	11,982	11,368	-5.1%
Landfill	-	-	8,560	8,584	8,560	8,584	0.3%
Construction in Progress	1,474	953	773	-	2,247	953	-57.6%
Total	\$ 50,379	\$ 48,152	\$ 28,059	\$ 26,765	\$ 78,438	\$ 74,917	-4.49%

Major capital asset activities during fiscal 2016 included:

- Airport Improvement Projects - \$796,000
- Airport Buildings Donation - \$544,000
- Vehicles – Sheriff (7) and Other Departments (6) - \$562,000
- Post Falls DMV Land and Building - \$411,000
- Technology Hardware and Software - \$306,000
- Solid Waste Department improvements and new Machinery and Equipment totaled \$1.6 million
- Other significant changes were disposals of obsolete equipment for General Government (\$1.5 million) and Solid Waste (\$0.3 million)

Additional information on Kootenai County’s capital assets can be found in Note 5 (Capital Assets) to the financial statements for fiscal year 2016.

ECONOMIC FACTORS

In Kootenai County, the economic picture reveals a positive sign of growth for the housing market; with respect to employment, there has been a decrease in the unemployment rate of 0.04% compared to the prior year.

Demand in the local housing market remains strong with the average home price rising 8% in 2016 compared to the prior year. The 8% increase is consistent across the County. Coeur d’Alene and Dalton have seen a 3% increase in sales. The Rathdrum Prairie has record new construction, accounting for 19% of real estate sales. Home sales in Post Falls have increased 19% over last year, with the average price up 10%. Sales in North Kootenai County outside Rathdrum, Hauser, and Twin Lakes have seen a 24% increase in sales over last year. Residential building permits filed with the County improved both in number and value with 315 permits filed, valued at \$94.2 million. This building activity has helped

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reestablish a portion of the local construction jobs lost during the recession. Commercial activity shows signs of growth as well with additional permits filed outside city boundaries in 2016 at a value of \$12.3 million.

According to the Idaho Department of Labor, Idaho’s preliminary seasonally adjusted unemployment rate as of October 2016 was 3.8%. Kootenai County’s unemployment rate decreased to 4.5%, from 4.9% in the prior year. The County’s unemployment rate is 0.04% lower than the national rate of 4.9%.

According to the Idaho Department of Labor, the average wage in Kootenai County of \$38,300 is above the State average of \$36,734. The local job market is growing with new companies seeking Idaho’s business-friendly environment. 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 \$14 billion dollars this fiscal year.

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

Basic Financial Statements



Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Statement of Net Position September 30, 2016

	Primary Government			Component Units	
	Governmental Activities	Business Activities	Total	North Idaho Fair & Rodeo Dec. 31, 2015	KCEMSS Sept. 30, 2016
ASSETS					
Cash and investments	\$ 54,666,165	\$ 23,007,292	\$ 77,673,457	\$ 96,533	\$ 2,733,234
Taxes receivable - current	43,843,913	-	43,843,913	-	-
Taxes receivable - delinquent	630,936	-	630,936	-	12,212
Accounts receivable, (net)	2,286,658	935,870	3,222,528	11,149	1,062,206
Interest receivable	8,199	-	8,199	-	-
Grants receivable	748,229	-	748,229	-	-
Inventories and prepaid expenses	569,501	796	570,297	-	154,456
Restricted assets:					
Cash held for closure and postclosure	-	7,595,000	7,595,000	-	-
Capital Assets:					
Land	6,767,438	1,751,114	8,518,552	-	403,990
Depreciable assets, (net)	39,991,036	25,013,953	65,004,989	1,818,902	3,509,345
Non-Depreciable other assets	440,226	-	440,226	-	-
Construction in progress	953,313	-	953,313	-	33,364
Total Assets	\$ 150,905,614	\$ 58,304,025	\$ 209,209,639	\$ 1,926,584	\$ 7,908,807
Deferred Outflows of Resources					
Related to Pensions	14,107,913	923,972	15,031,885	87,394	170,323
Total Deferred Outflows of Resources	\$ 14,107,913	\$ 923,972	\$ 15,031,885	\$ 87,394	\$ 170,323
LIABILITIES					
Accounts payable	\$ 1,935,867	\$ 561,933	\$ 2,497,800	\$ 71,345	\$ 42,502
Payroll and related liabilities	1,816,223	-	1,816,223	17,760	38,965
Other accrued liabilities	-	-	-	-	29,628
Advanced revenues	1,799,529	-	1,799,529	-	-
Long-term liabilities:					
Due within one year - compensated absences	679,865	13,740	693,605	-	-
Due within one year - capital leases	-	-	-	11,685	255,471
Due in more than one year - compensated absence	4,596,996	223,152	4,820,148	34,848	-
Due in more than one year - capital leases	-	-	-	8,582	1,356,288
Landfill closure liability	-	7,595,000	7,595,000	-	-
Net Pension Liability	24,058,767	1,586,200	25,644,967	146,652	250,347
Total Liabilities	34,887,247	9,980,025	44,867,272	290,872	1,973,201
DEFERRED INFLOWS OF RESOURCES					
Future year property tax	43,212,977	-	43,212,977	-	-
Related to Pensions	7,853,585	533,886	8,387,471	94,592	81,879
Deferred Inflows of Resources	51,066,562	533,886	51,600,448	94,592	81,879
NET POSITION					
Net investment in capital assets	48,152,013	26,765,067	74,917,080	1,798,635	2,334,940
Restricted:					
9-1-1 Enhanced system fee carryover	2,706,896	-	2,706,896	-	-
Court facilities	533,507	-	533,507	-	-
Juvenile justice services	521,199	-	521,199	-	-
Court interlock	114,675	-	114,675	-	-
Sheriff commissary	152,264	-	152,264	-	-
Capital project carryover-solid waste	-	2,955,092	2,955,092	-	-
Operations	5,207,437	-	5,207,437	-	-
Unrestricted:					
Governmental type activities	21,671,727	-	21,671,727	-	-
Business-type activities	-	18,993,927	18,993,927	(170,121)	3,689,110
Total Net Position	\$ 79,059,718	\$ 48,714,086	\$ 127,773,804	\$ 1,628,514	\$ 6,024,050

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

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KOOTENAI COUNTY, IDAHO Statement of Activities For the Year Ended September 30, 2016

Functions/Programs	Program Revenues			
Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Primary government:				
Governmental activities:				
General government	\$ 27,344,481	\$ 10,273,999	\$ 1,601,016	\$ 168,894
Public works	2,628,703	723,117	-	1,307,851
Public safety	39,747,549	10,903,173	357,379	103,862
Sanitation	334,847	2,274	38,820	-
Health and welfare	2,761,022	136,727	-	-
Culture and recreation	1,285,306	408,593	3,389	84,987
Total governmental activities	74,101,908	22,447,883	2,000,604	1,665,594
Business-type activities:				
Solid waste and landfill	10,133,767	12,603,832	-	-
Total business-type activities	10,133,767	12,603,832	-	-
Total primary government	\$ 84,235,675	\$ 35,051,715	\$ 2,000,604	\$ 1,665,594
Component units:				
North Idaho Fair & Rodeo	\$ 1,505,116	\$ 1,361,783	\$ -	\$ -
KCEMSS	7,174,962	4,858,189	-	-
Total component units	\$ 8,680,078	\$ 6,219,972	\$ -	\$ -

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

Restated Net position--beginning

Net position--ending

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

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Statement of Activities (continued) For the Year Ended September 30, 2016

Net (Expense) Revenue and Changes in Net Assets

			Component Units	
Governmental Activities	Business-Type Activities	Total	North Idaho Fair & Rodeo	KCEMSS
\$ (15,300,572)	\$ -	\$ (15,300,572)		
(597,735)	-	(597,735)		
(28,383,135)	-	(28,383,135)		
(293,753)	-	(293,753)		
(2,624,295)	-	(2,624,295)		
(788,337)	-	(788,337)		
(47,987,827)	-	(47,987,827)		
-	2,470,065	2,470,065		
-	2,470,065	2,470,065		
(47,987,827)	2,470,065	(45,517,762)		
			\$ (143,333)	\$ -
			-	(2,316,773)
			(143,333)	(2,316,773)
45,282,873	-	45,282,873	150,000	2,432,242
2,109,538	-	2,109,538	-	7,717
1,086,390	-	1,086,390	167	42,777
38,220	14,445	52,665	-	20,000
758,733	(758,733)	-	-	-
49,275,754	(744,288)	48,531,466	150,167	2,502,736
1,287,927	1,725,777	3,013,704	6,834	185,963
77,771,791	46,988,309	124,760,100	-	5,838,087
-	-	-	1,621,680	-
\$ 79,059,718	\$ 48,714,086	\$ 127,773,804	\$ 1,628,514	\$ 6,024,050

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

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Balance Sheet Governmental Funds September 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash in bank and investments	\$ 45,886,730	\$ 6,802,173	\$ 52,688,903
Taxes receivable - current	43,843,913	-	43,843,913
Taxes receivable - delinquent	483,208	147,728	630,936
Accounts receivable, (net)	2,098,916	187,509	2,286,425
Interest receivable	8,194	5	8,199
Grants receivable	156,868	591,360	748,228
Prepays	499,490	1,335	500,825
Due from other funds	673,988	-	673,988
Total Assets	\$ 93,651,307	\$ 7,730,110	\$ 101,381,417
Liabilities			
Accounts payable	\$ 714,079	\$ 471,277	\$ 1,185,356
Payroll and related liabilities	1,816,223	-	1,816,223
Due to other funds	-	673,988	673,988
Advanced revenue-other	238,672	138,112	376,784
Advanced revenue-grants	338,570	414,094	752,664
Total Liabilities	3,107,544	1,697,471	4,805,015
Deferred Inflows of Resources			
Unavailable property taxes	483,209	117,163	600,372
Future year property taxes	43,725,214	-	43,725,214
Total Deferred Inflows of Resources	44,208,423	117,163	44,325,586
Fund Balances			
Nonspendable	499,489	1,335	500,824
Restricted	4,210,310	5,026,268	9,236,578
Committed	26,114,881	888,474	27,003,355
Unassigned	15,510,660	(601)	15,510,059
Total Fund Balances	46,335,340	5,915,476	52,250,816
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 93,651,307	\$ 7,730,110	\$ 101,381,417

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

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities September 30, 2016

Total governmental fund balances (page33)	\$ 52,250,816
<i>Amounts reported for governmental activities in the statement of net position (page30) are different because:</i>	
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.	481,673
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	48,152,013
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.	1,256,516
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	(29,335,628)
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	14,107,913
Deferred inflows of resources related to pensions	(7,853,585)
Total Net Position of Governmental Activities as shown on the Statement of Net Position	\$ 79,059,718

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended September 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 35,667,242	\$ 9,584,337	\$ 45,251,579
Licenses and permits	1,450,061	122,827	1,572,888
Intergovernmental	11,510,500	2,846,783	14,357,283
Interest	1,086,005	385	1,086,390
Fines and forfeitures	532,754	784,885	1,317,639
Charges for services	6,717,223	1,917,966	8,635,189
Miscellaneous	807,334	871,067	1,678,401
Total Revenues	<u>57,771,119</u>	<u>16,128,250</u>	<u>73,899,369</u>
Expenditures			
Current:			
General government	21,202,639	3,663,320	24,865,959
Public works	-	915,666	915,666
Public safety	31,544,460	5,130,361	36,674,821
Sanitation	-	326,393	326,393
Health & welfare	469,365	2,294,752	2,764,117
Culture and recreation	-	910,829	910,829
Capital Outlay:			
Capital expenditures	1,725,346	281,760	2,007,106
Construction in progress	250,921	914,240	1,165,161
Total Expenditures	<u>55,192,731</u>	<u>14,437,321</u>	<u>69,630,052</u>
Excess of Revenues Over Expenditures	<u>2,578,388</u>	<u>1,690,929</u>	<u>4,269,317</u>
Other Financing Sources (Uses)			
Transfers In	1,233,411	374,323	1,607,734
Transfers (out)	(518,071)	(580,930)	(1,099,001)
Total Other Financing Sources (Uses)	<u>715,340</u>	<u>(206,607)</u>	<u>508,733</u>
Net Change in Fund Balances	3,293,728	1,484,322	4,778,050
Fund Balances Beginning of Year	<u>43,041,612</u>	<u>4,431,154</u>	<u>47,472,766</u>
Fund Balances End of Year	<u><u>\$ 46,335,340</u></u>	<u><u>\$ 5,915,476</u></u>	<u><u>\$ 52,250,816</u></u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2016

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, 2016

Net change in fund balances - total governmental funds (pg 35)	\$ 4,778,050
 <i>Amounts reported for governmental activities in the statement of activities (pages 31 & 32) are different because:</i>	
Revenues in the statement of activity that do not provide current financial resources are not reported as revenues in the funds, such as earned but unavailable property tax revenue.	31,294
Revenues recognized in the prior year statement of activities that provide financial resources in the current year.	-
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 outlays in the current period. (\$3,172,267 - \$6,188,723)	(3,016,456)
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.	789,117
Capital purchases of assets transferable to other governments are excluded from the statement of activities.	-
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.	(527,818)
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>(766,260)</u>
<i>Total Change in Net Position of Governmental Activities as shown on the Statement of Activities</i>	<u>\$ 1,287,927</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2016

**KOOTENAI COUNTY, IDAHO
Statement of Net Position
Proprietary Funds**

September 30, 2016 with Comparative Information for September 30, 2015

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2016	2015	2016	2015
Assets				
Current Assets:				
Cash and investments	\$ 23,007,292	\$ 20,057,676	\$ 1,977,262	\$ 2,602,005
Accounts receivable, (net)	935,870	540,866	233	-
Prepays	796	199	68,677	-
Total Current Assets	23,943,958	20,598,741	2,046,172	2,602,005
Noncurrent Assets:				
Restricted Assets:				
Cash held for closure and post closure	7,595,000	7,164,000	-	-
Capital Assets:				
Land	1,751,114	1,747,114	-	-
Depreciable assets, (net)	25,013,953	25,539,388	-	-
Construction in progress	-	772,404	-	-
Total Noncurrent Assets	34,360,067	35,222,906	-	-
Total Assets	58,304,025	55,821,647	2,046,172	2,602,005
Deferred Outflows of Resources				
Deferred pension outflows	923,972	463,248	-	-
Total Deferred Outflows	923,972	463,248	-	-
Liabilities				
Current Liabilities:				
Accounts payable	518,383	268,251	124,950	4,229
Payroll and other related liabilities	-	-	625,562	575,000
Other accrued liabilities	43,550	3,061	39,144	-
Compensated absences-current	13,740	20,235	-	-
Total Current Liabilities	575,673	291,547	789,656	579,229
Long-Term Liabilities:				
Compensated absences				
due in more than one year	223,152	200,086	-	-
Landfill closure liability	7,595,000	7,164,000	-	-
Net pension liability	1,586,200	997,532	-	-
Total Long-Term Liabilities	9,404,352	8,361,618	-	-
Total Liabilities	9,980,025	8,653,165	789,656	579,229
Deferred Inflows of Resources				
Deferred pension Inflows	533,886	643,421	-	-
Total Deferred Inflows	533,886	643,421	-	-
Net Position				
Net investment in capital assets	26,765,067	28,058,907	-	-
Restricted for:				
Capital appropriations carryover	2,955,092	1,467,965	-	631,458
Unrestricted	18,993,927	17,461,437	1,256,516	1,391,318
Total Net Position	\$ 48,714,086	\$ 46,988,309	\$ 1,256,516	\$ 2,022,776

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

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

For the Year Ended September 30, 2016 with Comparative Information for September 30, 2015

	Business-type activity Solid Waste Enterprise Fund		Governmental-type activity Health Insurance Int'l Service Fund	
	2016	2015	2016	2015
Operating Revenues				
Charges for services	\$ 12,434,221	\$ 11,626,782	\$ 6,930,496	\$ 6,122,635
Miscellaneous	169,611	394,736	1,412,444	118,378
Total Operating Revenues	12,603,832	12,021,518	8,342,940	6,241,013
Operating Expenses				
Personnel services	3,333,644	3,106,338	9,926	7,821
Professional services	2,286,433	1,900,599	9,345,459	7,175,435
Utilities	119,184	138,167	-	-
Materials and supplies	598,274	769,089	-	-
Maintenance and repairs	392,826	324,780	-	-
Other services and expenses	127,179	161,744	3,815	28,063
Depreciation and depletion	2,845,227	2,481,595	-	-
Landfill closure and post closure expense	431,000	145,000	-	-
Total Operating Expenses	10,133,767	9,027,312	9,359,200	7,211,319
Operating Income (Loss)	2,470,065	2,994,206	(1,016,260)	(970,306)
Non-Operating Revenues				
Gain (Loss) on sale of assets	14,445	98,706	-	-
Total Non-Operating Revenues	14,445	98,706	-	-
Income (loss) before Contributions and Transfers	2,484,510	3,092,912	(1,016,260)	(970,306)
Transfers In	5,317	94,215	250,000	470,306
Transfers out	(764,050)	(6,601,691)	-	-
Change in Net Position	1,725,777	(3,414,564)	(766,260)	(500,000)
Net Position Beginning of Year	46,988,309	50,402,873	2,022,776	2,522,776
Net Position End of Year	\$ 48,714,086	\$ 46,988,309	\$ 1,256,516	\$ 2,022,776

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

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Statement of Cash Flows Proprietary Funds

For the Year Ended September 30, 2016 with Comparative Information for September 30, 2015

	Business-type activity		Governmental-type activity	
	Solid Waste Enterprise Fund		Health Insurance	Internal Service Fund
	2016	2015	2016	2015
Cash Flows from Operating Activities				
Cash received from customers	\$ 12,078,764	\$ 11,861,830	\$ 6,930,263	\$ 6,130,732
Other cash receipts	169,611	394,736	1,412,444	118,378
Cash payments to employees	(3,298,664)	(3,117,569)	79,780	(37,868)
Cash payments for goods and services	(3,273,419)	(4,168,450)	(9,297,230)	(7,194,087)
Internal activity - payments from other funds	-	1,836	-	-
Net cash provided (used) by operating activities	<u>5,676,292</u>	<u>4,972,383</u>	<u>(874,743)</u>	<u>(982,845)</u>
Cash Flows from Noncapital Financing Activities				
Net transfers to other funds	(758,733)	(6,507,476)	250,000	470,306
Net cash provided (used) by noncapital financing activities	<u>(758,733)</u>	<u>(6,507,476)</u>	<u>250,000</u>	<u>470,306</u>
Cash Flows from Capital and Related Financing Activities				
Payments for capital acquisitions	(1,561,068)	(1,779,458)	-	-
Proceeds from sale of capital assets	24,125	89,675	-	-
Net cash used by capital and related financing activities	<u>(1,536,943)</u>	<u>(1,689,783)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in Cash and Cash Equivalents	3,380,616	(3,224,876)	(624,743)	(512,539)
Cash and Cash Equivalents Beginning of Year	<u>27,221,676</u>	<u>30,446,552</u>	<u>2,602,005</u>	<u>3,114,544</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 30,602,292</u></u>	<u><u>\$ 27,221,676</u></u>	<u><u>\$ 1,977,262</u></u>	<u><u>\$ 2,602,005</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 2,470,065	\$ 2,994,206	\$ (1,016,260)	\$ (970,306)
<i>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</i>				
Depreciation	2,845,227	2,481,595	-	-
Pension Expense	18,409	(22,055)	-	-
<i>(Increase) Decrease in Assets:</i>				
Accounts receivable	(395,004)	234,247	(233)	8,097
Interest receivable	-	1,836	-	-
Inventories and prepaid expenses	(597)	801	(68,677)	75,456
<i>Increase (Decrease) in Liabilities and Deferred Inflows</i>				
Accounts payable	250,477	(874,071)	120,721	(66,045)
Payroll and other related liabilities	-	-	50,562	(30,047)
Advanced revenue	40,144	-	-	-
Compensated absences payable and other accrued liabilities	16,571	10,824	39,144	-
Landfill closure/postclosure liability	431,000	145,000	-	-
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 5,676,292</u></u>	<u><u>\$ 4,972,383</u></u>	<u><u>\$ (874,743)</u></u>	<u><u>\$ (982,845)</u></u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Statement of Fiduciary Net Position Fiduciary Funds September 30, 2016

	Private-Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 4,225,198	\$ 2,362,529
Receivables:		
Taxes delinquent	33,929	2,407,444
Accounts receivable, (net)	10,478	-
Total Assets	\$ 4,269,605	\$ 4,769,973
Liabilities		
Accounts payable	\$ 107,484	\$ 2,288,777
Uncollected property taxes due to other gov'ts	457,672	2,481,196
Due to other individuals	3,501,171	-
Due to other governments	203,278	-
Total Liabilities	\$ 4,269,605	\$ 4,769,973
Net Position		
Held in trust for other purposes	\$ -	\$ -

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

Notes to the Financial Statements



NOTES TO THE FINANCIAL STATEMENTS

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KOOTENAI COUNTY, IDAHO
Notes to the Financial Statements
September 30, 2016

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.

Kootenai County has implemented all GASB statements that are in effect for the County's 2016 fiscal year. This includes adopting GASB Statements No. 72 – *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Kootenai County's fair value measurements of investments in 2016 is not materially different than prior year reporting at amortized cost. We have updated Note 3 – Deposits and Investments to reflect the disclosure requirements of this standard.

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, three District Judges, and five Magistrate Judges.

The elected officials and their departments comprise the primary government unit for Kootenai County. As required by generally accepted accounting principles (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 generally accepted accounting principles, 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. We present these component units as separate columns within the "basic" financial statements on the combined financial statements.

The North Idaho Fair & Rodeo is included as a component unit because Kootenai County maintains financial accountability. The Kootenai County Board of County Commissioners (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.

Kootenai County Comprehensive Annual Financial Report – FY 2016

The Board of County Commissioners 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 County Commission appoints 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 \$6,834 for the fiscal year ending December 31, 2015. KCEMSS fiscal year runs from October 1 through September 30, and reported an increase in net position of \$185,963 for their fiscal year ending September 30, 2016.

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.

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 our 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. *Private Purpose Trust* – Trust funds account for those assets held by the County in a trustee capacity. Trust Funds report transactions using the flow of economic resources measurement focus and accrual basis of accounting. Kootenai County utilizes private purpose trust funds for accounting activities including cash bonds, restitution, unclaimed property, and undistributed property tax collections.
2. *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.

The proprietary fund is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of the fund are included on the Statement of Net Position. Net position is segregated into Net Investment in Capital Assets and Restricted and/or Unrestricted Assets. 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 statute, 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.

Pooled deposits are stated at amortized cost, which includes the balance deposited in the LGIP. Pooled investments are stated at fair value, which includes balances invested in the DBF, which are determined 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 market;
- Level 2: Observable inputs other than quoted market prices; and
- Level 3: Unobservable inputs.

The County is limited by State Code from 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.

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The application of fair value in the GASB 72 standard does not require money market investments or external investment pools 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. At this time, the County will report pooled funds as cash equivalents, and money market funds at amortized cost.

D-2. Receivables and Payables

Due from/to other funds consist of receivables and payables for activities between funds of the County. See **Note 15** for interfund activity schedule.

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

Property tax revenues are recognized when received in the period for which the taxes are levied. Property taxes are accrued as assets receivable and deferred inflows on the Balance Sheet when the County has an enforceable legal claim to the taxes which occurs in September prior to year-end when the Board of County Commissioners adopts the subsequent fiscal year budget. The County's assessment date is January 1, and property taxes, levied by the second Monday of September on a market value basis, are billed to the taxpayers in November. Half of the real, personal, and mobile home property taxes are due on December 20 and the remainder is due the following June 20. Other property taxes are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year.

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.

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.

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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, an employee is paid for unused vacation.

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 money 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.

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 unassigned fund balance.

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/reclassifications

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, such information should be read in conjunction with the County's financial statements for the year ended September 30, 2015, from which the summarized information was derived.

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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. Comparative data for the prior year for the Private Purpose Trust Fund is presented in the supplementary section. Also, amounts in the prior year data have been reclassified for the Enterprise Fund, Internal Service Fund, and Governmental Funds in order to be consistent with the current year’s presentation.

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 80 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 \$29,335,628 difference are as follows:

Long-term liabilities	
Due within one year - compensated absences	\$ 679,865
Due in more than one year - compensated absences	4,596,996
Net Pension Liability	<u>24,058,767</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 29,335,628</u>

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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 \$1,256,516 difference are as follows:

Beginning net position-internal service fund	\$ 2,022,776
Change in fund net position	<u>(766,260)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 1,256,516</u></u>

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 effected by pensions as follows:

Deferred outflows of resources related to pensions:	
Differences between expected and actual experience	\$ 11,710,953
Change in proportionate share	975,418
Changes of assumptions	535,866
Contributions made subsequent to measurement date	<u>885,676</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 14,107,913</u></u>

Deferred inflows of resources related to pensions:	
Net difference between projected and actual investment earnings on pension plan investments	\$ (5,451,574)
Differences between expected and actual experience	<u>(2,402,011)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (7,853,585)</u></u>

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	\$ 481,673
Less: Prior year delinquent property tax-unavailable	<u>(450,379)</u>
Net adjustment to increase fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 31,294</u></u>

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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	\$ 3,172,267
Depreciation Expense	<u>(6,188,723)</u>
Net adjustment to decrease fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (3,016,456)</u></u>

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:

Losses from disposal of capital assets	\$ (93,730)
Gains and donations of capital assets	<u>882,847</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 789,117</u></u>

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	\$ (239,416)
Pension Expenses	(1,174,078)
Pension contributions subsequent to 6/30/2016	<u>885,676</u>
Net adjustment to reduce net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (527,818)</u></u>

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 \$766,260 difference are as follows:

Charges for Services	\$ 6,930,496
Miscellaneous	1,412,444
Transfer-in: General Fund	<u>250,000</u>
Total Revenues	8,592,940
Less expenditures:	<u>(9,359,200)</u>
Net adjustment to reduce net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (766,260)</u></u>

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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 (\$12,009):

Cash and Cash Equivalents	Financial Statement Value 9/30/2016	Valuation Method
Deposits with FDIC Institutions	\$ 2,651,904	Cost
Money Market Funds	6,745,852	Cost + Accrued Interest
Local Gov't Investment Pool		
Idaho State Treasurer's Office	37,933,343	Cost + Accrued Interest
Certificate of Deposits	101,252	Amortized Cost
Total Cash and Cash Equivalents	<u>\$ 47,432,351</u>	

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, 2016:

Investments	Fair Value at 9/30/2016	Fair Value Measurements Using			Valuation Method
		Level 1	Level 2	Level 3	
Debt Securities					
US Gov't Obligations	\$ 3,000,836	\$ -	\$ 3,000,836	\$ -	Market Rate
Total Debt Securities	<u>3,000,836</u>	<u>-</u>	<u>3,000,836</u>	<u>-</u>	
Other Investments					
State of Idaho Diversified Bond Fund	41,378,087	-	-	-	Net Asset Value
Total Other Investments	<u>41,378,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Investments at Fair Value	<u>\$ 44,378,923</u>	<u>\$ -</u>	<u>\$ 3,000,836</u>	<u>\$ -</u>	

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				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Diversified Bond Fund	\$41,378,087	None	Monthly	5 -25 days

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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 LGIP is a short-term investment pool. Participants have overnight availability to their funds, up to \$10 million. Withdrawals of more than \$10 million require 3 business day's notification. The DBF was created for those state and public entities able to exchange current liquidity for potentially greater returns over the long run (3.5 years or longer). Withdrawals of \$10 million or less generally require 5 business days' notification prior to the last day of the month; those in excess of \$10 million require 25 business days' notification.

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 Joint Powers Investment Pool is conducted by the State Legislative Auditors Office. The County's fair value of its position in the pool is the same as the per share value of total Investment Pool. The State of Idaho's reported weighted average maturity of investments for short-term LGIP funds is 90 days, and DBF is 3.7 years, at September 30, 2016.

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, 2016, 93% of the investment portfolio was with the STO.

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.

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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 \$2,733,234 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 none of the North Idaho Fair & Rodeo's bank balance of \$96,533 was uninsured or uncollateralized 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 yearend for the County's major, non-major, and proprietary funds, including applicable allowances for doubtful accounts, are as follows:

	General	Other Governmental Funds	Proprietary Funds	Total
Accounts Receivable:				
Taxes	\$ 44,327,121	\$ 147,728	\$ -	\$ 44,474,849
General accounts	2,098,916	197,509	970,870	3,267,295
Grants	156,868	591,360	-	748,228
Interest	8,194	5	-	8,199
Gross Accounts Receivable	46,591,099	936,602	970,870	48,498,571
Less: allowance for doubtful accounts	-	(10,000)	(35,000)	(45,000)
Net Total Accounts Receivables	\$ 46,591,099	\$ 926,602	\$ 935,870	\$ 48,453,571

Kootenai County's governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be 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:

	Unavailable	Advanced
Deferred Inflows of Resources:		
Subsequent property taxes receivable	\$ 43,725,214	\$ -
Delinquent property taxes receivable (general fund)	483,209	-
Delinquent property taxes receivable (other governmental funds)	117,163	-
Advanced Revenue:		
Intergovernmental services not yet performed (general fund)	-	238,672
Special Revenue services not yet performed (other governmental funds)	-	138,112
Grant draw downs prior to meeting all eligibility requirements	-	752,664
Total unavailable and advanced revenue for governmental funds	\$ 44,325,586	\$ 1,129,448

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NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 (in thousands) is as follows:

Governmental Activities	Balance 9/30/15	Additions	Deletions	Transfers	Balance 9/30/16
Capital assets, not being depreciated:					
Other Assets	\$ 411	\$ 29	\$ -	\$ -	\$ 440
Land	6,632	136	-	-	6,768
Construction in progress	1,474	600	-	(1,121)	953
Total capital assets, not being depreciated	<u>8,517</u>	<u>765</u>	<u>-</u>	<u>(1,121)</u>	<u>8,161</u>
Capital assets, being depreciated:					
Buildings	42,847	794	-	-	43,641
Improvements other than buildings	42,911	712	(77)	686	44,232
Machinery and equipment	27,758	1,784	(1,380)	458	28,620
Total capital assets, being depreciated	<u>113,516</u>	<u>3,290</u>	<u>(1,457)</u>	<u>1,144</u>	<u>116,493</u>
Less accumulated depreciation for:					
Buildings	(23,382)	(1,413)	-	-	(24,795)
Improvements other than buildings	(26,683)	(2,338)	8	-	(29,013)
Machinery and equipment	(21,589)	(2,438)	1,356	(23)	(22,694)
Total accumulated depreciation	<u>(71,654)</u>	<u>(6,189)</u>	<u>1,364</u>	<u>(23)</u>	<u>(76,502)</u>
Total capital assets, being depreciated, net:	<u>41,862</u>	<u>(2,899)</u>	<u>(93)</u>	<u>1,121</u>	<u>39,991</u>
Government activity capital assets, net:	<u>\$ 50,379</u>	<u>\$ (2,134)</u>	<u>\$ (93)</u>	<u>\$ -</u>	<u>\$ 48,152</u>
Business-type Activities	Balance 9/30/15	Additions	Deletions	Transfers	Balance 9/30/16
Capital assets, not being depreciated:					
Land	\$ 1,747	\$ 4	\$ -	\$ -	\$ 1,751
Construction in progress	773	-	-	(773)	-
Total capital assets, not being depreciated	<u>2,520</u>	<u>4</u>	<u>-</u>	<u>(773)</u>	<u>1,751</u>
Capital assets, being depreciated:					
Buildings	766	35	-	-	801
Improvements other than buildings	2,747	129	-	-	2,876
Machinery and equipment	12,481	1,220	(298)	77	13,480
Transfer Stations	19,890	41	-	-	19,931
Landfill	22,647	132	-	673	23,452
Total capital assets, being depreciated	<u>58,531</u>	<u>1,557</u>	<u>(298)</u>	<u>750</u>	<u>60,540</u>
Less accumulated depreciation for:					
Buildings	(517)	(69)	-	-	(586)
Improvements other than buildings	(1,348)	(262)	-	-	(1,610)
Machinery and equipment	(9,132)	(1,078)	288	23	(9,899)
Transfer Stations	(7,908)	(655)	-	-	(8,563)
Landfill	(14,087)	(781)	-	-	(14,868)
Total accumulated depreciation	<u>(32,992)</u>	<u>(2,845)</u>	<u>288</u>	<u>23</u>	<u>(35,526)</u>
Total capital assets, being depreciated, net:	<u>25,539</u>	<u>(1,288)</u>	<u>(10)</u>	<u>773</u>	<u>25,014</u>
Business-type activities capital assets, net:	<u>\$ 28,059</u>	<u>\$ (1,284)</u>	<u>\$ (10)</u>	<u>\$ -</u>	<u>\$ 26,765</u>

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

Governmental Activities:	
General Government	\$ 1,219,193
Public Works	1,748,644
Public Safety	2,798,010
Sanitation Weeds	6,479
Culture and Recreation	<u>416,398</u>
Total governmental activities current year depreciation expense	<u><u>\$ 6,188,723</u></u>
Business-type activity:	
Solid Waste	<u>\$ 2,845,227</u>
Total business-type activities current year depreciation expense	<u><u>\$ 2,845,227</u></u>

The tables above summarize General government and Solid Waste capital assets and related accumulated depreciation as of September 30, 2016.

General Government capital expenditures during fiscal year 2016 total \$4,053,933. Significant capital asset activities during fiscal 2016 include:

- Construction in Progress increase:
 - Airport Improvement Projects (AIP), **\$277,000**:
 - AIP 39 – Airport Sustainability Study, \$148,000
 - AIP 40 – Wildlife Hazard Assessment, \$32,000
 - AIP 41 – Ramp Design and Environmental Assessment, \$10,000
 - AIP 42 – General Aviation Ramp Construction, \$87,000
- AIP 43– Taxilane Rehabilitation, **\$529,000**
- Airport Armory Buildings donation, **\$544,000**
- Post Falls DMV Land and Building, **\$411,000**
- Seven sheriff patrol vehicles outfitted with mobile data units and safety equipment as well as six other county vehicles, **\$562,000**
- Technology hardware and software, **\$306,000**
- General Government disposals totaling \$1,456,652 include obsolete office equipment, software, security equipment, and 911 communication equipment.

Solid Waste Enterprise Fund capital expenditures during fiscal year 2016 total \$1,561,067. Significant capital asset activities during fiscal 2016 include:

- One Knuckleboom Crane, **\$184,000**
- Four Transfer Trailers, **\$328,000**
- One Telehandler, **\$136,000**
- One Tractor Truck, **\$134,000**
- Fighting Creek Landfill improvements, **\$132,000**
- Solid Waste disposals totaling \$297,967 include 1 crane, 1 forklift, 1 water truck, 1 tractor truck, and obsolete shop equipment.

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Discretely presented component units:

Activity for the Kootenai County Emergency Medical Services System for the year ended September 30, 2016, was as follows:

	Balance 9/30/2015	Additions	Deletions	Balance 9/30/2016
KCEMSS Component Unit Activity				
Capital assets, not being depreciated:				
Land	\$ 403,990	\$ -	\$ -	\$ 403,990
Construction in process	-	33,364	-	33,364
Total capital assets, not being depreciated	403,990	33,364	-	437,354
Capital assets, being depreciated:				
Building	713,244	-	-	713,244
Machinery and equipment	832,045	-	-	832,045
Vehicles	3,342,311	-	(149,966)	3,192,345
Total capital assets, being depreciated	4,887,600	-	(149,966)	4,737,634
Less accumulated depreciation for:				
Building	(134,459)	(30,699)	-	(165,158)
Machinery and equipment	(503,859)	(89,709)	-	(593,568)
Vehicles	(218,334)	(401,195)	149,966	(469,563)
Total accumulated depreciation	(856,652)	(521,603)	149,966	(1,228,289)
Total capital assets, being depreciated, net	4,030,948	(521,603)	-	3,509,345
KCEMSS activity capital assets, net	\$ 4,434,938	\$ (488,239)	\$ -	\$ 3,946,699

Activity for the North Idaho Fair and Rodeo for the year ended December 31, 2015 was as follows:

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15
North Idaho Fair Component Unit Activity				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 401,511	\$ -	\$ (4,932)	\$ 396,579
Buildings	3,076,309	88,385	(4,000)	3,160,694
Total capital assets, being depreciated	3,477,820	88,385	(8,932)	3,557,273
Less accumulated depreciation for:				
Machinery and Equipment	(318,099)	(16,829)	4,932	(329,996)
Buildings	(1,330,391)	(81,984)	4,000	(1,408,375)
Total accumulated depreciation	(1,648,490)	(98,813)	8,932	(1,738,371)
Total capital assets, being depreciated, net	1,829,330	(10,428)	-	1,818,902
North Idaho Fair activity capital assets, net	\$ 1,829,330	\$ (10,428)	\$ -	\$ 1,818,902

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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, 2016.

Fiscal Year Ending Ending September 30,	Governmental Activities
2017	\$ 218,900
2018	149,947
2019	150,372
2020	75,045
Total Minimum Payments Required	\$ 594,264

The total expenditure for operating leases during the fiscal year ending September 30, 2016, approximated \$271,000. Approximate values of future minimum lease obligations include:

- County department building leases, \$297,000.
- Printing services commercial copier equipment, \$190,000.
- 9-1-1 emergency service repeater tower and equipment, \$95,000.
- Sheriff's boat moorage leases, \$13,000.

NOTE 7: GENERAL LONG-TERM OBLIGATIONS

Changes in Long-term Obligations:

During the year ending September 30, 2016, the following changes occurred with liabilities reported in the general long-term obligations:

	Balance 10/1/2015	Additions	Reductions	Balance 9/30/2016	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
<i>Other Liabilities:</i>					
Compensated Absences	\$ 5,037,445	\$ 317,754	\$ 78,338	\$ 5,276,861	\$ 679,865
Governmental activities long-term liabilities	\$ 5,037,445	\$ 317,754	\$ 78,338	\$ 5,276,861	\$ 679,865
BUSINESS-TYPE ACTIVITIES					
Compensated Absences	\$ 220,321	\$ 21,889	\$ 5,318	\$ 236,892	\$ 13,740
Landfill closure liability	7,164,000	431,000	-	7,595,000	-
Business-type activities long-term liabilities	\$ 7,384,321	\$ 452,889	\$ 5,318	\$ 7,831,892	\$ 13,740

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At September 30, 2016, County-wide compensated absences payable total \$5,513,753. Of this liability, \$5,276,861 is governmental activity obligation, and \$236,892 is business activity obligation. For the governmental activities, the compensated absence liability is generally liquidated by the general fund. Compensated absence payouts to employees upon separation were \$78,338, for Governmental Fund employees, and \$5,318 for Business-type fund employees. Solid Waste landfill closure liability at Fighting Creek increased \$431,000 during the year for a closing balance of \$7,595,000.

NOTE 8: NOTES PAYABLE AND CAPITAL LEASES: COMPONENT UNITS

The financial information in this report, for the fiscal year ending September 30, 2016, 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, 2015, North Idaho Fair & Rodeo had 3 outstanding capital lease notes payable balances totaling \$20,267, with debt lease payments due in one year of \$11,685. KCEMSS has \$1,611,759 capital lease balance for the year ending September 30, 2016, with amounts due within one year of \$255,471.

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, and revised engineering estimates for the Fighting Creek Landfill through 2015-2016, closure/post-closure expenses of \$431,000 were recognized for the period ending September 30, 2016.

A total of \$7,595,000 has been recognized for closure and post-closure liability as of the statement of net position date. The current liability balance is based on 59% 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 \$5,338,671 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 2033. However, the final closure of the original cell will be performed when the adjacent cells in development reach capacity projected to occur after 2045.

Funds totaling \$7,595,000 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.

The potential changes to the landfill closure and post-closure costs may exist due to inflation, deflation, technology, waste fill rates, and any revisions to the applicable laws or regulations. Anticipated future inflation costs and any additional costs arising from changes in post-closure requirements may need to be covered by charges to future landfill users, taxpayers, or both. Additionally, the current Fighting Creek landfill site is being expanded into additional cells which will extend the overall life of the landfill site an estimated 25 to 30 years. This will have an impact on the timing and engineering estimates of 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 serves as risk managers which duties include reviewing contracts, and evaluating the adequacy of insurance coverage. The Risk Management Technician informs and educates employees of responsibilities regarding prevention of loss exposure related to their duties.

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 2015-2016 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, 2016, 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 statement of net position, as was the case in the prior year.

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The County provides employees health benefits through a self-funded health insurance program. This program is funded by internal rates charged bi-weekly through payroll to the various County departments based on actual participation by employees for their share of the cost. As of September 30, 2016, 4 past employees have elected to pay the full premium cost to remain on the County’s health insurance plan. The County’s self-funded 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 \$150,000. The current attachment point for annual aggregate stop-loss coverage has been set at \$6,413,750. Stop-loss claims received during FY16 totaled \$1,358,670. The Health Insurance Fund Balance at September 30, 2016 was \$1,256,516. Estimated claims outstanding (incurred but not received – “IBNR”), as of fiscal year end was \$615,000 based on health plan consultant’s actuarial estimate.

Fiscal Year	Beginning IBNR	Claims Incurred	Payments on claims	Ending IBNR
2016	\$ 575,000	8,156,848	8,116,848	\$ 615,000
2015	\$ 490,717	6,118,075	6,033,792	\$ 575,000

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.

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 (five 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 2.0% (2.3% for police/firefighters) 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 with 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.

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The contribution rates for employees are set by statute at 60% for general employees and 72% for police and firefighters. As of September 30, 2016 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters of covered compensation. Kootenai County contributions were \$4,059,532 for the year ended September 30, 2016.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions – At September 30, 2016, Kootenai County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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. At June 30, 2016, Kootenai County’s proportion was 1.2650727%.

For the year ended September 30, 2016, Kootenai County recognized pension expense credit (revenue) of \$306,813. At September 30, 2016, Kootenai County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,555,331
Changes in assumptions or other inputs	570,072	-
Net difference between projected and actual earnings on pension plan investments	12,481,926	5,832,140
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	1,037,679	-
Employer contributions subsequent to the measurement date	942,208	-
Total	\$ 15,031,885	\$ 8,387,471

\$942,208 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2017.

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, 2015 the beginning of the measurement period ended June 30, 2016 is 4.9 years and 5.5 years for the measurement period ending June 30, 2015.

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:	
2017	\$ 298,668
2018	298,668
2019	3,247,854
2020	1,857,016

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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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25-10.00%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

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 July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July, 1 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2016 is based on the results of an actuarial valuation date of July 1, 2016.

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.

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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 as of January 1, 2016.

Capital Market Assumptions

<u>Asset Class</u>	<u>Expected Return</u>	<u>Expected Risk</u>	<u>Strategic Normal</u>	<u>Strategic Ranges</u>
Equities			70%	66%-77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10%-20%
Fixed Income	3.05%	3.75%	30%	23%-33%
Cash	2.25%	0.90%	0%	0%-5%
	<u>Expected Return</u>	<u>Expected Inflation</u>	<u>Expected Real Return</u>	<u>Expected Risk</u>
Total Fund				
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

Actuarial Assumptions

Assumed Inflation - Mean	3.25%
Assumed Inflation - Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expense	0.40%

Long-Term Expected Geometric

Rate of Return, Net of Investment Expenses **7.10%**

Discount Rate – The discount rate used to measure the total pension liability was 7.10%. 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.

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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 7.10%, 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 (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.1%)	Current Discount Rate (7.10%)	1% Increase (8.1%)
Employer's net pension liability (asset)	\$ 50,306,323	\$ 25,644,967	\$ 5,136,325

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.

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	Payroll Liability Fund
Justice	Unemployment Insurance

NOTE 13: JOINT GOVERNED ORGANIZATIONS

Kootenai County participates in two jointly governed organizations. Those organizations are the Hayden Area Regional Sewer Board (HARSB), and the Kootenai County Emergency Medical Services System (KCEMSS).

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 has no financial interest or responsibility in the 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, 2016.

The County has elected to report KCEMSS as a component unit because the Board of County Commissioners approves the annual KCEMSS operating budget, appoints *one* board member, and serves as the tax levy authority. **See footnote 1(A) for more information.**

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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, 2016 are as follows:

Receivable Fund	(Payable) Funds
Major Funds:	
General Fund	\$ 673,988
Non-Major Special Revenue and Capital Project Funds:	
Airport	(478,307)
Construction Fund	(195,681)
Total	\$ -

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 in			Total
		General Gov't Funds	Other Governmental Funds	Internal Service Funds	
Transfer Out	General Governmental Funds	\$ (518,071)	\$ 262,754	\$ 250,000	\$ (5,317)
	Other Governmental Funds	514,357	(514,357)	-	-
	Enterprise Funds	719,054	44,996	-	764,050
	Total	\$ 715,340	\$ (206,607)	\$ 250,000	\$ 758,733

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.

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Significant interfund transfers during the fiscal year include:

- Solid Waste transfer to General Government of \$719,054 and Health District of \$44,996, for administrative and overhead costs.
- Airport to General fund to reimburse for land purchase in prior year \$478,307.
- General fund transfers to non-major other governmental funds of \$204,308 to cover Wage Adjustments.
- General fund transfers to non-major other governmental funds of \$28,145, and Solid Waste of \$5,317 to cover paid sick leave termination.
- \$36,050 Aquifer Protection Fund transfer to General Fund for program administrative costs.
- \$250,000 from General Fund to Health Insurance Fund.

NOTE 16: FUND EQUITY

Fund Equity Balances:

At September 30, 2016, the details of fund equity balances are as follows:

Fund Balances:	General	Non-Major Other Govt	Total
Nonspendable:			
Prepays	\$ 499,489	\$ 1,335	\$ 500,824
Total Nonspendable	499,489	1,335	500,824
Restricted			
Juvenile justice services	521,199	-	521,199
Enhanced 9-1-1 Services	2,706,896	-	2,706,896
Court facility construction	533,507	-	533,507
Sheriff Commissary	152,264	-	152,264
Sheriff Drug Seizure	296,444	-	296,444
Court interlock devices	-	114,675	114,675
Operations	-	4,910,992	4,910,992
Total Restricted	4,210,310	5,025,667	9,235,977
Committed:			
Capital Project Reserve-Facilities Master Plan	9,787,000	-	9,787,000
Capital Project Reserve-Info System Infrastructure	1,000,000	-	1,000,000
Health Care Reserve	500,000	-	500,000
Jail Expansion	12,000,000	-	12,000,000
Facilities Projects	1,275,029	-	1,275,029
Info Systems Projects	339,605	-	339,605
Public Safety Projects	93,081	-	93,081
Other Capital Projects	24,944	-	24,944
Parks Project	-	14,850	14,850
Operations	1,095,222	873,624	1,968,846
Total Committed	26,114,881	888,474	27,003,355
Unassigned	15,510,660	-	15,510,660
Total fund balances	\$ 46,335,340	\$ 5,915,476	\$ 52,250,816

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NOTE 17: ADOPTION OF NEW ACCOUNTING STANDARD – *RESTATEMENT OF NET POSITION*

As of October 1, 2014, the component unit North Idaho Fair & Rodeo adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date. The implementation of these standards requires governments calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date as follows:

COMPONENT UNIT - North Idaho Fair & Rodeo	
Net Position at December 31, 2014 as previously reported	\$ 1,777,815
Net Pension liability at December 31, 2014	(77,768)
Deferred inflow of resources related to contributions made during the year ended December 31, 2014	(107,057)
Deferred outflow of resources related to contributions made during the year ended December 31, 2014	24,968
Miscellaneous transactions during the year ended December 31, 2014	<u>3,722</u>
Net position at January 1, 2015, as restated	<u>\$ 1,621,680</u>

Required Supplementary Information



Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 35,166,450	\$ 35,166,450	\$ 35,667,242	\$ 500,792
Licenses and permits	1,353,400	1,353,400	1,450,061	96,661
Intergovernmental	9,489,433	10,179,627	11,510,500	1,330,873
Interest	671,000	671,000	1,086,005	415,005
Fines and forfeitures	585,300	585,300	532,754	(52,546)
Charges for services	6,053,837	6,073,287	6,717,223	643,936
Miscellaneous	2,745,048	3,300,005	807,334	(2,492,671)
<i>Total Revenues</i>	56,064,468	57,329,069	57,771,119	442,050
Expenditures				
Current:				
General government				
Assessor	1,586,709	1,640,617	1,610,399	30,218
Building & grounds	548,202	559,524	558,434	1,090
County auto shop	236,391	242,688	204,670	38,018
County clerk	4,616,728	4,779,215	4,615,057	164,158
County commissioner	494,637	505,003	494,621	10,382
County grant writer	175,121	180,472	173,391	7,081
General accounts	3,132,470	1,443,118	1,272,526	170,592
Office of emergency management	412,356	900,667	407,072	493,595
Human resources	283,305	293,268	318,213	(24,945)
Information services	1,940,392	2,076,694	1,958,777	117,917
Liability insurance	752,389	752,389	750,063	2,326
Community development	1,704,848	1,763,839	1,559,216	204,623
Prosecuting attorney	3,058,723	3,258,933	3,257,547	1,386
Public defender	2,614,312	2,858,638	3,026,136	(167,498)
Reprographics/mail room	255,256	261,894	256,728	5,166
Treasurer	708,777	721,820	642,035	79,785
Veterans services	97,221	100,298	97,754	2,544

The accompanying notes are an integral part of this financial schedule.

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
(Continued)	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
Public safety				
9-1-1	2,973,081	3,021,736	3,145,497	\$ (123,761)
Adult misdemeanor probation	668,242	722,092	627,102	94,990
Coroner	315,834	319,794	315,089	4,705
Justice - general accounts	892,000	642,000	840,966	(198,966)
Juvenile detention center	2,523,821	2,612,396	2,423,646	188,750
Juvenile diversion	248,947	280,183	269,793	10,390
Juvenile probation	1,177,288	1,228,150	1,080,780	147,370
Sheriff	22,804,027	23,373,608	22,841,587	532,021
Health & welfare				
County assistance	1,070,424	1,070,424	469,365	601,059
Capital outlay:				
Capital expenditures	1,250,571	1,548,207	1,725,346	(177,139)
Construction in progress	270,000	408,435	250,921	157,514
Total Expenditures	56,812,072	57,566,102	55,192,731	2,373,371
Excess of Revenues Over (Under) Expenditures	(747,604)	(237,033)	2,578,388	2,815,421
Other Financing Sources (Uses)				
Transfers In	755,104	1,780,267	1,233,411	(546,856)
Transfers (out)	(7,500)	(1,543,234)	(518,071)	1,025,163
Total Other Financing Sources (Uses)	747,604	237,033	715,340	478,307
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	3,293,728	
Fund Balances Beginning of Year			43,041,612	
Fund Balances End of Year			\$ 46,335,340	

The accompanying notes are an integral part of this financial schedule.

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Schedule of Expenditure Compliance at the Legal Level of Budgetary Control Budget to Actual By Elected Official For the Year Ended September 30, 2016

	<u>Budgeted Amounts</u>	Actual Amounts (Budgetary Basis)	Variance with Final Budget (Over) Under
	Final		
Board of County Commissioners			
General Government	\$ 36,857,212	\$ 34,886,428	\$ 1,970,784
Solid Waste	10,499,676	10,133,767	365,909
Total BOCC	<u>\$ 47,356,888</u>	<u>\$ 45,020,195</u>	<u>\$ 2,336,693</u>
County Clerk	<u>\$ 8,489,044</u>	<u>\$ 6,259,974</u>	<u>\$ 2,229,070</u>
Administrative District Judge	<u>\$ 2,448,354</u>	<u>\$ 2,359,913</u>	<u>\$ 88,441</u>
Treasurer	<u>\$ 721,820</u>	<u>\$ 642,035</u>	<u>\$ 79,785</u>
Assessor	<u>\$ 4,051,847</u>	<u>\$ 3,888,532</u>	<u>\$ 163,315</u>
Coroner	<u>\$ 319,794</u>	<u>\$ 315,089</u>	<u>\$ 4,705</u>
Sheriff	<u>\$ 27,410,140</u>	<u>\$ 27,020,966</u>	<u>\$ 389,174</u>
Prosecuting Attorney	<u>\$ 3,539,116</u>	<u>\$ 3,527,340</u>	<u>\$ 11,776</u>

The accompanying notes 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, 2016

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 and vary from Generally Accepted Accounting Principles (GAAP). The reconciliation at the end of the Budget and Actual statements discloses the difference between the budget basis and 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.

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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.

The level of budgetary control at which expenditures may not exceed appropriations is the elected official level (see *Schedule of Expenditures of Compliance at the Legal Level of Budgetary Control*). Budgeted expenditures are considered in total by elected officials across all County funds (general fund, special revenue funds, and enterprise funds).

Kootenai County Board of County Commissioners approved multiple unexpended capital projects totaling \$1,316,824 to be carried over from fiscal year 2016 budget as allowed by Idaho Code Section 13, Chapter 16. The following schedule details the in process projects carried over from prior year:

	Carryforward Balance 10/1/2015	Appropriation FY 2016	Expenditures FY 2016	Carryforward Balance 9/30/2016
Landfill Capital Improvement Projects	\$ 613,546	\$ 95,000	\$ 196,215	\$ 512,331
Ramsey Transfer Station Improvement Projects	-	150,000	128,872	21,128
Solid Waste Rural Site Purchases	354,419	-	43,534	310,885
District Court Case Management Software	209,379	-	59,736	149,643
Jail Maintenance Improvement Projects	-	36,484	27,257	9,227
Replacement Reserve Capital Projects	-	100,000	16,146	83,854
GIS Module - Community Development	7,500	-	7,500	-
Clerk Recorder's Archiving Project	26,694	27,000	28,750	24,944
Admin Cabling Project	230,726	-	65,145	165,581
VOIP Phone System Upgrade	25,625	-	25,625	-
IS Fiber Upgrade Project	-	48,080	23,699	24,381
Elections Capital Equipment	6,253	(6,253)	-	-
9-1-1 Mt Spokane Project	88,257	-	88,257	-
Airport Capital Purchases	112,956	-	112,956	-
Parks Boat Launch Capital Equipment	25,000	-	25,000	-
Parks Stateline Bridge Painting Project	-	79,882	65,032	14,850
Waterways Capital Grant Match	50,000	(50,000)	-	-
Total Carryforward	<u>\$ 1,750,355</u>			<u>\$ 1,316,824</u>

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Schedule of Employer's Share of Net Pension Liability - PERSI For the Year Ended September 30, 2016

Last Two Fiscal Year⁽¹⁾
(dollars in thousands)

	2015 ⁽²⁾	2016 ⁽²⁾
Proportion of the net pension liability (asset)	1.2024142%	1.2650727%
Proportionate share of the net pension liability (asset)	\$ 15,833	\$ 25,645
Covered-employee payroll	\$ 33,363	\$ 36,726
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	47.46%	69.83%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%

(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 2016

KOOTENAI COUNTY, IDAHO Schedule of Employer's Contributions For the Year Ended September 30, 2016

Last Two Fiscal Year⁽¹⁾
(dollars in thousands)

	<u>2015</u>	<u>2016</u>
Contractually required contributions	\$ 3,881	\$ 4,059
Contributions in relation to the contractually required contributions	<u>(3,881)</u>	<u>(4,059)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 34,023	\$ 35,591
Contributions as a percentage of covered-employee payroll	11.41%	11.40%

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

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 2016

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Governmental Funds September 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash in bank and investments	\$ 6,802,173	\$ -	\$ 6,802,173
Taxes delinquent-receivable	147,728	-	147,728
Accounts receivable, (net)	187,509	-	187,509
Interest receivable	5	-	5
Grants receivable	387,877	203,483	591,360
Prepays	1,335	-	1,335
Total Assets	<u>\$ 7,526,627</u>	<u>\$ 203,483</u>	<u>\$ 7,730,110</u>
Liabilities			
Accounts payable	\$ 463,475	\$ 7,802	\$ 471,277
Advanced revenues-other	138,112	-	138,112
Advanced revenues-grants	414,094	-	414,094
Due to other funds	478,307	195,681	673,988
Total Liabilities	<u>1,493,988</u>	<u>203,483</u>	<u>1,697,471</u>
Deferred Inflows of Resources			
Unavailable property taxes	117,163	-	117,163
Total Deferred Inflows of Resources	<u>117,163</u>	<u>-</u>	<u>117,163</u>
Fund Balances:			
Nonspendable	1,335	-	1,335
Restricted	5,026,268	-	5,026,268
Committed	888,474	-	888,474
Assigned	-	-	-
Unassigned	(601)	-	(601)
Total Fund Balances	<u>5,915,476</u>	<u>-</u>	<u>5,915,476</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,526,627</u>	<u>\$ 203,483</u>	<u>\$ 7,730,110</u>

Kootenai County Comprehensive Annual Financial Report – FY 2016

**KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Non-Major Special Revenue Funds
September 30, 2016**

	Centennial Trail	Tourism Promotion	Airport	County Fair	Noxious Weeds
Assets					
Cash in bank and investments	\$ 111,340	\$ 978	\$ 1,070,665	\$ 6,278	\$ 30,127
Taxes delinquent-receivable	-	-	5,798	1,907	3,655
Accounts receivable, (net)	141	385	-	-	1,031
Interest receivable	-	-	-	-	-
Grants receivable	-	-	51,035	-	1,116
Prepays	-	-	659	-	-
Total Assets	\$ 111,481	\$ 1,363	\$ 1,128,157	\$ 8,185	\$ 35,929
Liabilities					
Accounts payable	\$ -	\$ 199	\$ 91,245	\$ -	\$ 7,877
Advanced revenues	-	-	38,995	-	-
Advanced grant revenues	-	-	-	-	-
Due to other funds	-	-	478,307	-	-
Total Liabilities	-	199	608,547	-	7,877
Deferred Inflows of Resources					
Unavailable property taxes	-	-	4,812	1,489	2,711
Total deferred inflows of resources	-	-	4,812	1,489	2,711
Fund Balances:					
Nonspendable	-	-	659	-	-
Restricted	66,981	1,164	514,139	6,696	25,341
Committed	44,500	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	111,481	1,164	514,798	6,696	25,341
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 111,481	\$ 1,363	\$ 1,128,157	\$ 8,185	\$ 35,929

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2016

	Health District	Historical Society	Parks	Snowmobile	County Vessel
Assets					
Cash in bank and investments	\$ 133,444	\$ 333	\$ 199,192	\$ 193,238	\$ 76,973
Taxes delinquent-receivable	9,097	294	3,526	-	-
Accounts receivable, (net)	-	-	-	-	35,147
Interest receivable	-	-	-	-	-
Grants receivable	-	-	-	-	102,602
Prepays	-	-	-	-	75
Total Assets	\$ 142,541	\$ 627	\$ 202,718	\$ 193,238	\$ 214,797
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 11,555	\$ 29	\$ 13,273
Advanced revenues	-	-	7,266	-	-
Advanced grant revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	18,821	29	13,273
Deferred Inflows of Resources					
Unavailable property taxes	6,781	246	2,675	-	-
Total deferred inflows of resources	6,781	246	2,675	-	-
Fund Balances:					
Nonspendable	-	-	-	-	75
Restricted	135,760	381	68,188	162,269	201,449
Committed	-	-	113,034	30,940	-
Unassigned	-	-	-	-	-
Total Fund Balances	135,760	381	181,222	193,209	201,524
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 142,541	\$ 627	\$ 202,718	\$ 193,238	\$ 214,797

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2016

	Public Access	Indigent	FTA Public Transit	District Court
Assets				
Cash in bank and investments	\$ 57,179	\$ 3,291,813	\$ 269,724	\$ 359,677
Taxes delinquent-receivable	-	15,767	-	18,209
Accounts receivable, (net)	-	-	-	105,227
Interest receivable	5	-	-	-
Grants receivable	-	-	233,124	-
Prepays	-	-	601	-
Total Assets	\$ 57,184	\$ 3,307,580	\$ 503,449	\$ 483,113
Liabilities:				
Accounts payable	\$ -	\$ 91,577	\$ 53,255	\$ 59,601
Advanced revenues	-	4,968	36,100	50,783
Advanced grant revenues	-	-	414,094	-
Due to other funds	-	-	-	-
Total Liabilities	-	96,545	503,449	110,384
Deferred Inflows of Resources				
Unavailable property taxes	-	11,563	-	13,995
Total deferred inflows of resources	-	11,563	-	13,995
Fund Balances (Deficits):				
Nonspendable	-	-	601	-
Restricted	57,184	2,499,472	-	358,734
Committed	-	700,000	-	-
Unassigned	-	-	(601)	-
Total Fund Balances	57,184	3,199,472	-	358,734
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 57,184	\$ 3,307,580	\$ 503,449	\$ 483,113

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds (continued) September 30, 2016

	Revaluation	KCEMSS	Aquifer Protections	Total Nonmajor Special Revenue Funds
Assets				
Cash in bank and investments	\$ 478,222	\$ 15,452	\$ 507,538	\$ 6,802,173
Taxes delinquent-receivable	29,461	37,171	22,843	147,728
Accounts receivable, (net)	-	24,180	21,398	187,509
Interest receivable	-	-	-	5
Grants receivable	-	-	-	387,877
Prepays	-	-	-	1,335
Total Assets	\$ 507,683	\$ 76,803	\$ 551,779	\$ 7,526,627
Liabilities:				
Accounts payable	\$ 7,416	\$ 12,211	\$ 115,237	\$ 463,475
Advanced revenues	-	-	-	138,112
Advanced grant revenues	-	-	-	414,094
Due to other funds	-	-	-	478,307
Total Liabilities	7,416	12,211	115,237	1,493,988
Deferred Inflows of Resources				
Unavailable property taxes	22,099	29,953	20,839	117,163
Total deferred inflows of resources	22,099	29,953	20,839	117,163
Fund Balances:				
Nonspendable	-	-	-	1,335
Restricted	478,168	34,639	415,703	5,026,268
Committed	-	-	-	888,474
Unassigned	-	-	-	(601)
Total Fund Balances	478,168	34,639	415,703	5,915,476
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 507,683	\$ 76,803	\$ 551,779	\$ 7,526,627

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Capital Projects Funds For the Year Ended September 30, 2016

	General Construction Capital Projects	Total Nonmajor Capital Project Funds
Assets		
Cash in bank and investments	\$ -	\$ -
Grants receivable	203,483	203,483
<i>Total Assets</i>	\$ 203,483	\$ 203,483
 Liabilities		
Accounts payable	\$ 7,802	\$ 7,802
Due to other funds	195,681	195,681
<i>Total Liabilities</i>	203,483	203,483
 Fund Balances		
Restricted	-	-
<i>Total Fund Balances</i>	-	-
 <i>Total Liabilities and Fund Balances</i>	 \$ 203,483	 \$ 203,483

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the Year Ended September 30, 2016

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Taxes	\$ 9,584,337	\$ -	\$ 9,584,337
Licenses and permits	122,827	-	122,827
Intergovernmental	1,972,818	873,965	2,846,783
Interest	385	-	385
Fines and forfeitures	784,885	-	784,885
Charges for services	1,894,253	23,713	1,917,966
Miscellaneous	782,392	88,675	871,067
<i>Total Revenues</i>	<u>15,141,897</u>	<u>986,353</u>	<u>16,128,250</u>
Expenditures			
Current:			
General government	3,604,064	59,256	3,663,320
Public works	915,118	548	915,666
Public safety	5,130,361	-	5,130,361
Sanitation	326,393	-	326,393
Health & welfare	2,294,752	-	2,294,752
Culture and recreation	910,829	-	910,829
Capital Outlay:			
Capital expenditures	264,828	16,932	281,760
Construction in progress	4,623	909,617	914,240
<i>Total Expenditures</i>	<u>13,450,968</u>	<u>986,353</u>	<u>14,437,321</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>1,690,929</u>	<u>-</u>	<u>1,690,929</u>
Other Financing Sources (Uses)			
Transfers In	374,323	-	374,323
Transfers (out)	(580,930)	-	(580,930)
<i>Total Other Financing Sources (Uses)</i>	<u>(206,607)</u>	<u>-</u>	<u>(206,607)</u>
<i>Net Change in Fund Balances</i>	1,484,322	-	1,484,322
<i>Fund Balances Beginning of Year</i>	<u>4,431,154</u>	<u>-</u>	<u>4,431,154</u>
<i>Fund Balances End of Year</i>	<u><u>\$ 5,915,476</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,915,476</u></u>

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2016

	Centennial Tr. Special Revenue	Tourism Promo. Special Revenue	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue
Revenues					
Taxes	\$ -	\$ -	\$ 296,415	\$ 150,521	\$ 292,208
Licenses and permits	-	-	-	-	-
Intergovernmental	-	1,377	554,416	-	38,820
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	15,000	-	723,117	-	2,274
Miscellaneous	141	-	14,512	-	3,732
<i>Total Revenues</i>	<u>15,141</u>	<u>1,377</u>	<u>1,588,460</u>	<u>150,521</u>	<u>337,034</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	915,118	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	326,393
Health & welfare	-	-	-	-	-
Culture and recreation	-	1,191	-	150,000	-
Capital outlay:					
Capital expenditures	-	-	143,756	-	-
Construction in progress	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>1,191</u>	<u>1,058,874</u>	<u>150,000</u>	<u>326,393</u>
<i>Excess of Revenues Over Expenditures</i>	<u>15,141</u>	<u>186</u>	<u>529,586</u>	<u>521</u>	<u>10,641</u>
Other Financing Sources (Uses)					
Transfers in	8,588	-	38,478	-	6,378
Transfers (out)	(65,485)	-	(478,307)	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(56,897)</u>	<u>-</u>	<u>(439,829)</u>	<u>-</u>	<u>6,378</u>
<i>Net Change in Fund Balances</i>	<u>(41,756)</u>	<u>186</u>	<u>89,757</u>	<u>521</u>	<u>17,019</u>
<i>Fund Balances Beginning of Year</i>	<u>153,237</u>	<u>978</u>	<u>425,041</u>	<u>6,175</u>	<u>8,322</u>
<i>Fund Balances End of Year</i>	<u>\$ 111,481</u>	<u>\$ 1,164</u>	<u>\$ 514,798</u>	<u>\$ 6,696</u>	<u>\$ 25,341</u>

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2016

	Health District Special Revenue	Historical Society Special Revenue	Parks Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue
Revenues					
Taxes	\$ 726,057	\$ 15,188	\$ 280,401	\$ -	\$ -
Licenses and permits	-	-	-	81,682	-
Intergovernmental	-	3,390	-	-	698,511
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	87,917	-	-
Miscellaneous	-	-	24,382	800	-
<i>Total Revenues</i>	<u>726,057</u>	<u>18,578</u>	<u>392,700</u>	<u>82,482</u>	<u>698,511</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	-	-	-	1,465	336,750
Sanitation	-	-	-	-	-
Health & welfare	760,764	-	-	-	-
Culture and recreation	-	18,390	369,753	51,932	316,496
Capital outlay:					
Capital expenditures	-	-	70,528	5,906	44,638
Construction in progress	-	-	-	-	-
<i>Total Expenditures</i>	<u>760,764</u>	<u>18,390</u>	<u>440,281</u>	<u>59,303</u>	<u>697,884</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(34,707)</u>	<u>188</u>	<u>(47,581)</u>	<u>23,179</u>	<u>627</u>
Other Financing Sources (Uses)					
Transfers in	44,996	-	77,692	871	16,610
Transfers (out)	-	-	(1,088)	-	-
<i>Total Other Financing Sources</i>	<u>44,996</u>	<u>-</u>	<u>76,604</u>	<u>871</u>	<u>16,610</u>
<i>Net Change in Fund Balances</i>	10,289	188	29,023	24,050	17,237
<i>Fund Balances Beginning of Year</i>	<u>125,471</u>	<u>193</u>	<u>152,199</u>	<u>169,159</u>	<u>184,287</u>
<i>Fund Balances End of Year</i>	<u>\$ 135,760</u>	<u>\$ 381</u>	<u>\$ 181,222</u>	<u>\$ 193,209</u>	<u>\$ 201,524</u>

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2016

	Public Access Special Revenue	Indigent Special Revenue	FTA Public Trans Special Revenue	District Court Special Revenue
Revenues				
Taxes	\$ -	\$ 1,264,542	\$ -	\$ 1,445,558
Licenses and permits	-	-	-	275
Intergovernmental	5,992	-	389,838	178,931
Interest	385	-	-	-
Fines and forfeitures	-	-	-	784,885
Charges for services	-	-	939,860	126,085
Miscellaneous	-	638,198	267	360
<i>Total Revenues</i>	<u>6,377</u>	<u>1,902,740</u>	<u>1,329,965</u>	<u>2,536,094</u>
Expenditures				
Current:				
General government	-	-	1,325,931	-
Public works	-	-	-	-
Public safety	-	-	-	2,359,914
Sanitation	-	-	-	-
Health & welfare	-	1,132,093	-	-
Culture and recreation	3,067	-	-	-
Capital outlay:				
Capital expenditures	-	-	-	-
Construction in progress	-	-	4,623	-
<i>Total Expenditures</i>	<u>3,067</u>	<u>1,132,093</u>	<u>1,330,554</u>	<u>2,359,914</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>3,310</u>	<u>770,647</u>	<u>(589)</u>	<u>176,180</u>
Other Financing Sources				
Transfers in	-	14,601	589	75,426
Transfers (out)	-	-	-	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>14,601</u>	<u>589</u>	<u>75,426</u>
<i>Net Change in Fund Balances</i>	3,310	785,248	-	251,606
<i>Fund Balances Beginning of Year</i>	<u>53,874</u>	<u>2,414,224</u>	<u>-</u>	<u>107,128</u>
<i>Fund Balances End of Year</i>	<u>\$ 57,184</u>	<u>\$ 3,199,472</u>	<u>\$ -</u>	<u>\$ 358,734</u>

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds (continued) For the Year Ended September 30, 2016

	Revaluation Special Revenue	Kootenai Emergency Management Special Revenue	Aquifer Protection District Special Revenue	Total Non-major Special Revenue Funds
Revenues				
Taxes	\$ 2,348,386	\$ 2,291,967	\$ 473,094	\$ 9,584,337
Licenses and permits	-	40,870	-	122,827
Intergovernmental	-	101,543	-	1,972,818
Interest	-	-	-	385
Fines and forfeitures	-	-	-	784,885
Charges for services	-	-	-	1,894,253
Miscellaneous	-	-	100,000	782,392
<i>Total Revenues</i>	<u>2,348,386</u>	<u>2,434,380</u>	<u>573,094</u>	<u>15,141,897</u>
Expenditures				
Current:				
General government	2,278,133	-	-	3,604,064
Public works	-	-	-	915,118
Public safety	-	2,432,232	-	5,130,361
Sanitation	-	-	-	326,393
Health & welfare	-	-	401,895	2,294,752
Culture and recreation	-	-	-	910,829
Capital outlay:				
Capital expenditures	-	-	-	264,828
Construction in progress	-	-	-	4,623
<i>Total Expenditures</i>	<u>2,278,133</u>	<u>2,432,232</u>	<u>401,895</u>	<u>13,450,968</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>70,253</u>	<u>2,148</u>	<u>171,199</u>	<u>1,690,929</u>
Other Financing Sources (Uses)				
Transfers in	90,094	-	-	374,323
Transfers (out)	-	-	(36,050)	(580,930)
<i>Total Other Financing Sources (Uses)</i>	<u>90,094</u>	<u>-</u>	<u>(36,050)</u>	<u>(206,607)</u>
<i>Net Change in Fund Balances</i>	160,347	2,148	135,149	1,484,322
<i>Fund Balances Beginning of Year</i>	317,821	32,491	280,554	4,431,154
<i>Fund Balances End of Year</i>	<u>\$ 478,168</u>	<u>\$ 34,639</u>	<u>\$ 415,703</u>	<u>\$ 5,915,476</u>

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Capital Projects Funds For the Year Ended September 30, 2016

	General Construction Capital Projects	Total Nonmajor Capital Projects Funds
Revenues		
Intergovernmental	\$ 873,965	\$ 873,965
Charges for services	23,713	23,713
Miscellaneous	88,675	88,675
	Total Revenues	986,353
Expenditures		
Current:		
General government	59,256	59,256
Public works	548	548
Capital outlay:		
Capital expenditures	16,932	16,932
Construction in progress	909,617	909,617
	Total Expenditures	986,353
<i>Excess (Deficiency) of Revenues</i>		
<i>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>		
	\$ -	\$ -

Kootenai County Comprehensive Annual Financial Report – FY 2016

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, 2016

	Centennial Trail			Tourism Promotion		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,500	\$ 1,377	\$ (2,123)
Charges for services	15,000	15,000	-	-	-	-
Miscellaneous	(7,500)	141	7,641	-	-	-
<i>Total Revenues</i>	<u>7,500</u>	<u>15,141</u>	<u>7,641</u>	<u>3,500</u>	<u>1,377</u>	<u>(2,123)</u>
Expenditures						
Current:						
Culture and recreation	15,000	-	15,000	3,500	1,191	2,309
<i>Total Expenditures</i>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>3,500</u>	<u>1,191</u>	<u>2,309</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(7,500)</u>	<u>15,141</u>	<u>22,641</u>	<u>-</u>	<u>186</u>	<u>186</u>
Other Financing Sources (Uses)						
Transfers In	7,500	8,588	1,088	-	-	-
Transfers (out)	-	(65,485)	(65,485)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>7,500</u>	<u>(56,897)</u>	<u>(64,397)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>(41,756)</u>	<u>(41,756)</u>	<u>-</u>	<u>186</u>	<u>186</u>
<i>Fund Balances Beginning of Year</i>	<u>153,237</u>	<u>153,237</u>	<u>-</u>	<u>978</u>	<u>978</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 153,237</u>	<u>\$ 111,481</u>	<u>\$ (41,756)</u>	<u>\$ 978</u>	<u>\$ 1,164</u>	<u>\$ 186</u>

Kootenai County Comprehensive Annual Financial Report – FY 2016

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, 2016

	Airport			County Fair		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Taxes	\$ 291,883	\$ 296,415	\$ 4,532	\$ 150,000	\$ 150,521	\$ 521
Intergovernmental	-	554,416	554,416	-	-	-
Charges for services	585,370	723,117	137,747	-	-	-
Miscellaneous	73,180	14,512	(58,668)	-	-	-
<i>Total Revenues</i>	950,433	1,588,460	638,027	150,000	150,521	521
Expenditures						
Current:						
Public works	855,655	915,118	(59,463)	-	-	-
Culture and recreation	-	-	-	150,000	150,000	-
Capital outlay:						
Capital expenditures	133,256	143,756	(10,500)	-	-	-
<i>Total Expenditures</i>	988,911	1,058,874	(69,963)	150,000	150,000	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(38,478)	529,586	568,064	-	521	521
Other Financing Sources (Uses)						
Transfer in	38,478	38,478	-	-	-	-
Transfer out	-	(478,307)	478,307	-	-	-
<i>Total Other Financing Sources (Uses)</i>	38,478	(439,829)	(478,307)	-	-	-
<i>Net Change in Fund Balances</i>	-	89,757	89,757	-	521	521
<i>Fund Balances Beginning of Year</i>	425,041	425,041	-	6,175	6,175	-
<i>Fund Balances End of Year</i>	\$ 425,041	\$ 514,798	\$ 89,757	\$ 6,175	\$ 6,696	\$ 521

Kootenai County Comprehensive Annual Financial Report – FY 2016

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, 2016

	Noxious Weeds			Health District		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Taxes	\$ 287,993	\$ 292,208	\$ 4,215	\$ 715,768	\$ 726,057	\$ 10,289
Intergovernmental	40,761	38,820	(1,941)	-	-	-
Charges for services	-	2,274	2,274	-	-	-
Miscellaneous	-	3,732	3,732	-	-	-
<i>Total Revenues</i>	328,754	337,034	8,280	715,768	726,057	10,289
Expenditures						
Current:						
Sanitation	335,132	326,393	8,739	-	-	-
Health & welfare	-	-	-	760,764	760,764	-
<i>Total Expenditures</i>	335,132	326,393	8,739	760,764	760,764	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(6,378)	10,641	17,019	(44,996)	(34,707)	10,289
Other Financing Sources						
Transfers In	6,378	6,378	-	44,996	44,996	-
<i>Total Other Financing Sources</i>	6,378	6,378	-	44,996	44,996	-
<i>Net Change in Fund Balances</i>	-	17,019	17,019	-	10,289	10,289
<i>Fund Balances Beginning of Year</i>	8,322	8,322	-	125,471	125,471	-
<i>Fund Balances End of Year</i>	\$ 8,322	\$ 25,341	\$ 17,019	\$ 125,471	\$ 135,760	\$ 10,289

Kootenai County Comprehensive Annual Financial Report – FY 2016

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, 2016

	Historical Society			Parks Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Taxes	\$ 15,000	\$ 15,188	\$ 188	\$ 277,709	\$ 280,401	\$ 2,692
Intergovernmental	-	3,390	3,390	-	-	-
Charges for Services	-	-	-	92,000	87,917	(4,083)
Miscellaneous	-	-	-	29,610	24,382	(5,228)
<i>Total Revenues</i>	15,000	18,578	3,578	399,319	392,700	(6,619)
Expenditures						
Current:						
Culture and recreation	15,000	18,390	(3,390)	408,295	369,753	38,542
Capital outlay:						
Capital expenditures	-	-	-	68,716	70,528	(1,812)
<i>Total Expenditures</i>	15,000	18,390	(3,390)	477,011	440,281	36,730
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	188	188	(77,692)	(47,581)	30,111
Other Financing Sources (Uses)						
Transfers in	-	-	-	77,692	77,692	-
Transfers (out)	-	-	-	-	(1,088)	(1,088)
<i>Total Other Financing Sources</i>	-	-	-	77,692	76,604	(1,088)
<i>Net Change in Fund Balances</i>	-	188	188	-	29,023	29,023
<i>Fund Balances Beginning of Year</i>	193	193	-	152,199	152,199	-
<i>Fund Balances End of Year</i>	\$ 193	\$ 381	\$ 188	\$ 152,199	\$ 181,222	\$ 29,023

Kootenai County Comprehensive Annual Financial Report – FY 2016

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, 2016

	Snowmobile			County Vessel		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Licenses and permits	\$ 73,897	\$ 81,682	\$ 7,785	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	689,275	698,511	9,236
Miscellaneous	8,450	800	(7,650)	-	-	-
<i>Total Revenues</i>	82,347	82,482	135	689,275	698,511	9,236
Expenditures						
Current:						
Public Safety	3,500	1,465	2,035	343,291	336,750	6,541
Culture and recreation	63,068	51,932	11,136	299,089	316,496	(17,407)
Capital outlay:						
Capital expenditures	16,650	5,906	10,744	63,505	44,638	18,867
<i>Total Expenditures</i>	83,218	59,303	23,915	705,885	697,884	8,001
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(871)	23,179	24,050	(16,610)	627	17,237
Other Financing Sources						
Transfer in	871	871	-	16,610	16,610	-
<i>Total Other Financing Sources</i>	871	871	-	16,610	16,610	-
<i>Net Change in Fund Balances</i>	-	24,050	24,050	-	17,237	17,237
<i>Fund Balances Beginning of Year</i>	169,159	169,159	-	184,287	184,287	-
<i>Fund Balances End of Year (deficit)</i>	\$ 169,159	\$ 193,209	\$ 24,050	\$ 184,287	\$ 201,524	\$ 17,237

Kootenai County Comprehensive Annual Financial Report – FY 2016

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, 2016

	Public Access			Indigent		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 1,241,128	\$ 1,264,542	\$ 23,414
Intergovernmental	6,000	5,992	(8)	-	-	-
Interest	-	385	385	-	-	-
Miscellaneous	4,000	-	(4,000)	1,323,729	638,198	(685,531)
<i>Total Revenues</i>	10,000	6,377	(3,623)	2,564,857	1,902,740	(662,117)
Expenditures						
Current:						
Health & welfare	-	-	-	2,579,458	1,132,093	1,447,365
Culture and recreation	-	3,067	(3,067)	-	-	-
Capital outlay:						
Construction in progress	10,000	-	10,000	-	-	-
<i>Total Expenditures</i>	10,000	3,067	6,933	2,579,458	1,132,093	1,447,365
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	3,310	3,310	(14,601)	770,647	785,248
Other Financing Sources						
Transfer in	-	-	-	14,601	14,601	-
<i>Total Other Financing Sources</i>	-	-	-	14,601	14,601	-
<i>Net Change in Fund Balances</i>	-	3,310	3,310	-	785,248	785,248
<i>Fund Balances Beginning of Year</i>	53,874	53,874	-	2,414,224	2,414,224	-
<i>Fund Balances End of Year</i>	\$ 53,874	\$ 57,184	\$ 3,310	\$ 2,414,224	\$ 3,199,472	\$ 785,248

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Public Transportation Special Revenue Fund For the Year Ended September 30, 2016

	FTA Public Transportation		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 2,453,875	\$ 389,838	\$ (2,064,037)
Charges for services	1,138,092	939,860	(198,232)
Miscellaneous	-	267	267
<i>Total Revenues</i>	3,591,967	1,329,965	(2,262,002)
Expenditures			
Current:			
General government	1,946,381	1,325,931	620,450
Capital outlay:			
Capital expenditures	326,619	-	326,619
Construction in progress	1,319,556	4,623	1,314,933
<i>Total Expenditures</i>	3,592,556	1,330,554	2,262,002
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(589)	(589)	-
Other Financing Sources			
Transfer in	589	589	-
<i>Total Other Financing Sources</i>	589	589	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<i>Fund Balances End of Year</i>	\$ -	\$ -	\$ -

Kootenai County Comprehensive Annual Financial Report – FY 2016

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, 2016

	District Court			Revaluation		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Taxes	\$ 1,435,055	\$ 1,445,558	\$ 10,503	\$ 2,321,136	\$ 2,348,386	\$ 27,250
Licenses and permits	-	275	275	-	-	-
Intergovernmental	172,650	178,931	6,281	-	-	-
Fines and Forfeitures	659,812	784,885	125,073	-	-	-
Charges for services	105,411	126,085	20,674	-	-	-
Miscellaneous	-	360	360	-	-	-
<i>Total Revenues</i>	<u>2,372,928</u>	<u>2,536,094</u>	<u>163,166</u>	<u>2,321,136</u>	<u>2,348,386</u>	<u>27,250</u>
Expenditures						
Current:						
General government	-	-	-	2,411,230	2,278,133	133,097
Public Safety	2,448,354	2,359,914	88,440	-	-	-
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>2,448,354</u>	<u>2,359,914</u>	<u>88,440</u>	<u>2,411,230</u>	<u>2,278,133</u>	<u>133,097</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(75,426)</u>	<u>176,180</u>	<u>251,606</u>	<u>(90,094)</u>	<u>70,253</u>	<u>160,347</u>
Other Financing Sources (Uses)						
Transfer in	75,426	75,426	-	90,094	90,094	-
<i>Total Other Financing Sources</i>	<u>75,426</u>	<u>75,426</u>	<u>-</u>	<u>90,094</u>	<u>90,094</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	-	251,606	251,606	-	160,347	160,347
<i>Fund Balances Beginning of Year</i>	<u>107,128</u>	<u>107,128</u>	<u>-</u>	<u>317,821</u>	<u>317,821</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 107,128</u>	<u>\$ 358,734</u>	<u>\$ 251,606</u>	<u>\$ 317,821</u>	<u>\$ 478,168</u>	<u>\$ 160,347</u>

Kootenai County Comprehensive Annual Financial Report – FY 2016

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, 2016

	Kootenai Emergency Management			Aquifer Protection District		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues						
Taxes	\$ 2,280,578	\$ 2,291,967	\$ 11,389	\$ 463,050	\$ 473,094	\$ 10,044
Licenses and permits	57,951	40,870	(17,081)	-	-	-
Intergovernmental	65,783	101,543	35,760	-	-	-
Miscellaneous	-	-	-	94,050	100,000	5,950
<i>Total Revenues</i>	2,404,312	2,434,380	30,068	557,100	573,094	15,994
Expenditures						
Current:						
Public Safety	2,404,312	2,432,232	(27,920)	-	-	-
Health & welfare	-	-	-	448,550	401,895	46,655
Capital outlay:						
Capital expenditures	-	-	-	72,500	-	72,500
<i>Total Expenditures</i>	2,404,312	2,432,232	(27,920)	521,050	401,895	119,155
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	2,148	2,148	36,050	171,199	135,149
Other Financing (Uses)						
Transfer out	-	-	-	(36,050)	(36,050)	-
<i>Total Other Financing (Uses)</i>	-	-	-	(36,050)	(36,050)	-
<i>Net Change in Fund Balances</i>	-	2,148	2,148	-	135,149	135,149
<i>Fund Balances Beginning of Year</i>	32,491	32,491	-	280,554	280,554	-
<i>Fund Balances End of Year</i>	\$ 32,491	\$ 34,639	\$ 2,148	\$ 280,554	\$ 415,703	\$ 135,149

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Construction Fund For the Year Ended September 30, 2016

	General Construction Capital Projects Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<u>Revenues</u>			
Intergovernmental	\$ 986,775	\$ 873,965	\$ (112,810)
Charges for services	23,713	23,713	-
Miscellaneous	133,412	88,675	(44,737)
<i>Total Revenues</i>	1,143,900	986,353	(157,547)
<u>Expenditures</u>			
Current:			
General government	44,276	59,256	(14,980)
Public works	4,123	548	3,575
Capital outlay:			
Capital expenditures	62,557	16,932	45,625
Construction in progress	1,032,944	909,617	123,327
<i>Total Expenditures</i>	1,143,900	986,353	157,547
<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>	\$ -	\$ -	\$ -

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.

Private Purpose Trust Funds are resources held by Kootenai County in a trustee capacity for other individuals and governmental entities. These trust funds are custodial in nature that hold assets including undistributed tax collections, district court holdings, law enforcement seizure assets, and unclaimed property.

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2016
With Comparative Totals for September 30, 2015

	Agency Funds			
	State of Idaho	Cities	Highway Districts	School Districts
Assets				
Cash in bank and investments	\$ 1,878,405	\$ 137,840	\$ 33,680	\$ 137,114
Receivables:				
Taxes delinquent	84,356	394,241	232,831	577,070
Total Assets	\$ 1,962,761	\$ 532,081	\$ 266,511	\$ 714,184
Liabilities				
Due to agency activity	1,962,761	532,081	266,511	714,184
Total Liabilities	1,962,761	532,081	266,511	714,184
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2016
With Comparative Totals for September 30, 2015

	Agency Funds			
	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
Assets				
Cash in bank and investments	\$ 56,486	\$ 15,541	\$ 15,469	\$ 52,111
Receivables:				
Taxes delinquent	267,727	62,378	32,634	182,570
Total Assets	\$ 324,213	\$ 77,919	\$ 48,103	\$ 234,681
Liabilities				
Due to agency activity	324,213	77,919	48,103	234,681
Total Liabilities	324,213	77,919	48,103	234,681
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2016
With Comparative Totals for September 30, 2015

	Agency Funds		Totals	
	Public Hospital	Urban Renewal Districts	2016	2015
Assets				
Cash in bank and investments	\$ -	\$ 35,883	\$ 2,362,529	\$ 2,147,029
Receivables:				
Taxes delinquent	-	573,637	2,407,444	2,300,647
Total Assets	\$ -	\$ 609,520	\$ 4,769,973	\$ 4,447,676
Liabilities				
Due to agency activity	-	609,520	4,769,973	4,447,676
Total Liabilities	-	609,520	4,769,973	4,447,676
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2016
With Comparative Totals for September 30, 2015

	Private Purpose Trust Funds	
	2016	2015
Assets		
Cash in bank and investments	\$ 4,225,198	\$ 4,053,594
Receivables:		
Taxes delinquent	33,929	36,042
Accounts Receivable, Net	10,478	10,478
Total Assets	\$ 4,269,605	\$ 4,100,114
Liabilities		
Accounts payable	\$ 107,484	\$ 50,696
Deferred property taxes	457,672	707,171
Due in more than one year	-	-
Due to other individuals	3,501,171	3,143,752
Due to other governments	203,278	198,495
Total Liabilities	4,269,605	4,100,114
Net Position		
Held in trust for other purposes	\$ -	\$ -

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO
Statement of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2016

	Agency Funds			
	Balance 10/1/15	Additions	Deletions	
State of Idaho				
Assets				
Cash in bank and investments	\$ 1,776,105	\$ 23,867,206	\$ 23,764,906	\$ 1,878,405
Receivables:				
Taxes delinquent	82,193	1,349,341	1,347,178	84,356
Total Assets	\$ 1,858,298	\$ 25,216,547	\$ 25,112,084	\$ 1,962,761
Liabilities				
Due to agency activity	1,858,298	25,095,834	24,991,371	1,962,761
Total Liabilities	\$ 1,858,298	\$ 25,095,834	\$ 24,991,371	\$ 1,962,761
Cities				
Assets				
Cash in bank and investments	\$ 102,690	\$ 38,435,615	\$ 38,400,465	\$ 137,840
Receivables:				
Taxes delinquent	275,080	34,350,575	34,231,414	394,241
Total Assets	\$ 377,770	\$ 72,786,190	\$ 72,631,879	\$ 532,081
Liabilities				
Due to agency activity	377,770	72,450,011	72,295,700	532,081
Total Liabilities	\$ 377,770	\$ 72,450,011	\$ 72,295,700	\$ 532,081
Highway Districts				
Assets				
Cash in bank and investments	\$ 26,490	\$ 9,768,291	\$ 9,761,101	\$ 33,680
Receivables:				
Taxes delinquent	232,875	10,280,360	10,280,404	232,831
Total Assets	\$ 259,365	\$ 20,048,651	\$ 20,041,505	\$ 266,511
Liabilities				
Due to agency activity	259,365	19,930,423	19,923,277	266,511
Total Liabilities	\$ 259,365	\$ 19,930,423	\$ 19,923,277	\$ 266,511
School Districts				
Assets				
Cash in bank and investments	\$ 105,772	\$ 37,658,313	\$ 37,626,971	\$ 137,114
Receivables:				
Taxes delinquent	507,713	37,020,969	36,951,612	577,070
Total Assets	\$ 613,485	\$ 74,679,282	\$ 74,578,583	\$ 714,184
Liabilities				
Due to agency activity	613,485	74,215,823	74,115,124	714,184
Total Liabilities	\$ 613,485	\$ 74,215,823	\$ 74,115,124	\$ 714,184

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Assets and Liabilities Fiduciary Funds September 30, 2016

<u><i>Fire Districts</i></u>	Agency Funds			<u>Balance 9/30/16</u>
	<u>Balance 10/1/15</u>	<u>Additions</u>	<u>Deletions</u>	
Assets				
Cash in bank and investments	\$ 50,848	\$ 14,890,880	\$ 14,885,242	\$ 56,486
Receivables:				
Taxes delinquent	292,353	14,170,890	14,195,516	267,727
Total Assets	<u>\$ 343,201</u>	<u>\$ 29,061,770</u>	<u>\$ 29,080,758</u>	<u>\$ 324,213</u>
Liabilities				
Due to agency activity	343,201	28,890,323	28,909,311	324,213
Total Liabilities	<u>\$ 343,201</u>	<u>\$ 28,890,323</u>	<u>\$ 28,909,311</u>	<u>\$ 324,213</u>
<u><i>Public Library</i></u>				
Assets				
Cash in bank and investments	\$ 12,974	\$ 4,145,527	\$ 4,142,960	\$ 15,541
Receivables:				
Taxes delinquent	68,227	3,962,586	3,968,435	62,378
Total Assets	<u>\$ 81,201</u>	<u>\$ 8,108,113</u>	<u>\$ 8,111,395</u>	<u>\$ 77,919</u>
Liabilities				
Due to agency activity	81,201	8,052,055	8,055,337	77,919
Total Liabilities	<u>\$ 81,201</u>	<u>\$ 8,052,055</u>	<u>\$ 8,055,337</u>	<u>\$ 77,919</u>
<u><i>Water & Sewer Districts</i></u>				
Assets				
Cash in bank and investments	\$ 4,597	\$ 460,343	\$ 449,471	\$ 15,469
Receivables:				
Taxes delinquent	38,674	373,465	379,505	32,634
Total Assets	<u>\$ 43,271</u>	<u>\$ 833,808</u>	<u>\$ 828,976</u>	<u>\$ 48,103</u>
Liabilities				
Due to agency activity	43,271	828,638	823,806	48,103
Total Liabilities	<u>\$ 43,271</u>	<u>\$ 828,638</u>	<u>\$ 823,806</u>	<u>\$ 48,103</u>
<u><i>North Idaho College</i></u>				
Assets				
Cash in bank and investments	\$ 42,901	\$ 15,373,863	\$ 15,364,653	\$ 52,111
Receivables:				
Taxes delinquent	172,776	14,565,280	14,555,486	182,570
Total Assets	<u>\$ 215,677</u>	<u>\$ 29,939,143</u>	<u>\$ 29,920,139</u>	<u>\$ 234,681</u>
Liabilities				
Due to agency activity	215,677	29,756,572	29,737,568	234,681
Total Liabilities	<u>\$ 215,677</u>	<u>\$ 29,756,572</u>	<u>\$ 29,737,568</u>	<u>\$ 234,681</u>

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Assets and Liabilities Fiduciary Funds (continued) September 30, 2016

	Agency Funds			Balance 9/30/16
	Balance 10/1/15	Additions	Deletions	
<i>Kootenai County Public Hospital</i>				
Assets				
Cash in bank and investments	\$ -	\$ 12,576	\$ 12,576	\$ -
Total Assets	\$ -	\$ 12,576	\$ 12,576	\$ -
Liabilities				
Due to agency activity	\$ -	\$ 12,576	12,576	\$ -
Total Liabilities	\$ -	\$ 12,576	\$ 12,576	\$ -
<i>Urban Renewal Districts</i>				
Assets				
Cash in bank and investments	\$ 24,651	\$ 11,566,502	\$ 11,555,270	\$ 35,883
Receivables:				
Taxes delinquent	630,756	11,118,337	11,175,456	573,637
Total Assets	\$ 655,407	\$ 22,684,839	\$ 22,730,726	\$ 609,520
Liabilities				
Due to agency activity	655,407	22,590,466	22,636,353	609,520
Total Liabilities	\$ 655,407	\$ 22,590,466	\$ 22,636,353	\$ 609,520
<i>Total Agency Activity</i>				
Total Assets	\$ 4,447,675			\$ 4,769,973
Total Liabilities	\$ 4,447,675			\$ 4,769,973
Private Purpose Trust Funds				
	Balance 10/1/15	Additions	Deletions	Balance 9/30/16
Assets				
Cash in bank and investments	\$ 4,053,594	\$ 196,501,073	\$ 196,329,469	\$ 4,225,198
Receivables:				
Accounts Receivable	46,520	4,943	7,056	44,407
Total Assets	\$ 4,100,114	\$ 196,506,016	\$ 196,336,525	\$ 4,269,605
Liabilities				
Accounts payable	\$ 50,696	\$ 2,238,127	\$ 2,181,339	107,484
Deferred property taxes	707,171	183,635,850	183,885,349	457,672
Due to individuals	3,143,752	10,879,415	10,521,896	3,501,271
Due to other governments	198,495	2,045,707	2,041,024	203,178
Total Liabilities	\$ 4,100,114	\$ 198,799,099	\$ 198,629,608	\$ 4,269,605
Net Position End of Year	\$ -			\$ -

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.

CONTENTS	Page
Financial Trends	122
<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	125
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	137
<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	139
<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	143
<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 2016

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 47,604	\$ 46,745	\$ 49,558	\$ 50,237	\$ 51,342	\$ 54,424	\$ 53,954	\$ 52,716	\$ 50,379	\$ 48,152
Restricted	1,562	3,256	4,083	6,739	3,587	4,178	5,120	5,443	7,228	9,236
Unrestricted	22,769	22,246	24,149	24,431	27,311	28,196	29,856	31,379	20,165	21,672
Total governmental activities net position	<u>\$ 71,935</u>	<u>\$ 72,247</u>	<u>\$ 77,790</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 13,296	\$ 22,970	\$ 28,681	\$ 28,905	\$ 26,800	\$ 25,796	\$ 28,810	\$ 28,752	\$ 28,059	\$ 26,765
Restricted	15,772	8,826	6,445	8,549	1,800	8,775	5,589	1,777	1,468	2,955
Unrestricted	7,820	9,076	6,962	6,399	16,137	12,079	14,854	21,074	17,461	18,994
Total business-type activities net position	<u>\$ 36,888</u>	<u>\$ 40,872</u>	<u>\$ 42,088</u>	<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>
Primary government										
Net investment in capital assets	\$ 60,900	\$ 69,715	\$ 78,239	\$ 79,142	\$ 78,142	\$ 80,220	\$ 82,764	\$ 81,468	\$ 78,438	\$ 74,917
Restricted	17,334	12,082	10,528	15,288	5,387	12,953	10,709	7,220	8,696	12,191
Unrestricted	30,589	31,322	31,111	30,830	43,448	40,275	44,710	52,453	37,626	40,666
Total primary government net position	<u>\$108,823</u>	<u>\$113,119</u>	<u>\$119,878</u>	<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>

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

Expenses	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
General government	\$ 25,878	\$ 23,408	\$ 22,982	\$ 21,652	\$ 22,126	\$ 23,479	\$ 23,043	\$ 24,614	\$ 27,129	\$ 27,344
Public works	2,292	2,459	2,465	2,032	2,131	1,947	3,204	2,814	2,564	2,629
Public safety	26,488	30,029	30,454	31,144	34,056	33,654	36,439	36,578	37,411	39,748
Sanitation weed control	577	324	787	446	429	301	342	303	321	335
Health and welfare	2,660	3,312	2,966	4,929	4,020	4,549	3,808	3,834	3,127	2,761
Culture and recreation	1,085	844	944	796	950	818	727	1,040	1,049	1,285
Capital projects	47	38	-	-	-	-	-	-	-	-
Interest on long-term debt	55	37	32	30	-	-	-	-	-	-
Total governmental activities expenses	59,082	60,451	60,630	61,029	63,712	64,748	67,563	69,183	71,601	74,102
Business-type activities:										
Solid waste and landfill	7,379	7,922	8,901	8,779	9,439	9,038	8,396	8,852	9,027	10,134
Total business-type activities expenses	7,379	7,922	8,901	8,779	9,439	9,038	8,396	8,852	9,027	10,134
Total primary government expenses	\$ 66,461	\$ 68,373	\$ 69,531	\$ 69,808	\$ 73,151	\$ 73,786	\$ 75,959	\$ 78,035	\$ 80,628	\$ 84,236
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 12,679	\$ 7,526	\$ 6,976	\$ 6,790	\$ 6,747	\$ 7,426	\$ 8,166	\$ 8,401	\$ 8,627	\$ 10,274
Public safety	10,491	8,998	9,202	9,710	10,371	10,774	12,012	11,480	11,539	10,903
Culture and recreation	656	429	484	411	451	469	421	448	447	409
Other activities	65	46	65	56	70	108	768	821	879	862
Operating grants and contributions	2,842	3,639	3,067	2,286	2,012	2,819	2,602	2,814	2,789	2,000
Capital grants and contributions	1,144	898	3,650	2,089	2,414	3,848	2,224	1,549	1,372	1,666
Total governmental activities program revenues	27,877	21,536	23,444	21,342	22,065	25,444	26,193	25,513	25,653	26,114
Business-type activities:										
Charges for services:										
Solid waste and landfill	10,300	11,195	9,947	10,594	10,597	10,722	10,962	11,451	12,021	12,604
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	170	-	-	-	-
Total business-type activities program revenues	10,300	11,195	9,947	10,594	10,597	10,892	10,962	11,451	12,021	12,604
Total primary government program revenues	\$ 38,177	\$ 32,731	\$ 33,391	\$ 31,936	\$ 32,662	\$ 36,336	\$ 37,155	\$ 36,964	\$ 37,674	\$ 38,718

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense)/revenue										
Governmental activities	\$(31,205)	\$(38,915)	\$(37,184)	\$(39,687)	\$(41,647)	\$(39,304)	\$(41,370)	\$(43,670)	\$(45,948)	\$(47,988)
Business-type activities	2,921	3,273	1,046	1,815	1,158	1,854	2,566	2,599	2,994	2,470
Total primary government net (expense)/revenue	<u>\$(28,284)</u>	<u>\$(35,642)</u>	<u>\$(36,138)</u>	<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>
General Revenues and other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 28,408	\$ 35,421	\$ 38,203	\$ 41,574	\$ 40,537	\$ 42,015	\$ 42,290	\$ 43,357	\$ 44,076	\$ 45,283
Sales and use taxes	0	0								
Miscellaneous	1,392	1,620	3,545	784	927	927	425	344	559	2,110
Interest and investment earnings	1,917	1,747	499	434	240	401	416	81	773	1,086
Gain (Loss) on sale of assets/property	-	(116)	(40)	(10)	(41)	(6)	(236)	(47)	110	38
Transfers	519	556	521	521	816	526	608	543	6,507	759
Total governmental activities	<u>\$ 32,236</u>	<u>\$ 39,228</u>	<u>\$ 42,728</u>	<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>
Business-type activities:										
Miscellaneous	45	143	120	263	431	346	319	357	-	-
Interest and investment earnings	1,427	1,073	369	193	95	234	277	71	-	-
Gain (Loss) on sale of assets/property	0	50	59	15	17	4	50	(135)	99	14
Transfers	(519)	(556)	(377)	(521)	(816)	(526)	(608)	(543)	(6,507)	(759)
Total business-type activities	<u>953</u>	<u>710</u>	<u>171</u>	<u>(50)</u>	<u>(273)</u>	<u>58</u>	<u>38</u>	<u>(250)</u>	<u>(6,408)</u>	<u>(745)</u>
Total primary government	<u>\$ 33,189</u>	<u>\$ 39,938</u>	<u>\$ 42,899</u>	<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>
Change in Net Position										
Governmental activities	\$ 1,031	\$ 313	\$ 5,544	\$ 3,616	\$ 832	\$ 4,559	\$ 2,133	\$ 608	\$ 6,077	\$ 1,288
Business-type activities	3,874	3,983	1,217	1,765	885	1,912	2,604	2,349	(3,414)	1,725
Total primary government	<u>\$ 4,905</u>	<u>\$ 4,296</u>	<u>\$ 6,761</u>	<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>

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

Fiscal Year	Property Tax	Resort Sales Tax	Total
2007	\$ 28,408	\$ -	\$ 28,408
2008	35,421	-	35,421
2009	38,203	-	38,203
2010	41,574	-	41,574
2011	40,537	-	40,537
2012	42,015	-	42,015
2013	42,290	-	42,290
2014	43,357	-	43,357
2015	44,075	-	44,075
2016	45,283	-	45,283

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

	2007	2008	2009	2010 ^a	2011 ^b	2012	2013	2014	2015	2016
General fund										
Nonspendable					\$ 18	\$ 12	\$ 274	\$ 146	\$ 99	\$ 499
Restricted					1,087	1,623	3,083	3,613	3,874	4,210
Committed					7,079	7,119	15,813	13,796	20,082	26,115
Assigned					-	526	555	655	-	-
Unassigned					20,150	21,335	13,223	16,378	18,987	15,511
Reserved	3,576	3,136	4,011	5,262						
Unreserved	20,207	21,549	21,759	22,687						
Total general fund	\$ 23,783	\$ 24,685	\$ 25,770	\$ 27,949	\$ 28,334	\$ 30,615	\$ 32,948	\$ 34,588	\$ 43,042	\$ 46,335
All other governmental funds										
Nonspendable					\$ 1	\$ 27	\$ 4	\$ 14	\$ 1	\$ 1
Restricted					2,499	2,555	2,037	1,830	3,353	5,026
Committed					1,322	880	1,487	1,726	1,077	888
Assigned					-	-	106	115	-	-
Reserved	62	120	72	1,476						
Unreserved, reported in:										
Special revenue funds	2,954	2,716	3,318	2,290						
Capital projects funds	(224)	(261)	-	-						
Jail tax payment fund	-	-	-	-						
Total all other governmental funds	\$ 2,792	\$ 2,575	\$ 3,390	\$ 3,766	\$ 3,822	\$ 3,462	\$ 3,634	\$ 3,685	\$ 4,431	\$ 5,915

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.

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 28,307	\$ 35,484	\$ 37,615	\$ 41,267	\$ 41,169	\$ 42,406	\$ 42,644	\$ 43,496	\$ 44,236	\$ 45,252
Licenses and permits	1,433	1,489	1,432	1,398	1,443	1,490	1,468	1,462	1,518	1,573
Intergovernmental	11,485	11,265	13,889	12,121	12,128	14,545	13,555	13,792	13,729	14,357
Interest	1,917	1,747	500	433	240	401	416	81	773	1,086
Fines and forfeitures	1,297	1,305	1,356	1,364	1,276	1,278	2,284	1,369	1,351	1,318
Charges for services	8,384	7,360	6,826	6,591	6,533	7,377	7,220	7,814	8,532	8,635
Miscellaneous	2,026	1,638	3,527	1,302	1,600	1,659	1,702	1,516	1,615	1,678
Total revenues	54,849	60,288	65,145	64,476	64,389	69,156	69,289	69,530	71,754	73,899
Expenditures										
General government	22,511	22,620	22,233	21,244	21,283	21,958	22,012	23,325	24,644	24,866
Public works	680	711	746	754	737	725	810	800	863	916
Public safety	22,391	29,073	29,115	29,676	32,096	32,117	33,762	34,136	34,734	36,675
Sanitation	550	293	778	445	418	290	289	304	315	326
Health & welfare	2,598	3,305	2,979	4,927	4,021	4,539	3,807	3,836	3,143	2,764
Culture and recreation	893	715	737	678	759	643	625	764	694	911
Capital projects	47	9	-	-	-	-	-	-	-	-
Debt Service:										
Principal retirement	596	84	85	87	508	-	-	-	-	-
Interest expense	59	37	32	30	23	-	-	-	-	-
Capital Outlay:										
Capital expenditures	3,688	2,254	2,938	2,836	2,760	2,618	3,461	2,860	2,914	2,007
Construction in progress	975	1,068	4,141	1,790	2,202	4,893	2,652	2,372	1,284	1,165
Total expenditures	54,988	60,169	63,784	62,467	64,807	67,783	67,418	68,397	68,591	69,630
<i>Excess of revenues over (under) expenditures</i>	<i>(139)</i>	<i>119</i>	<i>1,361</i>	<i>2,009</i>	<i>(418)</i>	<i>1,373</i>	<i>1,871</i>	<i>1,133</i>	<i>3,163</i>	<i>4,269</i>
Other financing sources (uses)										
Proceeds capital leases	-	-	-	-	-	-	-	-	-	-
Proceeds on asset disposal	-	-	-	-	-	-	-	-	-	-
Proceeds insurance	9	9	18	25	42	23	26	14	-	-
Transfers in	9,837	5,114	5,472	3,876	1,885	2,992	1,299	844	7,703	1,608
Transfers out	(9,318)	(4,557)	(4,951)	(3,355)	(1,069)	(2,466)	(691)	(301)	(1,666)	(1,099)
Total other financing sources (uses)	528	566	539	546	858	549	634	557	6,037	509
Net change in fund balances	\$ 389	\$ 685	\$ 1,900	\$ 2,555	\$ 440	\$ 1,922	\$ 2,505	\$ 1,690	\$ 9,200	\$ 4,778
Debt service and capital outlay as a percentage of noncapital expenditures	10.7%	6.1%	12.7%	8.2%	9.3%	12.5%	10.0%	8.3%	6.5%	4.8%

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

Fiscal Year	Property Tax	Resort Sales Tax	Total
2007	28,408	-	28,408
2008	35,484	-	35,484
2009	37,614	-	37,614
2010	41,267	-	41,267
2011	41,169	-	41,169
2012	42,406	-	42,406
2013	42,644	-	42,644
2014	43,496	-	43,496
2015	44,236	-	44,236
2016	45,252	-	45,252

Kootenai County Comprehensive Annual Financial Report – FY 2016

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	
2006	17,151,610,098	2,434,056,230	14,717,553,868	4,661,672,945	46.36%	1.84
2007	19,622,039,622	2,907,974,690	16,714,064,932	1,996,511,064	13.57%	1.96
2008	18,493,390,148	3,115,620,726	15,377,769,422	(1,336,295,510)	-8.00%	2.21
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

Notes:

Values based on 2015 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 2016

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
County Direct Rates										
Current Expense	0.51	0.56	0.65	0.75	0.76	0.87	0.97	0.82	0.70	0.78
Liability Insurance	0.03	0.03	0.04	0.04	0.05	0.01	0.07	0.05	0.05	0.05
Airport Fund	0.03	0.02	0.03	0.03	0.03	0.03	0.01	0.03	0.02	0.02
Indigent Fund	0.09	0.09	0.10	0.12	0.24	0.24	0.18	0.06	0.09	0.02
District Court Fund	0.05	0.05	0.05	0.05	0.04	0.04	0.08	0.09	0.11	0.10
County Fair	0.00	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01
Health District Fund	0.04	0.04	0.04	0.05	0.05	0.06	0.06	0.05	0.06	0.05
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	0.01	0.02	0.02	0.03	0.02	0.02	0.02	0.02
Parks Fund	0.01	0.02	0.01	0.02	0.01	0.02	0.02	0.02	0.02	0.02
Revaluation Fund	0.11	0.13	0.14	0.16	0.17	0.20	0.13	0.18	0.18	0.17
Justice Fund	1.07	1.24	1.44	1.69	1.82	1.98	1.96	1.95	1.92	1.89
Property Tax Relief	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
County Direct Rate	1.96	2.21	2.52	2.94	3.19	3.48	3.51	3.28	3.18	3.13
City Rates										
Athol	2.09	2.40	2.77	2.96	3.51	3.57	3.23	3.63	3.57	3.54
Coeur d'Alene	3.99	4.51	4.92	5.76	6.28	6.77	6.74	6.46	6.09	5.90
Dalton Gardens	0.30	3.53	0.44	0.53	0.54	0.60	0.56	0.52	0.54	0.49
Fernan	0.82	1.00	1.20	1.34	1.37	1.51	1.42	1.36	1.35	1.19
Harrison	1.65	1.77	2.09	2.78	2.95	3.66	3.66	4.03	3.76	3.89
Hauser Lake	0.33	0.34	0.42	0.49	0.52	0.54	0.52	0.58	0.57	0.57
Hayden	0.72	0.82	0.95	1.11	1.23	1.36	1.35	1.29	1.30	1.28
Hayden Lake	0.36	0.39	0.47	0.60	0.64	0.72	0.75	0.75	0.74	0.75
Huetter	3.21	3.36	3.56	4.90	5.42	5.71	5.63	5.93	5.52	5.35
Post Falls	3.87	4.56	4.96	5.21	5.71	6.00	5.79	5.55	5.45	5.59
Rathdrum	3.43	3.68	4.03	4.71	5.04	5.83	5.83	5.67	5.69	5.77
Spirit Lake	3.37	3.49	4.17	4.93	5.70	6.70	6.93	6.65	6.94	6.48
Worley	1.95	2.47	3.11	3.06	4.07	4.61	4.71	4.74	4.34	5.05
School District Rates										
Coeur d'Alene # 271	1.14	1.17	1.11	1.50	2.17	2.32	2.51	2.11	2.38	2.31
Lakeland Joint #272	1.33	1.85	2.10	3.58	3.78	3.56	3.41	3.31	3.19	3.44
Post Falls # 273	2.08	2.29	2.36	2.58	2.83	3.15	3.16	3.08	2.82	2.63
Kootenai # 274	1.11	1.09	0.99	1.16	1.82	1.73	2.79	2.20	2.13	1.61
Kellogg Joint #391	3.64	5.08	6.12	6.17	6.62	6.26	6.26	6.73	6.92	6.76
Plummer-Worley Joint #44 ^(a)	0.05	0.06	0.06	1.44	1.43	1.49	2.74	2.68	2.72	2.70
Highway District Rates										
Post Falls # 1	0.31	0.31	0.38	0.45	0.49	0.68	0.69	0.67	0.65	0.61
Lakes # 2	0.42	0.47	0.55	0.67	0.72	0.79	0.80	0.78	0.76	0.74
East Side # 3	0.52	0.56	0.40	0.49	0.56	0.64	0.68	0.66	0.65	0.64
Worley # 4	0.62	0.68	0.75	0.87	1.00	1.18	1.28	1.26	1.25	1.24

[continued]

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fire District Rates										
East Side	0.56	0.50	0.53	0.62	0.73	0.84	0.91	0.89	0.89	0.89
Hauser Lake	0.72	0.77	0.96	1.21	1.32	1.47	1.42	1.38	1.39	1.39
Northern Lakes	0.71	0.81	0.96	1.18	1.31	1.46	1.48	1.42	1.41	1.40
KC Fire & Rescue	1.27	1.40	1.66	1.86	1.99	1.98	2.01	1.92	1.93	1.89
Mica Kidd Island	0.33	0.36	0.40	0.48	0.56	0.64	0.68	0.65	0.64	0.64
Shoshone County #2	1.20	1.19	1.38	1.57	1.77	1.90	2.01	2.08	2.09	2.15
Spirit Lake	0.72	0.73	0.80	0.95	1.04	1.21	1.22	1.24	1.27	1.27
St. Maries	0.77	0.68	0.75	0.81	0.82	0.97	1.00	1.01	1.01	1.05
Timberlake	0.68	0.82	0.91	1.13	1.21	1.34	1.38	1.33	1.34	1.31
Worley	0.48	0.68	0.57	0.66	0.76	0.95	1.04	1.02	1.02	1.02
Water/Sewer District Rates										
Cataldo Water	0.38	0.37	0.42	0.44	0.48	0.53	0.54	0.53	0.52	0.51
Cleland Bay Sewer	0.23	0.25	0.26	0.29	0.31	0.40	0.43	0.43	0.42	0.42
Hayden Lake Sewer	0.03	0.03	0.04	0.05	0.05	0.06	0.06	0.06	0.06	0.06
Kidd Island Bay Sewer	0.33	0.34	0.36	0.43	0.50	0.71	0.71	0.66	0.69	0.68
Kingston-Cataldo Sewer	0.46	0.48	0.52	0.52	0.58	0.67	0.69	0.70	0.71	0.70
Kootenai Water #1	0.72	0.95	1.19	1.18	1.53	1.81	2.01	2.00	1.78	1.59
Other Special District Rates										
Community Library Network	0.16	0.17	0.20	0.31	0.36	0.41	0.42	0.41	0.40	0.40
KCEMSS	0.10	0.10	0.13	0.15	0.16	0.17	0.18	0.17	0.17	0.17
North Idaho College	0.51	0.73	0.83	1.00	1.10	1.22	1.20	1.12	1.10	1.04
Flood Control #17	0.30	0.32	0.37	0.41	0.45	0.45	0.40	0.20	0.19	0.18
Hayden Lake Watershed Improvement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.12	0.12

Notes:

All Urban Renewal Districts have been omitted from this schedule.

- ^(a) 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 2016

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

Cumulative levy totals for all agencies within each classification

Tax Year	County	Cities	Highways	Schools	Fire Districts	Water and Sewer Districts	Other Districts
2007	0.001963862	0.026121947	0.001872223	0.009360749	0.007444778	0.002150385	0.120104954
2008	0.002208093	0.029136659	0.002024165	0.011535480	0.008002726	0.002419455	0.092794634
2009	0.002517338	0.033080036	0.002075446	0.012734394	0.008922918	0.002783615	0.117614258
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

Tax Year 2016	Cities	Highways	Schools	Fire	Water & Sewer	Other
Number of taxing districts	13	4	6	10	6	15
Average tax rate per district	0.003528097	0.000807693	0.003243879	0.001301565	0.000658337	0.008155098
Minimum levy rate	0.000489297	0.000608111	0.001612576	0.000644534	0.000056402	0.000118371
Maximum levy rate	0.006482521	0.001242211	0.006761893	0.002147368	0.001588833	0.120421796

Notes:

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

Other Districts include Libraries, North Idaho College, Kootenai Hospital, Kootenai EMS, Flood Control, Hayden Lake Watershed Impr and URDs.

The number of URDs may change from year to year.

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

2016 levy rates as of 9/30/16.

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Principal Property Taxpayers, Current Year and Ten Years Ago September 30, 2016

Taxpayer	FY 2016 ¹			FY 2007 ²		
	Net Taxes Due	Rank	Percentage of Total Net Taxes Due	Net Taxes Due	Rank	Percentage of Total Net Taxes Due
Avista Corporation	\$ 2,558,291	1	1.63%	\$ 941,668	3	3.53%
Hagadone Hospitality Co., Hagadone Family Trust	1,342,188	2	0.85%	1,072,541	1	4.02%
Rathdrum Power, LLC	1,184,236	3	0.75%	998,881	2	3.74%
Wal-Mart Real Estate Business Trust, Wal-Mart Stores Inc.	544,087	4	0.35%	-	-	-
Post Falls Retirement Real Estate Investors, LLC	509,617	5	0.32%	-	-	-
Idaho Forest Group, LLC	487,930	6	0.31%	-	-	-
Glacier 1919 Lincoln Way LLC, 400 Wilbur LLC, 600 LLC, 700	462,349	7	0.29%	-	-	-
Gas Transmission Northwest	439,757	8	0.28%	-	-	-
North Idaho Surgical Hospital Bldg LLC	387,232	9	0.25%	262,749	9	0.98%
Burlington No & Santa Fe RR	374,434	10	0.24%	-	-	-
Union Pacific Railroad Co.	321,331	11	0.20%	-	-	-
Frontier Communications NW (formerly Verizon NW & GTE)	310,633	12	0.20%	664,252	5	-
Horowitz Limited Partnership VII	289,738	13	0.18%	-	-	-
Silverwood Inc.	285,457	14	0.18%	-	-	-
DBH Properties LP	278,791	15	0.18%	-	-	-
Stephen F Meyer, Etal	-	-	-	722,360	4	2.71%
The Club at Black Rock LLC, Black Rock Development Inc.	-	-	-	463,699	6	1.74%
Stimson Lumber Company	-	-	-	291,199	7	1.09%
Rockwood Lodge LLC, Greystone & Hanley Homes LLC	-	-	-	271,390	8	1.02%
Buck 110 LLC, Jacklin Co., Jacklin Management Co.	-	-	-	251,431	10	0.94%
Kimball International Market Inc., Flexcel Inc.	-	-	-	244,423	11	0.92%
Magnuson Properties Partnership, Etal	-	-	-	233,319	12	0.87%
Neighborhood Inc.	-	-	-	208,917	13	0.78%
Gillhover-McIntire, Ron McIntire Etal, John C. Young Etal	-	-	-	208,504	14	0.78%
US Bank NA, National Corp & Corporate Properties	-	-	-	187,210	15	0.70%
Sub Total	<u>9,776,071</u>		<u>6.21%</u>	<u>7,022,543</u>		<u>23.82%</u>
All Other Taxpayers	<u>147,433,086</u>		<u>93.79%</u>	<u>91,604,930</u>		<u>76.18%</u>
Total Net Taxes For All Taxing Districts in Kootenai County	<u>\$ 157,209,157</u>		<u>100.00%</u>	<u>\$ 98,627,473</u>		<u>100.00%</u>
Total Net Taxes Due to Kootenai County	<u>\$ 41,594,122</u>			<u>\$ 26,692,589</u>		

Notes:

¹ Based on 2015 Net Taxes billed in FY 2016.

² 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 2016

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 Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$26,692,589	\$ 25,874,953	96.94%	\$ 817,636	\$26,692,589	100.00%
2008	33,073,659	31,508,793	95.27%	1,330,742	32,839,535	99.29%
2009	35,315,162	34,007,744	96.30%	1,307,418	35,315,162	100.00%
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%	1,026,109	40,234,733	99.99%
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%	95,771	41,150,233	98.93%

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

Kootenai County Comprehensive Annual Financial Report – FY 2016

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)
2007	\$ 16,120,068	\$ 406,921	\$ 453,036	\$ 2,152,291	\$ 14,827,734	1.96
2008	17,435,538	335,170	483,733	2,292,470	15,961,971	2.21
2009	15,960,248	453,011	481,025	2,181,798	14,712,486	2.52
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

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 2016

KOOTENAI COUNTY, IDAHO Schedule of Forgone Amounts as of the 2016 Tax Year

<u>District</u>	<u>Forgone Amount</u>
Kootenai County	\$ 9,105,938
City of Coeur d'Alene	4,396,463
City of Dalton Gardens	2,046
City of Fernan Lake	12,826
City of Harrison	7,436
City of Hauser Lake	1,999
City of Hayden	7
City of Hayden Lake	273
City of Huetter	934
City of Post Falls	1,927,120
City of Rathdrum	296,845
City of Spirit Lake	14,207
KC Emergency Medical Services System	180,647
East Side Fire	126,267
Kootenai County Fire & Rescue	1,148,426
Shoshone Fire #2	103
Worley Fire	20
Twin Lakes-Rathdrum Flood Control #17	24,358
Lakes Highway # 2	1,100,773
Post Falls Highway # 1	554,549
Worley Highway # 4	12,301
Kootenai Hospital	61,391
North Idaho College	2,320,503
Cataldo Water	1,279
Cleland Bay Sewer	196
Hayden Lake Rec Water/Sewer	16,073
Kidd Island Bay Sewer	775
Kootenai County Water #1	12,384
Hayden Lake Watershed	10,680

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 2016

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

Legal Debt Margin Calculation For Fiscal Year 2016

Assessed Valuations:

Assessed Value	\$ 17,455,559,273
Add Back Homestead Exemptions	3,242,968,945
Total Assessed Value ¹	\$ 20,698,528,218

Legal Debt Margin

Debt Limitation*: 2% of assessed market value	\$ 413,970,564
Less: Debt applicable to limitation	-
Legal Debt Margin	\$ 413,970,564

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$343,032,202	\$392,440,792	\$400,239,734	\$349,275,816	\$323,594,507	\$296,253,149	\$302,545,434	\$329,958,607	\$390,188,661	\$413,970,564
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 343,032,202	\$ 392,440,792	\$ 400,239,734	\$ 349,275,816	\$ 323,594,507	\$296,253,149	\$302,545,434	\$329,958,607	\$390,188,661	\$413,970,564
Total net debt applicable to the limit as a percentage of debt ¹	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

¹ Assessed Values released as of July 2016 for Tax Year 2016

*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 2016

KOOTENAI COUNTY, IDAHO Schedule of Direct and Overlapping Debt September 30, 2016

Number of Issues	Jurisdiction	Net Debt Outstanding	Earliest Issue Date (Month/Year)	Oldest Maturity Date (Month/Year)	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Direct Debt:						
0	Kootenai County	\$ -	N/A	N/A	N/A	N/A
Direct Debt						
-						
Overlapping Debt:						
2	City of Coeur d'Alene	\$ 7,147,678	July/15	Sep/25	100.00%	\$ 7,147,678
2	Coeur d'Alene SD #271	21,435,000	Nov/12	Sep/25	100.00%	21,435,000
2	Lakeland SD #272	10,875,000	Aug/12	Aug/25	99.55%	10,826,063
2	Post Falls SD #273	21,110,000	May/15	Aug/34	100.00%	21,110,000
1	Kootenai Joint SD #274	1,275,000	Aug/12	Aug/22	99.52%	1,268,880
2	Kellogg Joint SD #391	8,660,000	Oct/97	Sep/27	17.43%	1,509,438
1	Plummer Worley #44 ⁽²⁾	8,468,276	Sep/10	Sep/30	67.03%	5,676,285 ⁽³⁾
1	St. Maries Fire District	295,000	Feb/12	Sep/27	25.76%	75,992
1	Community Library Network	2,015,000	Oct/05	Aug/25	98.09%	1,976,514
1	Bayview Water/Sewer District	627,340	Nov/04	Nov/22	N/A	N/A ⁽⁴⁾
1	Harbor View Estates Water & Sewer District	187,435	Aug/08	Aug/18	N/A	N/A ⁽⁴⁾⁽⁵⁾
Subtotal, Overlapping Debt		82,095,729				71,025,850
Total Overlapping & Underlying Debt		\$ 82,095,729				\$ 71,025,850

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.

- ⁽¹⁾ 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.
- ⁽²⁾ 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.
- ⁽³⁾ This number is approximate because actual Net Debt Outstanding was not available from the State Department of Education. It was calculated by taking the original amount borrowed of \$11,349,435 and subtracting the amount collected year to date.
- ⁽⁴⁾ Bayview Water and Sewer District, Greensferry Water and Sewer District and Harbor View Estates Water and Sewer District are non-levying districts therefore there's no ability to calculate overlapping debt.
- ⁽⁵⁾ Information based on 2012 report from district, no 2013 -2016 report provided.

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

Population					
Year	Kootenai County	Change from prior year	State of Idaho	Change from prior year	
2007	134,442	2.2%	1,499,402	2.2%	
2008	137,475	2.3%	1,523,816	1.6%	
2009	139,390	1.4%	1,545,801	1.4%	
2010	138,494	-0.6%	1,567,582	1.4%	
2011	141,132	1.9%	1,584,985	1.1%	
2012	142,357	0.9%	1,595,590	0.7%	
2013	144,265	1.3%	1,612,136	1.0%	
2014	147,326	2.1%	1,634,464	1.4%	
2015	150,346	2.0%	1,654,930	1.3%	
2016	N/A	¹ N/A	N/A	0.0%	

Year	Per Capita Personal Income ^(c)			Personal Income (thousands of dollars)	Annual Average Unemployment Rate ⁵
	Kootenai County	State of Idaho	Kootenai Co. as a % of State of Idaho		
2007	30,719	31,804	96.6%	4,123,000	3.0%
2008	31,079	32,133	96.7%	4,273,000	4.8%
2009	31,265	31,632	98.8%	4,422,208	8.1%
2010	31,770	31,986	99.3%	4,428,438	10.8%
2011	32,923	33,326	98.8%	4,646,516	9.8%
2012	34,656	34,481	100.5%	4,933,536	8.4%
2013	36,478	36,146	100.9%	5,262,500	7.4%
2014	36,656	36,734	99.8%	5,400,382	5.6%
2015	38,605	38,392	100.6%	5,804,150	4.8%
2016	N/A	N/A	² N/A	N/A	² 4.6%

Year	School Enrollment ^{(a)3}	Regular High School Diplomas ^{(a)4}	Median Age		
			Year	Kootenai County (b)	State of Idaho (b)
2007	22,783	1,531	2007	37.3	34.3
2008	23,381	1,500	2008	38.3	34.3
2009	22,844	1,378	2009	38.1	34.0
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	35.5
2014	22,367	1,467	2014	39.8	35.7
2015	22,575	1,459	2015	40.1	35.9
2016	22,923	N/A	2016	N/A	N/A

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

(a) Idaho Department of Education

(b) US Census Bureau

(c) US Department of Commerce

¹ Population estimates for the current year are not available at report date.

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

³ 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.

⁴ Regular high school diplomas includes those from alternative high schools and charter academies. Data for 2016 is not available at this time.

⁵ 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 2016

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

Employer	2016			2007		
	Range of Employees	Rank	Percentage of Total County Employment	Range of Employees	Rank	Percentage of Total County Employment
Kootenai Medical Center	2,000 - 2,999	1	3.27 - 4.90%	1,700 - 1,799	1	2.99 - 3.16%
Hagadone Hospitality Co.	1,000 - 1,499	2	1.63 - 2.45%	1,200 - 1,299	3	2.11 - 2.29%
Coeur d'Alene Casino	900 - 999	3	1.47 - 1.63%	800 - 899	6	1.41 - 1.58%
Qualfon Data	800 - 899	4	1.31 - 1.47%	-	-	-
North Idaho College	800 - 899	5	1.31 - 1.47%	900 - 999	5	1.58 - 1.76%
Kootenai County	700 - 799	6	1.14 - 1.31%	700 - 799	7	1.23 - 1.41%
Empire Aerospace	700 - 799	7	1.14 - 1.31%	-	-	-
Wal-Mart	600 - 699	8	0.98 - 1.14%	500 - 599	10	0.88 - 1.05%
US Bank	500 - 599	9	0.82 - 0.98%	-	-	-
Alliance Data	400 - 499	10	0.65 - 0.82%	-	-	-
Coeur d'Alene School District	-	-	-	1,300 - 1,399	2	2.25 - 2.46%
Center Partners	-	-	-	1,000 - 1,099	4	1.76 - 1.93%
Post Falls School District	-	-	-	600 - 699	8	1.06 - 1.23%
Lakeland School District	-	-	-	500 - 599	9	0.88 - 1.05%
Average employment size of the 10 largest employers	1,700			950		
Kootenai County Non-Farm Payroll Employment Total ¹	61,200 ²			56,849		

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

¹ Non-Farm Payroll Employment excludes Kootenai County residents who are self-employed and who work outside Kootenai County.

² Estimate

Kootenai County Comprehensive Annual Financial Report – FY 2016

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 in Kootenai County	Headquarters in Kootenai County	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<i>(1) Data as of June 30th</i>												
Commercial Banks	45	-	2,764	2,182	2,018	1,861	1,817	1,740	\$1,837	\$1,749	\$1,537	\$1,611
FDIC Savings Banks	-	-	-	-	-	-	-	-	-	63	76	83
Subtotal FDIC- Insured Institutions	45		\$2,764	\$2,182	\$2,018	\$1,861	\$1,817	\$1,740	\$1,837	1,812	1,613	1,694
 <i>(2) Data as of December 31st</i>												
Credit Unions	1	1	9	9	9	9	9	8	9	8	8	9
Total	46	1	\$2,773	\$2,191	\$2,027	\$1,870	\$1,826	\$1,748	\$1,846	\$1,820	\$1,621	\$1,703

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: National Credit Union Administration

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Assessor	65.5	66.5	66.5	66.5	66.0	66.0	61.0	61.0	59.0	61.0
Clerk	75.2	76.3	75.5	75.5	75.5	77.5	77.5	78.5	84.8	84.5
Commissioners	106.0	106.0	106.0	107.3	105.9	100.4	99.4	99.5	106.5	108.7
Prosecuting Attorney	35.6	36.6	36.5	35.5	35.5	36.5	38.5	43.5	44.2	41.2
Sheriff	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.8	4.0	4.0
Treasurer	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Public Safety										
Commissioners	67.8	70.0	76.9	77.1	78.1	69.1	64.6	64.9	64.9	63.5
Coroner	2.0	2.0	2.0	2.0	2.3	2.3	2.0	2.0	3.0	2.5
Sheriff	¹ 148.4	148.4	155.3	154.3	156.4	163.4	162.7	162.3	165.8	170.3
Jail (Sheriff)	123.9	123.1	126.4	124.4	120.4	122.4	122.4	126.4	121.0	119.5
Prosecuting Attorney	² -	-	-	-	-	-	-	-	-	4.0
District Court Judges	³ 30.4	30.4	31.0	34.0	34.0	34.0	35.0	34.0	32.0	33.0
Culture and Recreation										
Commissioners	7.0	7.5	7.5	7.5	7.5	7.5	7.5	6.3	7.8	7.8
Public Works										
Commissioners	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	9.8	7.6
Health and Welfare										
Clerk	7.0	7.0	7.0	7.0	7.0	8.0	7.0	7.0	6.0	6.0
Sanitation										
Commissioners	2.6	3.6	3.6	3.6	2.6	1.6	1.9	1.9	4.9	2.8
Solid Waste										
Commissioners	48.0	69.0	70.3	64.3	61.0	59.0	59.0	58.0	58.0	59.0
Total	738.0	765.0	783.1	777.6	770.8	766.3	757.1	763.7	778.7	782.4

Source: Kootenai County Adopted Budget Documents and Payroll Data

¹ Temporary Seasonal Deputies total approximately 8-11 per year.

² FY16 - Prosecuting Attorney positions previously reported under General Government added to Public Safety

³ FY16 - Corrected Elected Official Group - Clerk to District Court Judges

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Physical arrests	8,627	9,207	8,673	9,156	8,291	7,824	7,830	6,983	7,936	8,423
District Court Caseload										
Felonies	930	1,925	1,836	2,028	1,957	920	1,101	1,114	1,091	1,325
Misdemeanors	12,672	12,308	11,801	11,195	10,217	7,077	7,226	6,893	8,397	7,488
Infractions	22,075	21,247	20,366	18,379	17,400	14,613	16,473	16,489	16,246	17,542
Refuse Collection										
Landfilled refuse ¹	138	130	123	123	122	123	128	133	137	155
Refuse collected ¹	191	183	157	150	144	142	153	159	168	188
Recyclables collected ¹	23	22	22	21	14	15	15	15	17	24
Parks and Waterways										
Improved facilities	24	24	24	24	24	24	24	24	24	24
Airport										
Hangars ²	90	93	93	95	95	95	95	95	95	95

Sources: Various County Departments

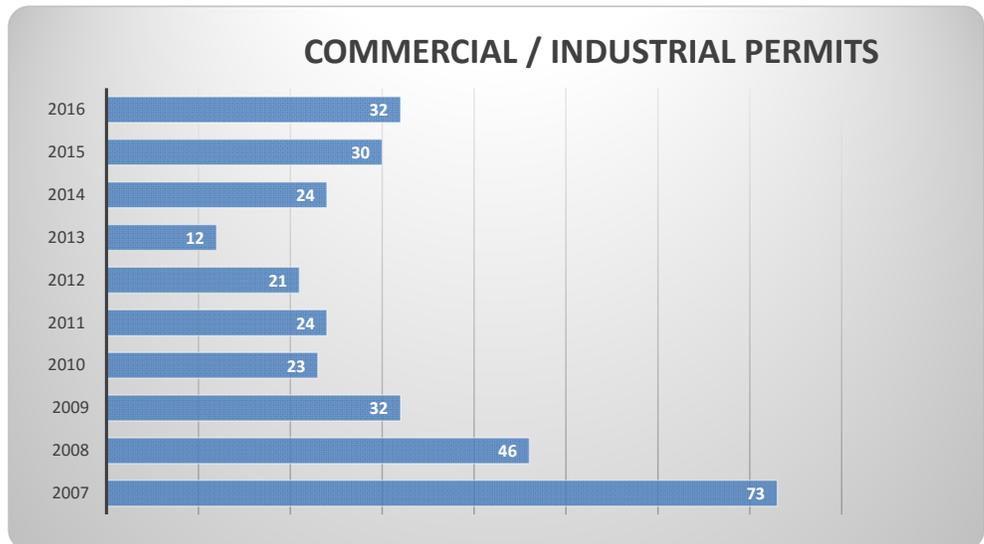
¹ Amount shown in thousands of tons.

² Each year reflects the cumulative total of completed hangars located at the Coeur d'Alene Airport.

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

Year	Residential		Commerical/Industrial	
	Permits	Value	Permits	Value
2016	315	100,885,223	73	35,171,069
2015	285	70,192,691	46	20,580,311
2014	144	44,440,496	32	8,111,906
2013	145	42,458,717	23	7,672,725
2012	119	37,889,702	24	4,372,917
2011	136	37,992,115	21	6,066,286
2010	201	58,014,200	12	3,017,010
2009	229	73,205,987	24	3,034,482
2008	285	82,038,426	30	7,787,390
2007	315	94,246,973	32	12,353,808



Notes:

* Values based on estimated replacement cost per square foot as determined by the International Building Code.

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government:										
Land	\$ 2,327	\$ 2,336	\$ 3,023	\$ 3,023	\$ 3,232	\$ 3,232	\$ 3,232	\$ 3,847	\$ 3,838	\$ 3,973
Buildings	15,365	13,944	16,317	16,567	18,210	18,316	15,938	15,938	17,196	17,461
Improvements	41	60	60	60	61	240	1,417	1,915	2,651	2,770
Machinery and equipmen	8,991	9,771	9,975	10,452	10,182	11,077	12,334	12,463	11,582	10,066
Public works:										
Land	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	2,437	2,437
Buildings	562	562	562	562	562	562	562	562	1,888	2,357
Improvements	20,470	25,239	25,239	25,247	26,143	27,665	28,623	32,131	32,491	33,780
Machinery and equipmen	1,752	1,817	1,840	2,011	2,210	2,183	2,349	2,391	2,015	2,497
Public safety:										
Land	107	107	107	107	107	107	108	108	107	107
Buildings	20,552	22,718	21,667	21,774	20,280	20,539	23,245	23,245	23,294	23,294
Improvements	44	51	51	51	99	5,008	3,921	3,913	4,647	4,667
Machinery and equipmen	8,680	8,704	8,879	10,076	10,062	12,024	13,891	15,454	12,958	14,953
Sanitation:										
Land	1,294	1,294	1,294	1,658	1,658	1,782	1,747	1,747	1,747	1,751
Buildings	572	632	632	632	613	7,166	740	818	838	873
Improvements	20,911	20,911	34,147	34,233	39,755	33,747	40,289	45,012	45,295	46,272
Machinery and equipmen	8,075	9,179	9,521	10,518	10,475	10,895	11,608	12,085	12,556	13,555
Health & welfare:										
Machinery and equipmen	31	29	32	21	16	10	22	16	11	9
Culture and recreation:										
Land	249	249	249	249	249	249	249	249	249	249
Buildings	239	272	351	371	358	358	410	410	397	457
Improvements	1,201	1,201	1,201	1,201	1,206	1,858	3,159	3,516	3,521	3,444
Machinery and equipmen	477	517	542	608	1,612	1,569	1,136	1,114	1,118	1,021
Capital projects:										
Construction in progress	5,789	11,872	9,484	12,205	9,168	6,027	9,046	3,580	2,247	953
	<u>\$ 119,557</u>	<u>\$ 133,293</u>	<u>\$ 147,001</u>	<u>\$ 153,454</u>	<u>\$ 158,086</u>	<u>\$ 166,442</u>	<u>\$ 175,854</u>	<u>\$ 182,342</u>	<u>\$ 183,084</u>	<u>\$ 186,945</u>

In 2007, all Capital Assets belonging to the Marine Deputy cost center were moved from Culture and Recreation to Public Safety.

Kootenai County Comprehensive Annual Financial Report – FY 2016

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety:										
Kootenai County Sheriff										
Sheriff Office	1	1	1	1	1	1	1	1	1	1
Patrol Units	58	56	58	62	71	76	78	81	77	73
Public Safety Buildings	3	3	3	3	3	3	3	3	3	3
Sanitation:										
Ramsey Transfer Station										
Trash Rolloff Bins	36	36	21	21	21	21	21	21	21	25
Loaders	3	5	3	4	4	4	4	4	4	3
Tractor Trucks	6	6	3	3	3	3	5	5	4	5
Transfer Trailers	31	34	25	29	26	26	26	22	24	24
Prairie Transfer Station										
Trash Rolloff Bins	0	0	15	15	15	15	15	15	15	17
Loaders	0	0	2	2	2	2	2	2	2	2
Tractor Trucks	0	0	3	3	3	3	3	3	3	4
Transfer Trailers	0	0	8	8	8	8	8	10	10	14
Fighting Creek Landfill										
Heavy Machinery & Equipmen	13	17	18	20	23	24	24	24	23	24
Culture and Recreation:										
Waterways/Park & Recreation										
Pumpouts	10	9	9	9	9	9	9	10	10	8
Vault Toilets										
Wood	7	7	7	7	7	7	7	7	7	0
Concrete	3	3	6	7	7	8	8	8	9	11

Sources: Various County Departments

Single Audit Section



Auditor's Section





CPAs & BUSINESS ADVISORS

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 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated February 22, 2017.

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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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*.

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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 black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho

February 22, 2017



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 Each 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 each of the County’s major federal programs for the year ended September 30, 2016. The County’s major federal programs are 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 for each of the County’s major federal programs 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 each major federal program. However, our audit does not provide a legal determination of the County’s compliance.

Opinion on Each 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 each of its major Federal programs for the year ended September 30, 2016.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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
February 22, 2017

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Schedule of Audit Findings and Questioned Costs For the Year Ended September 30, 2016

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>
Airport Improvement Program	20.106
FTA Section 5307 Small Urbanized Area Grant	20.507
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

KOOTENAI COUNTY, IDAHO
Schedule of Audit Findings and Questioned Costs
For the Year Ended September 30, 2016

Section II – Findings – Financial Statement Audit

No findings noted.

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

No findings noted.

Auditee's Section



Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2016

Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
Department of Agriculture				
<u>Pass-Through Programs</u>				
Idaho State Superintendent of Public Instruction				
School Breakfast Program	10.553	RC28-03	\$ 16,856	\$ -
National School Lunch Program	10.555	RC28-03	26,542	-
			<u>43,398</u>	
Idaho Department of Lands				
Wildland Urban Interface Western State Grant	10.664	HFT #13CPP-Reg1-Koot	3,530	-
Wildland Urban Interface Western State Grant	10.664	HFT #14HFR1-Kootenai	24,445	-
Wildland Urban Interface Western State Grant	10.664	15WFM-Kootenai	6,582	-
			<u>34,557</u>	
Total Department of Agriculture			<u>77,955</u>	<u>-</u>
Department of Housing and Urban Development				
<u>Pass-Through Programs</u>				
Idaho Department of Commerce & Labor				
Alpine Meadows Water System Improvement Project	14.228	ICDBG-13-I-10-PF	35,543	-
Total Department of Housing and Urban Development			<u>35,543</u>	<u>-</u>
Department of Interior				
<u>Pass-Through Programs</u>				
State Department of Parks & Rec				
Harrison Breakwater Replacement	15.622	BG16-1-28-1	9,201	-
Idaho State Historical Society				
Certified Local Government Program	15.904	CLG-2015-008	3,389	-
Total Department of Interior			<u>12,590</u>	<u>-</u>
Department of Justice				
<u>Direct Programs</u>				
Community Oriented Policing Services 2012 CHP Grant	16.710		78,920	-
<u>Pass-Through Programs</u>				
Idaho Supreme Court				
OVW Domestic Violence Court	16.013	2015-FJ-AX-0007	30,354	-
Idaho Department of Juvenile Corrections				
JABG Juvenile Accountability Block Grant	16.523	13-JA11-03	11,139	
City of Coeur D Alene, Kootenai County				
2012 Byrne Justice Assistance Grant	16.738	2012-DJ-BX-0644	1,610	
2013 Byrne Justice Assistance Grant	16.738	2013-DJ-BX-0592	2,745	
2014 Byrne Justice Assistance Grant	16.738	2014-DJ-BX-0973	17,805	
			<u>22,160</u>	
Subtotal Department of Justice Pass-Through Programs			<u>63,653</u>	<u>-</u>
Total Department of Justice			<u>142,573</u>	<u>-</u>

Kootenai County Comprehensive Annual Financial Report – FY 2016

KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards (continued) For the Year Ended September 30, 2016

Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
Department of Transportation				
<u>Direct Programs</u>				
Airport Improvement Program	20.106		1,280,323	-
FTA Section 5307 Small Urbanized Area Grant	20.507		773,559	242,853
State & Community Hwy Safety Program Alive @ 25	20.600		2,447	-
Traffic Enforcement Mobilization	20.616		45,067	-
Total Department of Transportation			2,101,396	242,853
Department of Homeland Security				
<u>Pass-Through Programs</u>				
State Department of Parks & Rec				
Boater Safety Financial Assistance	97.012	FFY 16 RBS Grant	83,205	-
State of Idaho Military Division				
Emergency Management Performance Grant 2015	97.042	EMW-2015-EP-00065	19,480	-
Emergency Management Performance Grant 2016	97.042	EMS-2016-EP-00004	78,862	-
Subtotal Emergency Management Performance Grant			98,342	-
Homeland Security - 2014				
Homeland Security - 2014	97.067	EMW-2014-SS-T0-00084	109,589	-
Homeland Security - 2015				
Homeland Security - 2015	97.067	EMW-2015-SS-0091	87,823	-
Subtotal Homeland Security			197,412	-
Total Department of Homeland Security			378,959	-
Total Expenditures of Federal Awards			\$ 2,749,017	\$ 242,853

KOOTENAI COUNTY, IDAHO
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2016

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Kootenai County, Idaho (the County). The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amount presented in this schedule may differ from amount presented in or used in the preparation of, the basic financial statements. The County received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Note 2 – Significant Accounting Policies

Expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis of accounting. The County's summary of significant accounting policies is presented in Note 1 in the County's basic financial statements.

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

KOOTENAI COUNTY, IDAHO
Summary of Schedule of Prior Audit Findings
For the Year Ended September 30, 2016

2015-001

Subrecipient Monitoring
U.S. Department of Transportation
CFDA Number: 20.507
Program Name: Federal Transit Administration
Contract #: ID-90-X128, ID-90-X130-03
Award Year: 2015

Finding Summary:

During the testing of Kootenai County's compliance with subrecipient monitoring requirements, there was one subrecipient of the program where the County did not have adequate internal controls to verify that subrecipients were under contract with the County, and that the County was monitoring the activities of the subrecipient.

Status:

Finding corrected in the current year.