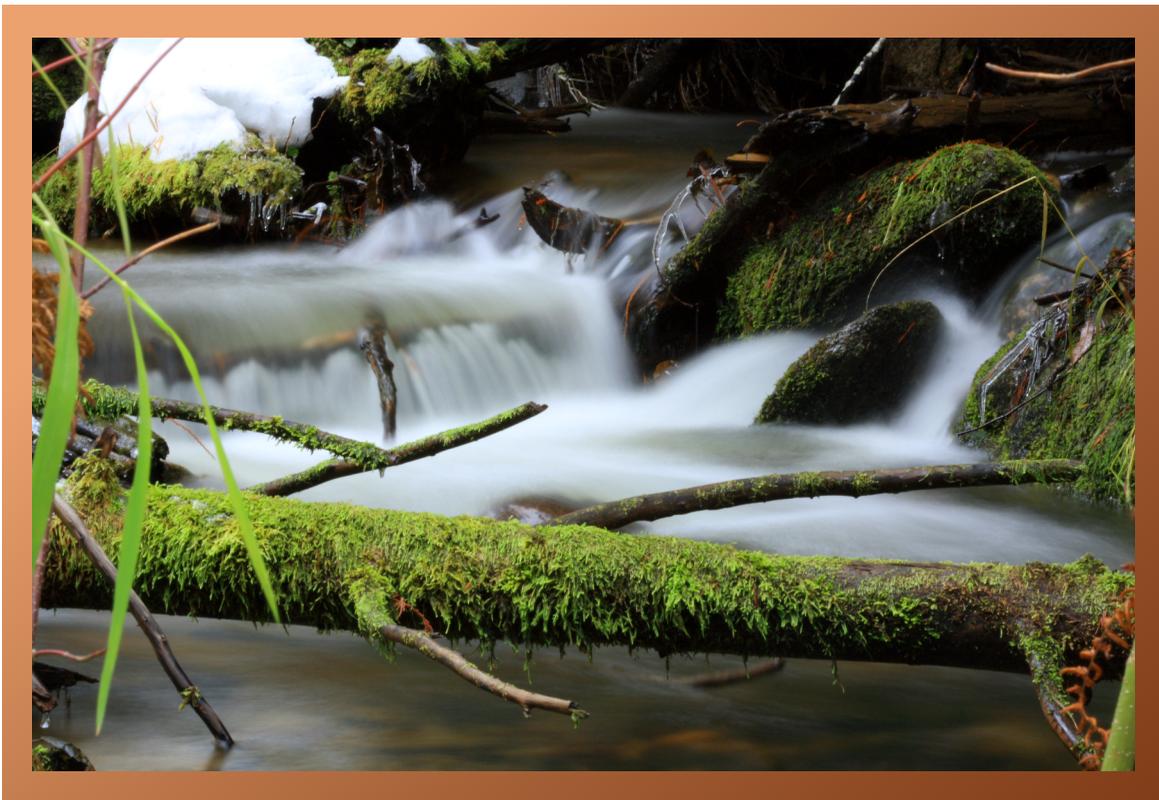


Kootenai County, Idaho



COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2017
Jim Brannon ~ Auditor



KOOTENAI COUNTY, IDAHO

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2017

Jim Brannon
County Auditor

Prepared by the Office of the County Auditor

KOOTENAI COUNTY, IDAHO

Office of the County Auditor

Finance Director

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Kootenai County Comprehensive Annual Financial Report – FY 2017

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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, 2016

Christopher P. Morill

Executive Director/CEO



Kootenai County Auditor

Jim Brannon - Clerk

451 Government Way · P.O. Box 9000

Coeur d'Alene, ID 83816-9000

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

<http://www.kcgov.us/departments/clerk> · Email kcauditor@kcgov.us

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

March 1, 2018

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, 2017. 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 150.

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

PROFILE OF THE GOVERNMENT

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

Kootenai County is located in northern Idaho, which is an area known as the Panhandle. The County is 1,244 square miles and has a population of approximately 154,000. Coeur d'Alene is both the largest city and the County Seat. Nearby population centers include the cities of Spokane and Spokane Valley located in Washington, thirty miles to the west, with a population of approximately 312,000, and Missoula, Montana, 150 miles to the east, with a population of over 72,000. Kootenai County is adjacent to the Panhandle National Forest and contains several beautiful lakes that cover 70.6 square miles. This includes the twenty-five (25) mile long Lake Coeur d'Alene.

Kootenai County provides a full range of government services that includes police protection, judicial systems, detention facilities, 9-1-1 services, health and social services, a regional airport, emergency management, noxious weed control, parks and recreation (including bicycling, boating, and snowmobiling facilities), as well as cultural and historical societies. General services such as planning and zoning, code enforcement, driver and vehicle licensing, management of federal, state, and local elections, recording of deeds and legal documents, and administration of the tax system, are also available. Kootenai County manages the collection and distribution of property tax funds for all taxing districts, which include cities, highway districts, fire districts, school districts, water/sewer districts, North Idaho 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. In 2016, Tedder Industries, the maker of Alien Gear gun holsters made Post Falls its headquarters and is on a strong growth path providing local jobs. Biotech lab ALK Abello moved from Spokane County and expanded its biomedical facility in Post Falls in June of 2017. ALK expects to add about 40 employees between 2017 and 2020. The lab produces pharmaceuticals for allergy immunotherapy. 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 2016 by 1600, employing 47,227 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.

Kootenai County remains in sound financial condition at the conclusion of fiscal year 2017, 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 made the decision to permanently deal with jail overcrowding. Housing inmates at surrounding facilities cost Kootenai County taxpayers nearly \$ 1.3 million for 2017. Total investment in the jail expansion project at the end of 2017 was \$2.6 million, with \$1.8M in construction costs and \$0.8M in design costs. The County anticipates the project will be complete and operational by fall 2018.

Kootenai County Comprehensive Annual Financial Report – FY 2017

Major Initiatives

During 2017 several County goals were met, which included:

Updating the County's Fund Balance Policy to ensure sustainable fiscal management while presenting a balanced budget. Refining the budget process again for the upcoming fiscal year 2018. During deliberations, we modified the County's approach to funding personnel, our largest cost. Open positions, fully funded in prior years, were evaluated based on number of days unfilled and adjusted to 70% of cost. This change now funds needed positions without building up surplus during the year, realizing savings of \$246,000 in 2018 and potential savings in future years.

The County's commitment to public transportation included approximately \$1.9 million in FTA grant awards for public transportation. New purchases included ADA compliant buses and preparations for construction of the Riverstone transit center.

The County Commissioners investments in personnel for 2017 included a 2% merit increase for the general pay plan of \$536,921; a 4% general pay band increase of \$86,309; sworn officer and 911 matrices increases of \$182,302; and 8.5 new positions in Treasurer (1), Vehicle Licensing (2), Public Defender (2), Sheriff (2.5), and Solid Waste (1) totaling \$436,692.

Construction has commenced for the shared parking project with the City of Coeur d'Alene. The County's contribution to the project is \$1.3 million. The addition of 205 more parking spaces meets current demand and allows for future growth of facilities while eliminating future maintenance costs, which will be borne by the City.

The County opened a second DMV/Drivers' License facility in Post Falls this year to reduce wait times and improve customer service. Finishing touches on parking and inspection areas will be completed in 2018.

Ongoing Activities and Future Projects

For 2018, 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 workload demands continue in the County Justice System. This impacts our Judiciary and Prosecutor and Public Defender offices. In addition, capital cases in 2017 drove up costs for both the Prosecutor and the Public Defender. 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 until expansion of the jail is complete. To address the increasing demand of our court, the County applied for and received a second grant from the Idaho Public Defense Commission to improve levels of service.

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 ADA upgrades of \$400,000 to the court. The need for additional parking at the Kootenai County Administration Building is being addressed not only by the shared parking project but also with paving of the current gravel lot at the main campus. Remodeling underutilized spaces in the County and moving high traffic activities to less congested locations will also be considered in the coming year to maximize current resources.

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 \$0.5 million was recognized in Fiscal Year 2017 and is reported on page 30 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.

Kootenai County Comprehensive Annual Financial Report – FY 2017

Long-Term Financial Planning

As of September 30, 2017, 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 four outstanding capital lease notes payable balances totaling \$58,959 with debt lease payments due in one year of \$17,012.

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.

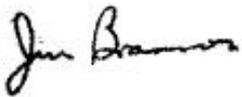
AWARDS & ACKNOWLEDGEMENTS

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, 2016. This Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

Sincerely,

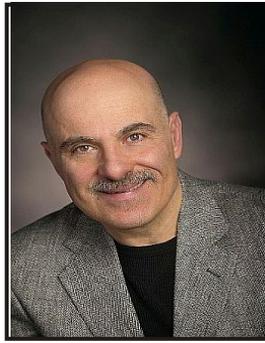


Jim Brannon
Kootenai County Auditor

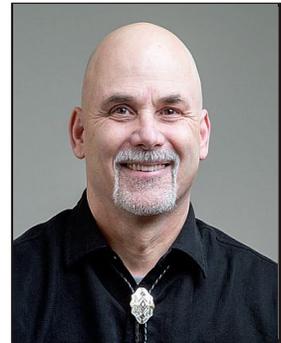
Elected Officials and Judges in Fiscal Year 2017



Marc Eberlein
Commissioner District #1



Chris Fillios
Commissioner District #2



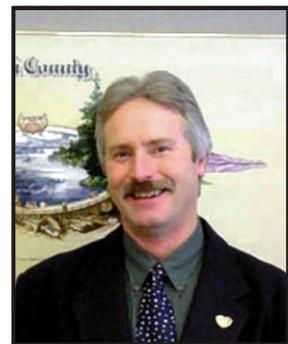
Bob Bingham
Commissioner District #3



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
Magistrate Judge
Magistrate Judge
Magistrate Judge
Magistrate Judge
Magistrate Judge**

**Lansing Haynes
John T. Mitchell
John P. Luster
Rich Christensen
Cynthia Meyer
Benjamin Simpson**

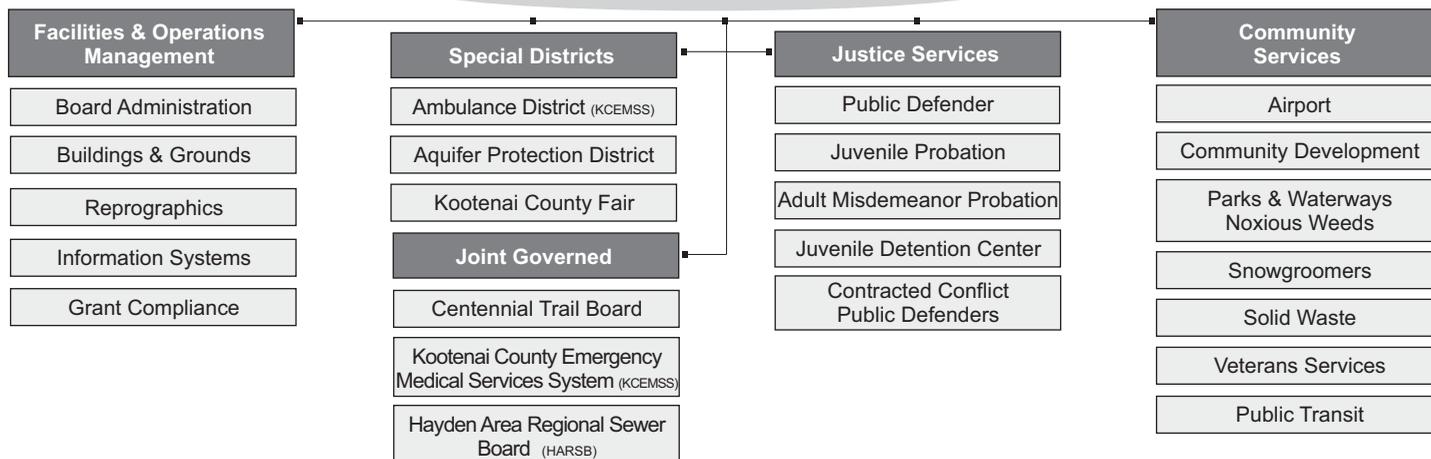
**Mayli Walsh
James D. Stow
Clark A. Peterson
Robert Caldwell
James Combo
Anna M. Eckhart
Tim VanValin**

ORGANIZATIONAL CHART

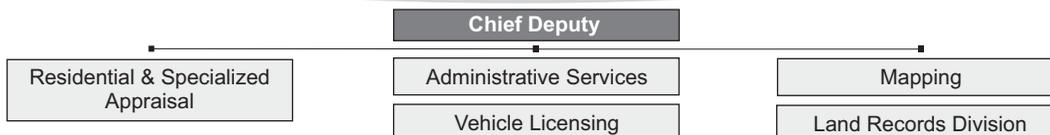
October 2017

CITIZENS

BOARD OF COUNTY COMMISSIONERS



ASSESSOR



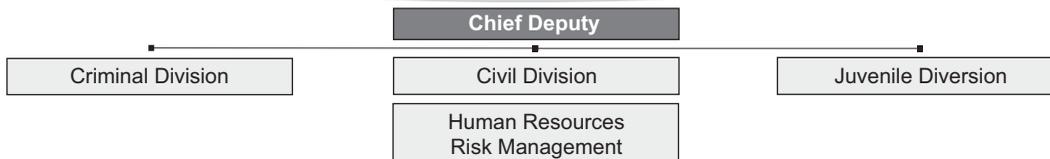
CLERK



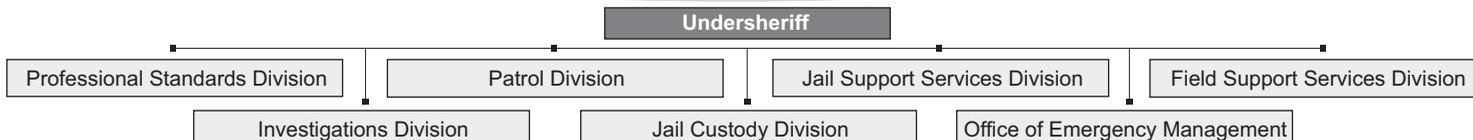
CORONER



PROSECUTING ATTORNEY



SHERIFF



TREASURER



Financial Section



CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, Kootenai County Emergency Medical Services System, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County) as of and for the year ended September 30, 2017, and North Idaho Fair & Rodeo, a discretely presented component unit as of and for the year ended December 31, 2016, 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, 2016, and Kootenai County Emergency Medical Services System as of and for the year ended September 30, 2017, 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.

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, 2017, and North Idaho Fair & Rodeo, a discretely presented component unit as of December 31, 2016, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended, respectively, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited, in accordance with accounting standards generally accepted in the United States of America, the basic financial statements of Kootenai County, as of and for the year ended September 30, 2016, and have issued our report thereon dated March 1, 2018, which expressed an unmodified opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements as of and for the year ended September 30, 2016, is consistent with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 1, 2018 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 solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Boise, Idaho
March 1, 2018

Management's Discussion and Analysis

**KOOTENAI COUNTY, IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017
(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, 2017. 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 2017 are as follows:

County leadership has maintained a fiscal philosophy of using existing resources such as fund balance rather than levying additional property taxes whenever possible. The Board of County Commissioners allocated \$12 million of existing fund balance to cover the much-needed jail expansion project. The Board also recognized that the full 3% of property tax was necessary to fund ongoing operations given current growth trends and the rising costs of providing mandated services. Management will continue controlling costs, and judiciously applying existing funds wherever appropriate.

The County has no outstanding debt at Fiscal Year-end 2017.

The Board of County Commissioner's fund balance policy directed funds to be saved for future facility and infrastructure projects. Board assignments totaling \$15.4 million have been set aside for countywide facilities and program costs to address growing service needs of citizens. Included in this figure is \$11.8 million committed for the facilities master plan.

The Board of County Commissioners granted wage increases totaling \$0.8 million. As the job market improves, wages at the County become less competitive. Even after this year's increases, most positions at the County are still 17-20% below their market equivalents based on multiple studies.

Public defense and capital crimes costs are on the rise. Conflict attorney costs in 2017 were \$0.7 million. Capital crimes costs are up 122% since 2015, driving the total cost of public defense up to \$2.8 million. Of that total, 19% is related to capital crimes. The State of Idaho's Public Defense Commission awarded the County a grant in 2017 to help with these costs and promote standards of public defense. Grant funds employed in 2017 totaled \$202,795. This was over and above the \$2.8 million expended. A new grant has been awarded for 2018 for \$449,532.

Health care costs have risen dramatically and put continuing pressure on County budgets. To manage the issue, the County engaged a new benefits administrator, who was able to renegotiate contracts and find additional savings to keep costs flat. This innovative approach to managing costs continues into 2018.

The County has combined Governmental and Business activities ending net position totaled \$131.6 million. Of this amount, \$40 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 \$21.1 million, down approximately \$0.6 million from last year. The County's investment income (\$0.5 million) and savings on healthcare costs (\$0.6 million) helped to offset higher overall expenses.

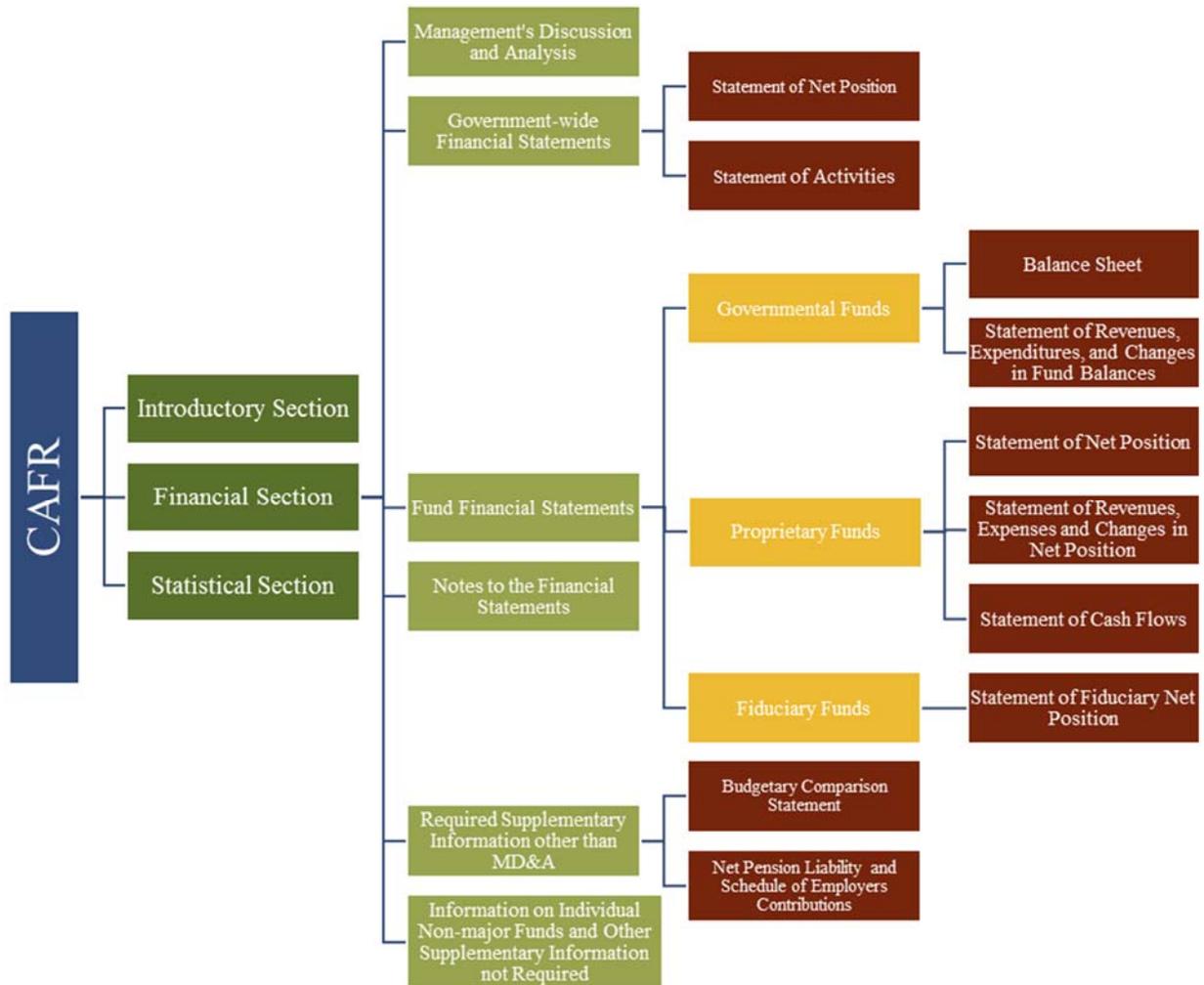
The Solid Waste Enterprise Fund gained \$2.0 million in net position, a 4.1% increase over prior year. Revenues grew modestly in all categories with the largest from commercial customers (\$0.4 million). Lean operating practices and prudent timing of capital purchases contributed to a positive net position, even with added costs of Phase 4 of the Fighting Creek Landfill closure/post closure project.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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



Kootenai County Comprehensive Annual Financial Report – FY 2017

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. Primarily taxes and intergovernmental revenues, including federal and state grants and other shared revenues, fund these services.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County’s Solid Waste Fund is its only Business-Type activity.

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

Fund Financial Statements

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

All the funds of the County fall into three categories: governmental funds, proprietary funds, or fiduciary funds. Based on the restriction of the use of the moneys, the County has established many funds that account for the multitude of services provided to our residents.

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

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

The County maintains numerous individual governmental funds, including the General Fund, Justice Fund, Airport Fund, Indigent Fund, Parks and Recreation, Revaluation, Liability Insurance, and District Court Fund. Information on each major fund is presented separately on the governmental fund balance sheet and on the governmental funds statement of revenues, expenditures, and changes in fund balances. The other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the Supplementary Information.

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

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

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

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

Supplementary Information – Combinations of individual fund statements and schedules.

Kootenai County Comprehensive Annual Financial Report – FY 2017

Government-wide Financial Analysis

Table 1, summarizes Kootenai County’s Net Position for 2016 compared with 2017.

	(amounts in thousands)							
	Governmental Activities		Business-type Activities		Total		Total % Change	
	2016	2017	2016	2017	2016	2017	2016-2017	
Current and other assets	\$ 102,753	\$ 104,952	\$ 31,539	\$ 33,279	\$ 134,292	\$ 138,231	2.9%	
Capital assets	48,152	49,060	26,765	27,405	74,917	76,465	2.1%	
Total Assets	150,905	154,012	58,304	60,684	209,209	214,696	2.6%	
Deferred Outflows	14,108	4,378	924	259	15,032	4,637	-69.2%	
Other liabilities	34,887	28,342	9,980	10,001	44,867	38,343	-14.5%	
Total Liabilities	34,887	28,342	9,980	10,001	44,867	38,343	-14.5%	
Deferred Inflows	51,067	49,174	534	252	51,601	49,426	-4.2%	
Net investment in capital assets	48,152	49,060	26,765	27,405	74,917	76,465	2.1%	
Restricted	9,236	10,669	2,955	4,410	12,191	15,079	23.7%	
Unrestricted	21,671	21,145	18,994	18,875	40,665	40,020	-1.6%	
Total Net Position	\$ 79,059	\$ 80,874	\$ 48,714	\$ 50,690	\$ 127,773	\$ 131,564	3.0%	

Total County assets and deferred outflows exceeded liabilities and deferred inflows by \$131.5 million (\$81 million in Governmental activities and \$51 million in Business-Type activities). This compares to \$127.8 million in 2016, a \$3.7 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. Overall, pension liability decreased by \$7.2 million in 2017 due to better performance in the state portfolio of investments. The net pension obligation is not a liability owed by the County, but rather a snapshot of the County’s proportionate share of the overall State of Idaho retirement plan.

Net Investment in Capital Assets (land, buildings, improvements, machinery and equipment, vehicles and infrastructure) totals \$76.5 million, which represents 58% 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.

\$10.7 million of the County’s Governmental Activities net position (13.2%) has restrictions on how the assets can be used. The \$21.1 million (26.1%) of Unrestricted Governmental Activities Net Position may be used to meet the County’s ongoing obligations.

Kootenai County Comprehensive Annual Financial Report – FY 2017

Table 2, shows the changes in net position for 2016 and 2017:

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2016	2017	2016	2017	2016	2017	2016-2017
Revenues							
Program revenues							
Charges for services	\$ 22,448	\$ 23,650	\$ 12,604	\$ 12,907	\$ 35,052	\$ 36,557	4.3%
Operating Grants	2,000	2,322	-	-	2,000	2,322	16.1%
Capital Grants	1,666	646	-	73	1,666	719	-56.8%
General revenues							
Property taxes	45,283	47,659	-	-	45,283	47,659	5.2%
Other	3,195	2,235	-	227	3,195	2,462	-22.9%
Total revenues	74,592	76,512	12,604	13,207	87,196	89,719	2.9%
Expenses							
General government	27,344	26,963	-	-	27,344	26,963	-1.4%
Public works	2,629	3,073	-	-	2,629	3,073	16.9%
Public safety	39,748	41,509	-	-	39,748	41,509	4.4%
Sanitation weed control	335	356	-	-	335	356	6.3%
Health and welfare	2,761	2,418	-	-	2,761	2,418	-12.4%
Culture and recreation	1,285	1,247	-	-	1,285	1,247	-3.0%
Solid waste	-	-	10,133	10,497	10,133	10,497	3.6%
Total expenses	74,102	75,566	10,133	10,497	84,235	86,063	2.2%
Excess before special items and transfers	490	946	2,471	2,710	2,961	3,656	23.5%
Gain on sale of assets	38	135	14	-	52	135	-159.6%
Transfers In (out)	759	734	(759)	(734)	-	-	0.0%
Increase (decrease) net position	\$ 1,287	\$ 1,815	\$ 1,726	\$ 1,976	\$ 3,013	\$ 3,791	-25.8%
Beginning Net Position	\$ 77,772	\$ 79,059	\$ 46,988	\$ 48,714	\$ 124,760	\$ 127,773	2.4%
Ending Net Position	\$ 79,059	\$ 80,874	\$ 48,714	\$ 50,690	\$ 127,773	\$ 131,564	3.0%

Governmental Activities

Program revenues for governmental activities increased slightly overall in fiscal 2017; with \$1.2 million increase in charges for services offsetting the \$0.7 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 \$23.7 million (30.9%) 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 \$26.6 million, (35.2%) of the County’s governmental expenses in 2017. This compares to \$26.1 million (35.2%) in 2016. Increased demand and costs of services have changed proportionately, keeping the percentage of this type of revenue fairly constant.

Federal and State grant sources made up \$3.0 million (3.9%) of total governmental revenues; this is down slightly from 2016 of \$3.7 million (4.9%). Grants decreased between years with the closeout of several airport improvement projects. Significant current year grant activities include the Citilink transit grant of \$1.8 million, and Department of Homeland Security grants totaling \$0.4 million.

Property tax revenues supporting Governmental activities were \$47.7 million (62.2%) of the \$76.5 million revenue total. Property tax revenue increased \$2.4 million (5.2%) from 2016, with the 3% tax increase and additional collections from new construction.

General government expenses are \$26.9 million, or 35.7% of total expense. This compares to \$27.3 million in 2016, a decrease of \$0.4 million (1.4%). Factors contributing to the decrease include slightly lower than expected health insurance costs and a reduction in the pension obligation.

Kootenai County Comprehensive Annual Financial Report – FY 2017

Public Safety expenses of \$41.5 million (54.9%) are the largest portion of the County’s total expenses of \$75.6 million. Compared to prior year, Public Safety expenses increased \$1.8 million or 4.4%, primarily due to capital cases, out-of-County housing for jail inmates, and overall greater demand for services as population grows. The County’s largest tax-supported operational expenses are the Sheriff’s Jail program (\$11.7 million), and Sheriff’s Patrol (\$7.1 million).

Health and welfare expenses of \$2.4 million decreased by \$0.3 million, or 12.4% from the prior year. Fewer indigent medical claims resulted in cost savings in the current year.

Total Governmental Activity expenses were \$75.6 million in 2017, an increase of \$1.5 million (2.0%) from the prior year. Public safety is the leading cost driver of increases.

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, 2016 and 2017
 (amounts in thousands)

	Total Cost of Services		Percentage Change	Net Cost of Service		Percentage Change
	2016	2017	2016-2017	2016	2017	2016-2017
General government	\$ 27,344	\$ 26,963	-1.4%	\$ 15,301	\$ 13,746	-10.2%
Public works	2,629	3,073	16.9%	598	2,135	257.0%
Public safety	39,748	41,509	4.4%	28,383	29,772	4.9%
Sanitation (Weed control)	335	356	6.3%	294	304	3.4%
Health and welfare	2,761	2,418	-12.4%	2,624	2,308	-12.0%
Culture and recreation	1,285	1,247	-3.0%	788	685	-13.1%
Total	\$ 74,102	\$ 75,566	2.0%	\$ 47,988	\$ 48,950	2.0%

The County’s total cost of services increased by \$1.5 million (2%) over the prior year. Additional expenses included public safety costs (\$1.8 million) and public works (\$0.4 million).

Public safety is both the largest portion (54.9%) of overall County expense at \$41.5 million, and the largest portion (60.8%) of net cost of service at \$29.8 million. Public safety net cost of service increased by \$1.4 million or 4.9% from the prior year driven by growing out-of-county housing costs and capital defense cases. Public works increase of \$1.5 million (257%) over prior year is mainly from Public Transit and Airport projects.

General Government is the second largest portion (35.7%) of overall County expenses at \$27 million. Of those costs, General Government funds \$13.2 million (49%) with direct charges for services or grant revenue. The remaining \$13.7 million is predominantly supported by property tax. Note that year over year, general government has cut costs in both areas.

Net Cost of Service totaled \$49 million, an increase of approximately \$1 million (2%) in 2017. Public Safety required the greatest cost support increase (\$3.1 million) in unrestricted net position or tax revenue as compared with 2016.

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.

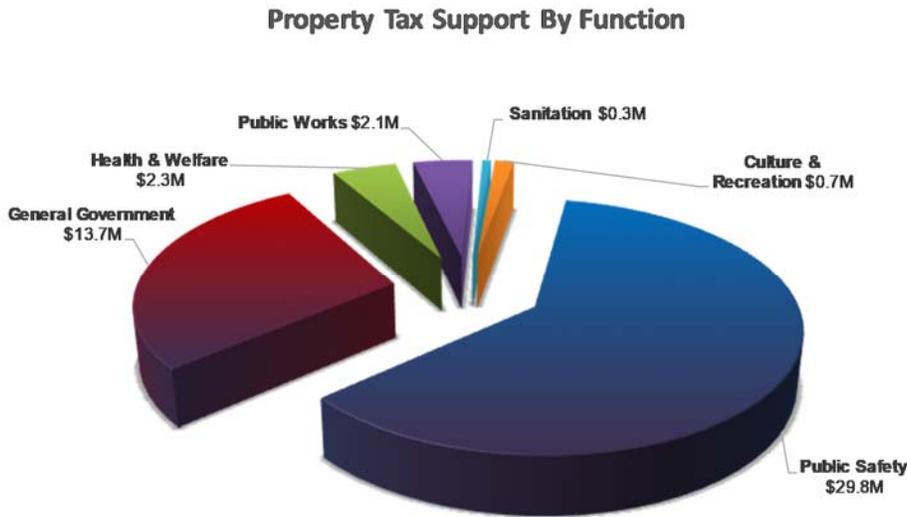
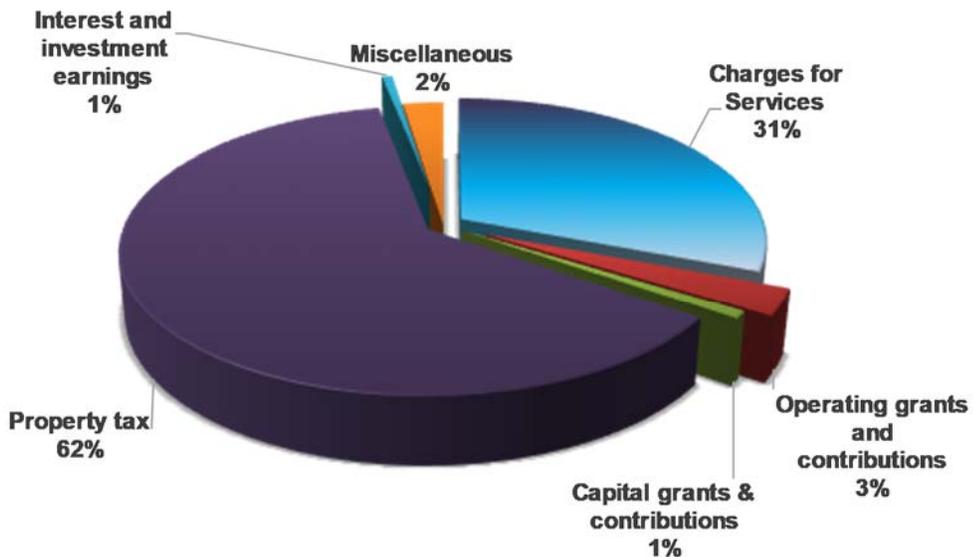


Figure 5: Revenues by Source-Government Activities

The figure below indicates County fiscal 2017 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 \$12.9 million and expenses of \$10.5 million. All investment earnings for Solid Waste are recorded in the General Fund. Landfill closure/post closure costs were \$450,000 in 2017.

Figure 6: Program Revenues and Expenses-Business Type Activities

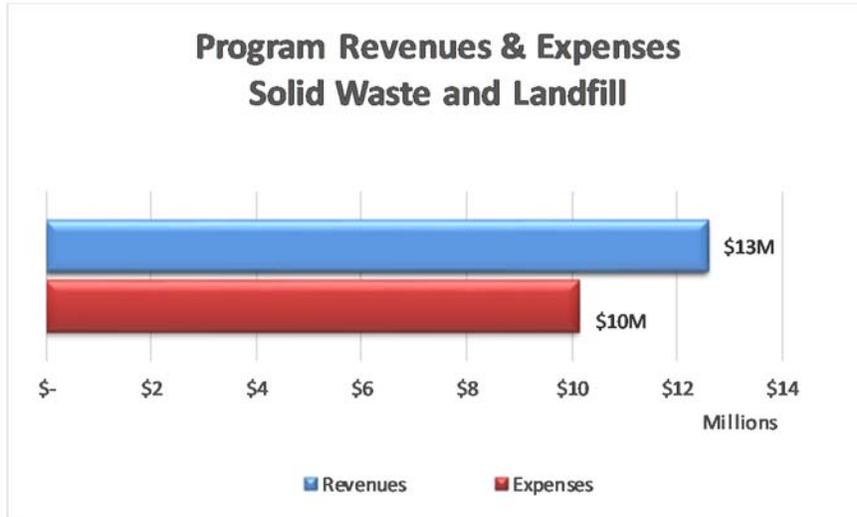
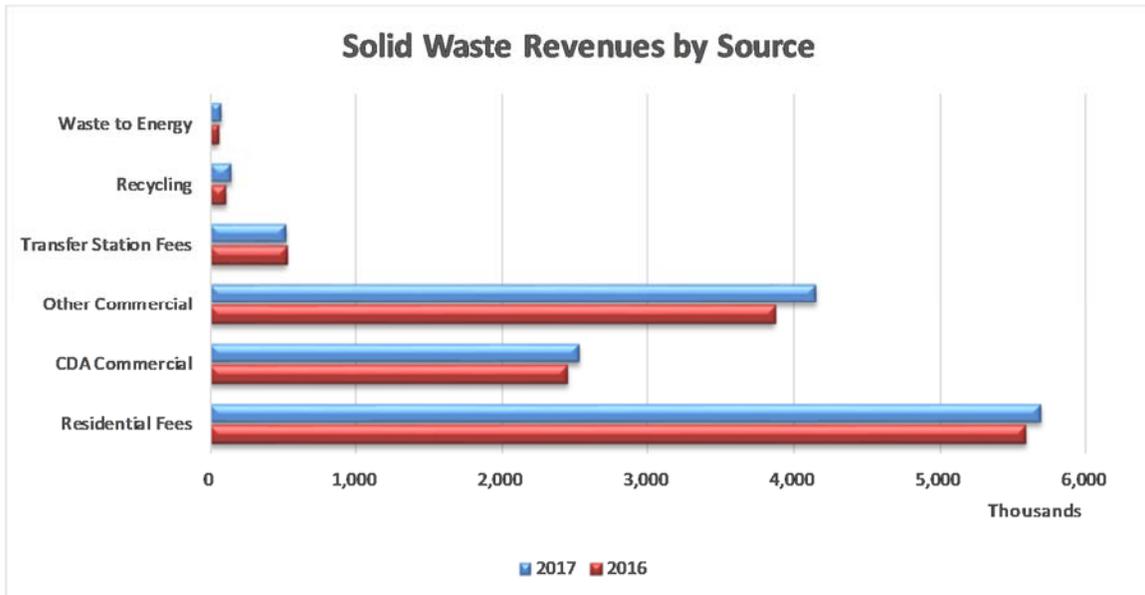


Figure 7: Revenues by Source - Business Type Activities - Solid Waste



Greatest overall growth in revenues driven by other commercial accounts (\$0.3 million). Highest percentage growth was in the area of recycling (33.8%) however, low volume and reduced value of material translated to \$56,000 of earnings. Modest year over year increases in commercial and residential reflect population growth. A loss on the sale of disposed property (\$161,000) overshadowed positive earnings from miscellaneous categories. Overall revenue increased by \$0.4 million over last year.

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, 2017, the County's governmental funds had a combined ending fund balance of \$51.4 million, a decrease of \$0.8 million over the prior year. Approximately \$12.6 million (25%) of this total is unassigned fund balance, available for spending at the County's discretion. The remaining \$38.8 million (75%) is reserved for dedicated purposes in one of four designated fund balance categories: Assigned, Committed, Restricted, and Nonspendable. (Each of these categories is described in more detail in the notes to the financial statement.)

The General Fund is the County's primary operating fund. It includes Commissioner General Fund programs, and Justice Services such as Sheriff Patrol and Jail operations. The General Fund balance decreased by \$1.6 million (3.4%) during fiscal year 2017. This decrease was primarily the result of the use of fund balance for the jail expansion. General Fund expenditures of \$63.3 million increased \$ 8.1 million (14.8%) over the prior year. Capital expenditures and construction in progress make up half of the increase. The other half is attributed to public safety (\$2.5 million) and general government (\$1.7 million).

As a liquidity measure, it is useful to compare both unassigned fund balance (\$12.6 million) and total fund balance (\$51.4 million) to total General Government expenditures (\$63.3 million). Therefore, unassigned fund balance represents 20% of total General Fund expenditures, and total fund balance represents 81.2% of total expenditures.

Fund balance of approximately \$1 million was transferred from the General Fund to support unanticipated government fund operations during the year including jail overcrowding (\$510,000), the purchase of property adjacent to the downtown campus (\$424,000) and costs associated with capital crimes (\$34,000) and District Court (\$34,000). The largest use of general fund balance in 2017 is the jail expansion (\$12 million).

Enterprise Funds

The County's enterprise funds (Solid Waste) had unrestricted net position of \$18.9 million in 2017, down slightly from \$19 million in fiscal 2016. As previously discussed, the decrease primarily resulted from use of fund balance for long-term projects. Revenues remain consistent and continue to cover operating costs and long-term sustainability. Fund balance from Solid Waste operations was appropriated for work on Phase 4 of Fighting Creek Landfill closure activities (\$1 million) and the purchase of land at Rose Lake (\$145,000) for future Solid Waste needs.

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 2017 was \$96,343,347 of which \$43,843,913 was funded by property tax. The allowable 3% tax increase was used. The County's forgone property tax balance remained at \$9.1 million.

Increases to expenditures included the jail expansion (\$14 million), health insurance (\$1.5 million), and personnel (\$1.2 million). Of the personnel increase, new positions (\$0.4 million), sworn staff (\$0.2 million), and general pay plan merit/pay bands (\$0.6 million) make up the total. The jail expansion is completely paid for by fund balance with no increase to property tax.

Kootenai County Comprehensive Annual Financial Report – FY 2017

CAPITAL ASSETS

Kootenai County’s fiscal 2017 capital investments for its Governmental and Business-type activities totaled \$76.5 million, net of depreciation. These investments included land, buildings, improvements, machinery and equipment, and construction in progress. (See Table 8) The net increase (including depreciation, additions and deductions) in the County’s investment in capital assets was \$1.5 million (a 1.9% increase for Governmental activities, and a 2.4% increase for Business-type activities).

Table: 8

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

	Governmental		Business-type		Total		Total
	Activities		Activities				Percentage
	2016	2017	2016	2017	2016	2017	2016-2017
Land	\$ 6,768	\$ 7,137	\$ 1,751	\$ 1,896	\$ 8,519	\$ 9,033	6.0%
Buildings	18,846	18,087	215	210	19,061	18,297	-4.0%
Improvements other than Buildings	15,659	13,954	1,266	1,165	16,925	15,119	-10.7%
Machinery and Equipment	5,926	6,762	3,581	3,680	9,507	10,442	9.8%
Transfer Stations	-	-	11,368	10,744	11,368	10,744	-5.5%
Landfill	-	-	8,584	8,042	8,584	8,042	-6.3%
Construction in Progress	953	3,120	-	1,668	953	4,788	402.4%
Total	\$ 48,152	\$ 49,060	\$ 26,765	\$ 27,405	\$ 74,917	\$ 76,465	2.07%

Major capital asset activities during fiscal 2017 included:

- Jail Expansion Project - \$2,553,000
- 911 Radio System - \$562,000
- Six Citylink Buses and Tracking Software - \$514,000
- Vehicles – Sheriff (9) and Other Departments (8) - \$792,000
- Technology Hardware and Software - \$365,000
- Solid Waste Department Improvements and Machinery & Equipment - \$2.1 million
- Fighting Creek Landfill Post-Closure Activity - \$1.6 million
- Other significant changes were disposals of obsolete equipment for General Government (\$1.15 million) and Solid Waste (\$1.12 million)

Additional information on Kootenai County’s capital assets can be found in Note 5 (Capital Assets) to the financial statements for fiscal year 2017.

ECONOMIC FACTORS

In Kootenai County, the housing market continues to grow at a rapid pace. Current inventories are low pushing demand for new construction and average home prices higher. The median price for a home in Kootenai County is \$280,000, and in the City of Coeur d’Alene, that price is \$325,000.

Residential building permits filed with the County improved in number and value with 383 new permits valued at \$113.6 million, a 21% increase over last year. The housing market has reinvigorated local construction jobs, leaving contractors with large backlogs. Commercial activity also grew rapidly with additional permits filed in 2017 at a value of \$17.9 million, a 45% increase from 2016.

Kootenai County Comprehensive Annual Financial Report – FY 2017

According to the Idaho Department of Labor, The County's preliminary seasonally adjusted unemployment rate as of October 2017 was 3.6%. The unemployment rate decreased nearly a full percentage point from 4.5% in the prior year. The County's unemployment rate is 0.5% lower than the national rate of 4.1%.

According to the Idaho Department of Labor's Occupational Employment and Wage Survey data, the average wage for all occupations in Idaho is \$41,910. Kootenai County's wage is nearly 6% lower at \$39,410. Low labor costs and a business-friendly environment continue to draw new business to the area. Key employment industries within the County are medical, leisure and hospitality, retail and trade, manufacturing and government.

Assessed value for all property types in Kootenai County increased from the prior year and now stands at a net taxable value of \$15.3 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 2017

**KOOTENAI COUNTY, IDAHO
Statement of Net Position
September 30, 2017**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	North Idaho	
				Fair & Rodeo Dec. 31, 2016	KCEMSS Sept. 30, 2017
ASSETS					
Cash and investments	\$ 55,229,307	\$ 24,288,756	\$ 79,518,063	\$ 101,569	\$ 2,581,258
Taxes receivable - current	45,435,436	-	45,435,436	-	-
Taxes receivable - delinquent	705,000	-	705,000	-	13,657
Accounts receivable, (net)	2,383,856	944,626	3,328,482	10,806	1,036,412
Interest receivable	8,161	-	8,161	-	-
Grants receivable	614,976	-	614,976	-	-
Inventories and prepaid expenses	575,638	724	576,362	-	203,539
Restricted assets:					
Cash held for closure and postclosure	-	8,045,000	8,045,000	-	-
Capital Assets:					
Land	7,136,473	1,895,906	9,032,379	-	403,990
Depreciable assets, (net)	38,339,487	23,841,425	62,180,912	1,824,935	4,016,134
Non-Depreciable other assets	463,850	-	463,850	-	-
Construction in progress	3,120,213	1,667,653	4,787,866	-	10,705
Total Assets	\$ 154,012,397	\$ 60,684,090	\$ 214,696,487	\$ 1,937,310	\$ 8,265,695
Deferred Outflows of Resources					
Related to Pensions	4,377,511	258,645	4,636,156	145,764	78,854
Total Deferred Outflows of Resources	\$ 4,377,511	\$ 258,645	\$ 4,636,156	\$ 145,764	\$ 78,854
LIABILITIES					
Accounts payable	\$ 2,891,564	\$ 592,496	\$ 3,484,060	\$ 25,729	\$ 48,627
Payroll and related liabilities	2,000,053	4,143	2,004,196	12,085	51,037
Other accrued liabilities	-	-	-	-	31,206
Advanced revenues	850,930	-	850,930	-	-
Long-term liabilities:					
Due within one year - compensated absences	742,009	15,310	757,319	-	-
Due within one year - capital leases	-	-	-	17,012	384,079
Due in more than one year - compensated absences	4,557,933	219,515	4,777,448	28,828	-
Due in more than one year - capital leases	-	-	-	13,119	1,481,430
Landfill closure liability	-	8,045,000	8,045,000	-	-
Net Pension Liability	17,299,594	1,124,034	18,423,628	235,746	205,782
Total Liabilities	28,342,083	10,000,498	38,342,581	332,519	2,202,161
DEFERRED INFLOWS OF RESOURCES					
Future year property tax	45,435,436	-	45,435,436	-	-
Related to Pensions	3,738,187	252,491	3,990,678	77,103	30,868
Deferred Inflows of Resources	49,173,623	252,491	49,426,114	77,103	30,868
NET POSITION					
Net investment in capital assets	49,060,023	27,404,985	76,465,008	1,794,804	2,565,320
Restricted:					
9-1-1 Enhanced system fee carryover	2,706,030	-	2,706,030	-	-
Court facilities	598,088	-	598,088	-	-
Juvenile justice services	641,317	-	641,317	-	-
Court interlock	109,761	-	109,761	-	-
Sheriff commissary	147,886	-	147,886	-	-
Capital project carryover-solid waste	-	4,409,780	4,409,780	-	-
Operations	6,466,594	-	6,466,594	-	-
Unrestricted:					
Governmental type activities	21,144,503	-	21,144,503	-	-
Business type activities	-	18,874,981	18,874,981	(121,352)	3,546,200
Total Net Position	\$ 80,874,202	\$ 50,689,746	\$ 131,563,948	\$ 1,673,452	\$ 6,111,520

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Statement of Activities For the Year Ended September 30, 2017

Functions/Programs	Program Revenues			
Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Primary government:				
Governmental activities:				
General government	\$ 26,962,978	\$ 10,832,636	\$ 2,029,690	\$ 354,549
Public works	3,073,394	740,537	-	198,083
Public safety	41,509,269	11,476,442	239,955	21,262
Sanitation	356,538	571	52,288	-
Health and welfare	2,418,523	110,287	-	-
Culture and recreation	1,246,862	489,672	-	72,504
Total governmental activities	75,567,564	23,650,145	2,321,933	646,398
Business-type activities:				
Solid waste and landfill	10,336,068	12,907,232	73,042	-
Total business-type activities	10,336,068	12,907,232	73,042	-
Total primary government	\$ 85,903,632	\$ 36,557,377	\$ 2,394,975	\$ 646,398
Component units:				
North Idaho Fair	\$ 1,544,073	\$ 1,588,784	\$ -	\$ -
KCEMSS	7,615,931	5,074,578	-	44,907
Total component units	\$ 9,160,004	\$ 6,663,362	\$ -	\$ 44,907

General revenues:

Taxes:

Property taxes, levied for general purposes

Miscellaneous

Interest and investment earnings

Gain (Loss) on sale of assets/property

Transfers

Total general revenues and transfers

Change in net position

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 2017

KOOTENAI COUNTY, IDAHO Statement of Activities For the Year Ended September 30, 2017

Net (Expense) Revenue and Changes in Net Assets

			Component Units	
Governmental Activities	Business-Type Activities	Total	North Idaho Fair & Rodeo	KCEMSS
\$ (13,746,103)	\$ -	\$ (13,746,103)		
(2,134,774)	-	(2,134,774)		
(29,771,610)	-	(29,771,610)		
(303,679)	-	(303,679)		
(2,308,236)	-	(2,308,236)		
(684,686)	-	(684,686)		
(48,949,088)	-	(48,949,088)		
-	2,644,206	2,644,206		
-	2,644,206	2,644,206		
(48,949,088)	2,644,206	(46,304,882)		
			\$ 44,711	\$ -
			-	(2,496,446)
			44,711	(2,496,446)
47,658,819	-	47,658,819	-	2,558,611
1,748,392	226,517	1,974,909	-	17,778
486,746	-	486,746	227	7,527
135,172	(160,620)	(25,448)	-	-
734,443	(734,443)	-	-	-
50,763,572	(668,546)	50,095,026	227	2,583,916
1,814,484	1,975,660	3,790,144	44,938	87,470
79,059,718	48,714,086	127,773,804	1,628,514	6,024,050
\$ 80,874,202	\$ 50,689,746	\$ 131,563,948	\$ 1,673,452	\$ 6,111,520

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

**KOOTENAI COUNTY, IDAHO
Balance Sheet
Governmental Funds
September 30, 2017**

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash in bank and investments	\$ 45,501,610	\$ 7,082,673	\$ 52,584,283
Taxes receivable - current	45,435,436	-	45,435,436
Taxes receivable - delinquent	564,878	140,121	704,999
Accounts receivable	2,270,102	134,547	2,404,649
Interest receivable	8,156	5	8,161
Grants receivable	190,579	424,396	614,975
Prepays	489,349	11,394	500,743
Due from other funds	83,820	-	83,820
Total Assets	\$ 94,543,930	\$ 7,793,136	\$ 102,337,066
Liabilities			
Accounts payable	\$ 1,602,670	\$ 444,114	\$ 2,046,784
Payroll and related liabilities	2,000,053	-	2,000,053
Due to other funds	-	83,820	83,820
Advanced revenue-other	208,947	108,834	317,781
Advanced revenue-grants	135,825	390,967	526,792
Total Liabilities	3,947,495	1,027,735	4,975,230
Deferred Inflows of Resources			
Unavailable property taxes	564,878	104,236	669,114
Future year property taxes	45,281,797	-	45,281,797
Total Deferred Inflows of Resources	45,846,675	104,236	45,950,911
Fund Balances			
Nonspendable	489,349	11,394	500,743
Restricted	4,306,994	6,362,770	10,669,764
Committed	14,777,307	287,089	15,064,396
Assigned	12,569,437	-	12,569,437
Unassigned	12,606,673	(88)	12,606,585
Total Fund Balances	44,749,760	6,661,165	51,410,925
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 94,543,930	\$ 7,793,136	\$ 102,337,066

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities September 30, 2017

Total governmental fund balances (page 32) \$ **51,410,925**

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

The County's delinquent property tax revenue will be collected after year-end but is not available soon enough to pay for the current period's expenditures and therefore is deferred in the funds. 515,474

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. 49,060,023

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. 1,847,992

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 (22,599,536)

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 4,377,511
Deferred inflows of resources related to pensions (3,738,187)

Total Net Position of Governmental Activities as shown on the Statement of Net Position: \$ **80,874,202**

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended September 30, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 38,906,448	\$ 8,718,570	\$ 47,625,018
Licenses and permits	1,449,987	121,492	1,571,479
Intergovernmental	11,951,417	2,538,682	14,490,099
Interest	486,048	697	486,745
Fines and forfeitures	487,511	776,261	1,263,772
Charges for services	7,325,051	1,603,152	8,928,203
Miscellaneous	734,297	897,347	1,631,644
Total Revenues	61,340,759	14,656,201	75,996,960
Expenditures			
Current:			
General government	22,888,126	3,691,772	26,579,898
Public works	-	1,035,488	1,035,488
Public safety	34,076,559	5,396,842	39,473,401
Sanitation	-	350,569	350,569
Health & welfare	385,500	2,036,226	2,421,726
Culture and recreation	-	851,464	851,464
Capital Outlay:			
Capital expenditures	2,830,496	582,933	3,413,429
Construction in progress	3,153,761	291,558	3,445,319
Total Expenditures	63,334,442	14,236,852	77,571,294
Excess of Revenues Over (Under) Expenditures	(1,993,683)	419,349	(1,574,334)
Other Financing Sources (Uses)			
Transfers In	799,380	362,390	1,161,770
Transfers (out)	(391,277)	(36,050)	(427,327)
Total Other Financing Sources	408,103	326,340	734,443
Net Change in Fund Balances	(1,585,580)	745,689	(839,891)
Fund Balances Beginning of Year	46,335,340	5,915,476	52,250,816
Fund Balances End of Year	\$ 44,749,760	\$ 6,661,165	\$ 51,410,925

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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, 2017

Net change in fund balances - total governmental funds (pg 34)	\$ (839,891)
 <i>Amounts reported for governmental activities in the statement of activities (pages 30 and 31) 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.	33,803
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, capital outlays exceeded depreciation expense in the current period. (\$6,858,748 - \$6,595,416)	263,332
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.	644,676
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.	1,121,088
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>591,476</u>
<i>Total Change in Net Position of Governmental Activities as shown on the Statement of Activities</i>	<u><u>\$ 1,814,484</u></u>

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Statement of Net Position Proprietary Funds

September 30, 2017 with Comparative Information for September 30, 2016

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets				
Current Assets:				
Cash and investments	\$ 24,288,756	\$ 23,007,292	\$ 2,645,025	\$ 1,977,262
Accounts receivable, (net)	944,626	935,870	-	233
Prepays	724	796	74,896	68,677
Total Current Assets	<u>25,234,106</u>	<u>23,943,958</u>	<u>2,719,921</u>	<u>2,046,172</u>
Noncurrent Assets:				
Restricted Assets:				
Cash held for closure and post closure	8,045,000	7,595,000	-	-
Capital Assets:				
Land	1,895,906	1,751,114	-	-
Depreciable assets, (net)	23,841,425	25,013,953	-	-
Construction in progress	1,667,653	-	-	-
Total Noncurrent Assets	<u>35,449,984</u>	<u>34,360,067</u>	<u>-</u>	<u>-</u>
Total Assets	<u>60,684,090</u>	<u>58,304,025</u>	<u>2,719,921</u>	<u>2,046,172</u>
Deferred Outflows of Resources				
Deferred pension outflows	258,645	923,972	-	-
Total Deferred Outflows	<u>258,645</u>	<u>923,972</u>	<u>-</u>	<u>-</u>
Liabilities				
Current Liabilities:				
Accounts payable	592,496	518,383	148,779	124,950
Payroll and other related liabilities	4,143	-	696,000	625,562
Other accrued liabilities	-	43,550	27,150	39,144
Compensated absences-current	15,310	13,740	-	-
Total Current Liabilities	<u>611,949</u>	<u>575,673</u>	<u>871,929</u>	<u>789,656</u>
Long-Term Liabilities:				
Compensated absences				
due in more than one year	219,515	223,152	-	-
Landfill closure liability	8,045,000	7,595,000	-	-
Net pension liability	1,124,034	1,586,200	-	-
Total Long-Term Liabilities	<u>9,388,549</u>	<u>9,404,352</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>10,000,498</u>	<u>9,980,025</u>	<u>871,929</u>	<u>789,656</u>
Deferred Inflows of Resources				
Deferred pension Inflows	252,491	533,886	-	-
Total Deferred Inflows	<u>252,491</u>	<u>533,886</u>	<u>-</u>	<u>-</u>
Net Position				
Net investment in capital assets	27,404,985	26,765,067	-	-
Restricted for:				
Capital appropriations carryover	4,409,780	2,955,092	-	-
Unrestricted	18,874,981	18,993,927	1,847,992	1,256,516
Total Net Position	<u>\$ 50,689,746</u>	<u>\$ 48,714,086</u>	<u>\$ 1,847,992</u>	<u>\$ 1,256,516</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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

For the Year Ended September 30, 2017 with Comparative Information for September 30, 2016

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Int'l Service Fund
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Operating Revenues				
Charges for services	\$ 12,907,232	\$ 12,434,221	\$ 8,333,736	\$ 6,930,496
Operating Grants	73,042	-	-	-
Miscellaneous	226,517	169,611	288,652	1,412,444
Total Operating Revenues	<u>13,206,791</u>	<u>12,603,832</u>	<u>8,622,388</u>	<u>8,342,940</u>
Operating Expenses				
Personnel services	3,409,662	3,333,644	6,525	9,926
Professional services	2,209,872	2,286,433	8,020,545	9,345,459
Utilities	150,238	119,184	-	-
Materials and supplies	686,400	598,274	149	-
Maintenance and repairs	402,539	392,826	-	-
Other services and expenses	152,900	127,179	3,693	3,815
Depreciation and depletion	2,874,457	2,845,227	-	-
Landfill closure and post closure expense	450,000	431,000	-	-
Total Operating Expenses	<u>10,336,068</u>	<u>10,133,767</u>	<u>8,030,912</u>	<u>9,359,200</u>
Operating Income (Loss)	<u>2,870,723</u>	<u>2,470,065</u>	<u>591,476</u>	<u>(1,016,260)</u>
Non-Operating Revenues (Expenses)				
Gain (Loss) on sale of assets	(160,620)	14,445	-	-
Total Non-Operating Revenues (Expenses)	<u>(160,620)</u>	<u>14,445</u>	<u>-</u>	<u>-</u>
Income (Loss) before Contributions and Transfers	2,710,103	2,484,510	591,476	(1,016,260)
Transfers In	73,883	5,317	-	250,000
Transfers out	(808,326)	(764,050)	-	-
Change in Net Position	1,975,660	1,725,777	591,476	(766,260)
Net Position Beginning of Year	<u>48,714,086</u>	<u>46,988,309</u>	<u>1,256,516</u>	<u>2,022,776</u>
Net Position End of Year	<u>\$ 50,689,746</u>	<u>\$ 48,714,086</u>	<u>\$ 1,847,992</u>	<u>\$ 1,256,516</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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

For the Year Ended September 30, 2017 with Comparative Information for September 30, 2016

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2017	2016	2017	2016
Cash Flows from Operating Activities				
Cash received from customers	\$ 12,854,998	\$ 12,078,764	\$ 8,333,969	\$ 6,930,263
Other cash receipts	299,559	169,611	288,652	1,412,444
Cash payments to employees	(3,485,820)	(3,298,664)	51,919	79,780
Cash payments for goods and services	<u>(3,527,836)</u>	<u>(3,273,419)</u>	<u>(8,006,777)</u>	<u>(9,297,230)</u>
Net cash provided (used) by operating activities	<u>6,140,901</u>	<u>5,676,292</u>	<u>667,763</u>	<u>(874,743)</u>
Cash Flows from Noncapital Financing Activities				
Transfer In from other funds	73,883	5,317	-	250,000
Transfer out to other funds	<u>(808,326)</u>	<u>(764,050)</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(734,443)</u>	<u>(758,733)</u>	<u>-</u>	<u>250,000</u>
Cash Flows from Capital and Related Financing Activities				
Payments for capital acquisitions	(3,744,893)	(1,561,068)	-	-
Proceeds from sale of capital assets	<u>69,899</u>	<u>24,125</u>	<u>-</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(3,674,994)</u>	<u>(1,536,943)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in Cash and Cash Equivalents	1,731,464	3,380,616	667,763	(624,743)
Cash and Cash Equivalents Beginning of Year	<u>30,602,292</u>	<u>27,221,676</u>	<u>1,977,262</u>	<u>2,602,005</u>
Cash and Cash Equivalents End of Year	<u>\$ 32,333,756</u>	<u>\$ 30,602,292</u>	<u>\$ 2,645,025</u>	<u>\$ 1,977,262</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating				
Operating Income (Loss)	\$ 2,870,723	\$ 2,470,065	\$ 591,476	\$ (1,016,260)
<i>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</i>				
Depreciation	2,874,457	2,845,227	-	-
Pension Expense	(78,234)	18,409	-	-
<i>(Increase) Decrease in Assets:</i>				
Accounts receivable	(8,756)	(395,004)	233	(233)
Inventories and prepaid expenses	72	(597)	(6,219)	(68,677)
<i>Increase (Decrease) in Liabilities and Deferred</i>				
Accounts payable	74,113	250,477	23,829	120,721
Payroll and other related liabilities	4,143	-	70,438	50,562
Advanced revenue	(43,550)	40,144	-	-
Compensated absences payable and other accrued liabilities	(2,067)	16,571	(11,994)	39,144
Landfill closure/postclosure liability	<u>450,000</u>	<u>431,000</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,140,901</u>	<u>\$ 5,676,292</u>	<u>\$ 667,763</u>	<u>\$ (874,743)</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Statement of Fiduciary Net Position Fiduciary Funds September 30, 2017

	Agency Funds
Assets	
Cash and investments	\$ 6,178,024
Receivables:	
Taxes delinquent	2,444,368
Accounts receivable, (net)	10,478
	<hr/>
Total Assets	\$ 8,632,870
	<hr/>
Liabilities	
Accounts payable	\$ 72,179
Advanced property taxes due to other gov'ts	376,737
Due to other individuals	3,166,393
Due to other governments	5,017,561
	<hr/>
Total Liabilities	\$ 8,632,870
	<hr/>
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, 2017

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 2017 fiscal year. GASB Statement No. 77, Tax Abatement Disclosures, was a new statement that was effective for the County's 2017 fiscal year. Implementation did not affect this report since there was no tax abatement activity. The County has implemented all applicable GASB statements from prior years.

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. These component units are presented as separate columns within the "basic" financial statements on the government-wide financial statements.

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

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 Commissioners appoint a member to the Joint Powers Board, the KCEMSS governing body.

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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 \$44,938 for the fiscal year ending December 31, 2016. KCEMSS fiscal year runs from October 1 through September 30, and reported an increase in net position of \$87,470 for their fiscal year ending September 30, 2017.

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 Statements

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 County's primary operating fund. It accounts for all financial resources except those meeting the requirements for accounting in another fund.
2. Special Revenue Funds – Special revenue funds account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.
3. Capital Project Funds – Capital project funds account for financial resources used for the acquisition or construction of major capital assets (other than those financed by proprietary funds).

Proprietary Fund Types:

Proprietary funds account for ongoing organizations and activities of a government, which are similar to those found in the private sector. The measurement focus is upon the determination of net income. Kootenai County has two proprietary fund types, an enterprise fund used to account for solid waste disposal activities and an internal service fund to account for self-insured health services.

1. Enterprise Funds – Enterprise funds account for operations that meet one of two criteria. (1) The activity runs in a manner similar to private business enterprises. Moreover, the intent of the governing body is that the ongoing operating costs (including depreciation) of providing goods or services to the public are financed or recovered primarily through user charges. (2) Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
2. Internal Service Funds – Internal service funds account for activities provided to other funds, departments or agencies of the primary government on a cost reimbursement basis. Kootenai County utilizes an internal service fund, Health Insurance fund, to account for self-insured health services. This fund establishes a reimbursement rate for health coverage which is expensed to employees and County departments through the payroll system as a premium for service. The health insurance fund in turn receives the internal service premium and pays for all of the administrative costs and claims expenditures in a manner similar to a regular premium based insurance company. Reimbursement rates and claims activities are reviewed and re-established each year pursuant to the recommendations provided by the independent insurance broker/plan consultant.

Fiduciary Fund Types:

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include intergovernmental revenues (including state and federal grants) and charges for current services. Other revenues including licenses, permits, fines, forfeitures, and miscellaneous are not measurable until received; therefore, recognition

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

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

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

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

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

Property Taxes:

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

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

D-1. Deposits and investments

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

The County's investments are guided by Idaho State 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

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monies of Idaho Governments over a longer time horizon (3.5 years or longer) in exchange for potentially greater returns. Ten million dollars or less can be withdrawn with 5 business days' notice; otherwise a 25 day notice is required.

LGIP funds are valued at cost plus accrued interest and are reported as cash due to the highly liquid nature of the pooled funds. DBF Pooled investments are valued using the net asset value.

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

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

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

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

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

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

The application of fair value in the GASB 72 standard does not require money market investments 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 third 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

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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.

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.

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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, these financials should be read in conjunction with the County's financial statements for the year ended September 30, 2016, from which the summarized information was derived.

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. Prior year comparative data for the Agency Trust Funds are presented in the supplementary section. Certain prior year balances may be 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 77 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.

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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 \$22,599,536 difference are as follows:

Long-term liabilities	
Due within one year - compensated absences	\$ 742,009
Due in more than one year - Compensated Absences	4,557,933
Net Pension Liability	17,299,594
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 22,599,536

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 \$1,847,992 difference are as follows:

Beginning net position-internal service fund	\$ 1,256,516
Change in fund net Position	591,476
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 1,847,992

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	\$ 2,409,863
Change in proportionate share	722,383
Changes of assumptions	321,720
Contributions made subsequent to measurement date	923,545
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 4,377,511

Deferred inflows of resources related to pensions:	
Net difference between projected and actual investment earnings on pension plan investments	\$ 1,033,996
Differences between expected and actual experience	1,554,797
Change in proportionate share	1,149,394
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 3,738,187

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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	\$ 515,475
Less: Prior year delinquent property tax-unavailable	(481,672)
Net adjustment to increase fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 33,803

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	\$ 6,858,748
Depreciation Expense	(6,595,416)
Net adjustment to increase fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 263,332

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	\$ (56,736)
Gains and donations of capital assets	701,412
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	\$ 644,676

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	\$ (23,081)
Pension revenue (expenses)	1,144,169
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	\$ 1,121,088

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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, to individual funds.” The details of this \$591,476 difference are as follows:

Charges for Services	\$	8,333,736
Miscellaneous		288,652
Total Revenues		8,622,388
Less expenditures:		(8,030,912)
Net adjustment to increase <i>net changes in fund balances-</i>		
<i>total governmental funds to arrive at changes in net position</i>		
<i>of governmental activities</i>	\$	591,476

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 (\$12,959):

Cash and Cash Equivalents	Financial Statement Value 9/30/2017	Valuation Method
Deposits with FDIC Institutions	\$ 5,067,427	Cost
Local Gov't Investment Pool		
Idaho State Treasurer's Office	29,066,556	Cost + Accrued Interest
Total Cash and Cash Equivalents	\$ 34,133,983	

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, 2017:

Investments	Fair Value at 9/30/2017	Fair Value Measurements Using			Valuation Method
		Level 1	Level 2	Level 3	
Debt Securities					
US Gov't Obligations	\$ 10,585,141	\$ -	\$10,585,141	\$ -	Market Rate
Total Debt Securities	10,585,141	-	10,585,141	-	
Other Investments					
State of Idaho Diversified Bond Fund	49,009,005	-	-	-	Net Asset Value
Total Other Investments	49,009,005	-	-	-	
Total Investments at Fair Value	\$ 59,594,146	\$ -	\$10,585,141	\$ -	

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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	\$49,009,005	None	Monthly	5 -25 days

Idaho Code, Sections 67-1301 and 67-2328 authorizes the State Treasurer to combine public agencies’ money into external investment pools: Local Government Investment Pool (LGIP) and the Diversified Bond Fund (DBF). Idaho governmental entities may voluntarily deposit moneys not needed to meet immediate operating obligations in these pools. The 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 153 days, and DBF is 4.18 years, at September 30, 2017.

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.

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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, 2017, investments comprising greater than 5% of overall portfolio value were as follows:

Investment Institution	Portfolio %
State of Idaho Diversified Bond Fund	55.3%
State of Idaho Local Government Investment Pool	32.8%
Farmer MAC (Gov't Securities)	6.3%

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

As of the same date the Kootenai County Emergency Medical Services System (KCEMSS), a discretely presented component unit, had no exposure to custodial credit risk because all of KCEMSS' cash and investment balances of \$2,581,258 was insured or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the KCEMSS's name. The North Idaho Fair & Rodeo, another discretely presented component unit had no exposure to custodial credit risk because all North Idaho Fair & Rodeo's bank balance of \$101,569 was insured or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the North Idaho Fair & Rodeo's name.

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

NOTE 4: RECEIVABLES

Receivables as of 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	\$ 46,000,314	\$ 140,121	\$ -	\$ 46,140,435
General accounts	2,270,102	134,547	979,626	3,384,275
Grants	190,579	424,396	-	614,975
Interest	8,156	5	-	8,161
Gross Accounts Receivable	48,469,151	699,069	979,626	50,147,846
Less: allowance for doubtful accounts	-	-	(35,000)	(35,000)
Net Total Accounts Receivables	\$ 48,469,151	\$ 699,069	\$ 944,626	\$ 50,112,846

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

	Unavailable	Advanced
Deferred Inflows of Resources:		
Subsequent property taxes receivable	\$ 45,281,797	\$ -
Delinquent property taxes receivable (general fund)	564,878	-
Delinquent property taxes receivable (other governmental funds)	104,236	-
Advanced Revenue:		
Intergovernmental services not yet performed (general fund)	-	208,947
Special Revenue services not yet performed (other governmental funds)	-	108,834
Grant draw downs prior to meeting all eligibility requirements	-	526,792
Total unavailable and advanced revenue for governmental funds	\$ 45,950,911	\$ 844,573

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NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 (in thousands) is as follows:

Governmental Activities	Balance 9/30/16	Additions	Adjustments	Deletions	Transfers	Balance 9/30/17
Capital assets, not being depreciated:						
Other Assets	\$ 440	\$ 23	\$ 1	\$ -	\$ -	\$ 464
Land	6,768	369	-	-	-	7,137
Construction in progress	953	180	3,184	-	(1,197)	3,120
Total capital assets, not being depreciated	<u>8,161</u>	<u>572</u>	<u>3,185</u>	<u>-</u>	<u>(1,197)</u>	<u>10,721</u>
Capital assets, being depreciated:						
Buildings	43,641	453	(197)	(10)	423	44,310
Improvements other than buildings	44,232	-	62	-	774	45,068
Machinery and equipment	28,620	3,528	(45)	(1,137)	-	30,966
Total capital assets, being depreciated	<u>116,493</u>	<u>3,981</u>	<u>(180)</u>	<u>(1,147)</u>	<u>1,197</u>	<u>120,344</u>
Less accumulated depreciation for:						
Buildings	(24,795)	(1,437)	-	9	-	(26,223)
Improvements other than buildings	(29,013)	(2,565)	-	-	-	(31,578)
Machinery and equipment	(22,694)	(2,593)	-	1,083	-	(24,204)
Total accumulated depreciation	<u>(76,502)</u>	<u>(6,595)</u>	<u>-</u>	<u>1,092</u>	<u>-</u>	<u>(82,005)</u>
Total capital assets, being depreciated, net:	<u>39,991</u>	<u>(2,614)</u>	<u>(180)</u>	<u>(55)</u>	<u>1,197</u>	<u>38,339</u>
Government activity capital assets, net:	<u>\$ 48,152</u>	<u>\$ (2,042)</u>	<u>\$ 3,005</u>	<u>\$ (55)</u>	<u>\$ -</u>	<u>\$ 49,060</u>
Business-type Activities	Balance 9/30/16	Additions	Adjustments	Deletions	Transfers	Balance 9/30/17
Capital assets, not being depreciated:						
Land	\$ 1,751	\$ -	\$ 145	\$ -	\$ -	\$ 1,896
Construction in progress	-	1,668	-	-	-	1,668
Total capital assets, not being depreciated	<u>1,751</u>	<u>1,668</u>	<u>145</u>	<u>-</u>	<u>-</u>	<u>3,564</u>
Capital assets, being depreciated:						
Buildings	801	-	62	-	-	863
Improvements other than buildings	2,876	-	200	(25)	-	3,051
Machinery and equipment	13,480	1,395	49	(1,094)	-	13,830
Transfer Stations	19,931	-	36	-	-	19,967
Landfill	23,452	-	190	-	-	23,642
Total capital assets, being depreciated	<u>60,540</u>	<u>1,395</u>	<u>537</u>	<u>(1,119)</u>	<u>-</u>	<u>61,353</u>
Less accumulated depreciation for:						
Buildings	(586)	(67)	-	-	-	(653)
Improvements other than buildings	(1,610)	(276)	-	-	-	(1,886)
Machinery and equipment	(9,899)	(1,139)	-	888	-	(10,150)
Transfer Stations	(8,563)	(660)	-	-	-	(9,223)
Landfill	(14,868)	(732)	-	-	-	(15,600)
Total accumulated depreciation	<u>(35,526)</u>	<u>(2,874)</u>	<u>-</u>	<u>888</u>	<u>-</u>	<u>(37,512)</u>
Total capital assets, being depreciated, net:	<u>25,014</u>	<u>(1,479)</u>	<u>537</u>	<u>(231)</u>	<u>-</u>	<u>23,841</u>
Business-type activities capital assets, net:	<u>\$ 26,765</u>	<u>\$ 189</u>	<u>\$ 682</u>	<u>\$ (231)</u>	<u>\$ -</u>	<u>\$ 27,405</u>

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Depreciation expense charged by function of the primary government during fiscal year 2017:

Governmental Activities:	
General Government	\$ 1,264,426
Public Works	2,102,431
Public Safety	2,813,514
Sanitation Weeds	6,479
Culture and Recreation	408,566
Total governmental activities current year depreciation expense	<u><u>\$ 6,595,416</u></u>
Business-Type Activity:	
Solid Waste	\$ 2,874,457
Total business-type activities current year depreciation expense	<u><u>\$ 2,874,457</u></u>

Discretely presented component unit Capital Asset Activity:

Activity for the Kootenai County Emergency Medical Services System for the year ended September 30, 2017, was as follows:

	Balance 9/30/2016	Additions	Deletions	Transfers	Balance 9/30/2017
KCEMSS Component Unit Activity					
Capital assets, not being depreciated:					
Land	\$ 403,990	\$ -	\$ -	\$ -	\$ 403,990
Construction in process	33,364	10,705	-	(33,364)	10,705
Total capital assets, not being depreciated	<u>437,354</u>	<u>10,705</u>	<u>-</u>	<u>(33,364)</u>	<u>414,695</u>
Capital assets, being depreciated:					
Building	713,244	276,250	-	13,364	1,002,858
Machinery and equipment	832,045	658,526	(254,412)	-	1,236,159
Vehicles	3,192,345	116,374	-	20,000	3,328,719
Total capital assets, being depreciated	<u>4,737,634</u>	<u>1,051,150</u>	<u>(254,412)</u>	<u>33,364</u>	<u>5,567,736</u>
Less accumulated depreciation for:					
Building	(165,158)	(39,146)	-	-	(204,304)
Machinery and equipment	(593,568)	(123,410)	254,412	-	(462,566)
Vehicles	(469,563)	(415,169)	-	-	(884,732)
Total accumulated depreciation	<u>(1,228,289)</u>	<u>(577,725)</u>	<u>254,412</u>	<u>-</u>	<u>(1,551,602)</u>
Total capital assets, being depreciated, net	<u>3,509,345</u>	<u>473,425</u>	<u>-</u>	<u>33,364</u>	<u>4,016,134</u>
KCEMSS activity capital assets, net	<u><u>\$ 3,946,699</u></u>	<u><u>\$ 484,130</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,430,829</u></u>

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Activity for the North Idaho Fair and Rodeo for the year ended December 31, 2016, was as follows:

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
North Idaho Fair Component Unit Activity				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 396,579	\$ 47,647	\$ (36,732)	\$ 407,494
Buildings	3,160,694	82,926	(97,276)	3,146,344
Total capital assets, being depreciated	3,557,273	130,573	(134,008)	3,553,838
Less accumulated depreciation for:				
Machinery and Equipment	(329,996)	(16,008)	36,423	(309,581)
Buildings	(1,408,375)	(82,639)	71,692	(1,419,322)
Total accumulated depreciation	(1,738,371)	(98,647)	108,115	(1,728,903)
 Total capital assets, being depreciated, net	 1,818,902	 31,926	 (25,893)	 1,824,935
 North Idaho Fair activity capital assets, net	 \$ 1,818,902	 \$ 31,926	 \$ (25,893)	 \$ 1,824,935

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, 2017.

Fiscal Year Ending Ending September 30,	Governmental Activities
2018	\$ 252,380
2019	77,112
2020	15,030
2021	12,901
Total Minimum Payments Required	\$ 357,424

The total expenditure for operating leases during the fiscal year ending September 30, 2017, approximated \$265,000. Approximate values of future minimum lease obligations include:

- County department building leases, \$153,000.
- Printing services commercial copier equipment, \$87,000.
- 9-1-1 emergency service repeater tower and equipment, \$107,000.
- Sheriff's boat moorage leases, \$10,000.

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NOTE 7: GENERAL LONG-TERM OBLIGATIONS

Changes in Long-term Obligations:

During the year ending September 30, 2017, the following changes occurred with liabilities reported in the general long-term obligations:

	Balance 10/1/2016	Additions	Reductions	Balance 9/30/2017	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
<i>Other Liabilities:</i>					
Compensated Absences	\$ 5,276,861	\$ 327,965	\$ 304,884	\$ 5,299,942	\$ 742,009
Governmental activities long-term liabilities	\$ 5,276,861	\$ 327,965	\$ 304,884	\$ 5,299,942	\$ 742,009
BUSINESS-TYPE ACTIVITIES					
Compensated Absences	\$ 236,892	\$ 18,850	\$ 20,917	\$ 234,825	\$ 15,310
Landfill closure liability	7,595,000	450,000	-	8,045,000	-
Business-type activities long-term liabilities	\$ 7,831,892	\$ 468,850	\$ 20,917	\$ 8,279,825	\$ 15,310

At September 30, 2017, Countywide compensated absences payable total \$5,534,767. Of this liability, \$5,299,942 is governmental activity obligation, and \$234,825 is business activity obligation. For governmental activities, the compensated absence liability is generally liquidated by the general fund. Compensated absence payouts to employees upon separation were \$304,884, for Governmental Fund employees, and \$20,917 for Business-type fund employees. Solid Waste landfill closure liability at Fighting Creek increased \$450,000 during the year for a closing balance of \$8,045,000.

NOTE 8: NOTES PAYABLE AND CAPITAL LEASES: COMPONENT UNITS

The financial information in this report, for the fiscal year ending September 30, 2017, 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, 2016, North Idaho Fair & Rodeo had 4 outstanding capital lease notes payable balances totaling \$30,131, with debt lease payments due in one year of \$17,012. KCEMSS had 2 outstanding capital lease notes payable totaling \$1,865,509 for the year ending September 30, 2017, with amounts due within one year of \$384,079.

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 2016-2017, closure/post-closure expenses of \$450,000 were recognized for the year ending September 30, 2017.

A total of \$8,045,000 has been recognized for closure and post-closure liability as of the balance sheet date. The current liability balance is based on 63% 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 \$4,888,671 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 2031. However, the final closure of the original cell will be performed when the adjacent cells in development reach capacity projected to occur after 2042.

Funds totaling \$8,045,000 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 20 to 25 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 is responsible for evaluating and securing adequate insurance coverage for the entire County. The Risk Management Technician informs and educates employees to prevent work related incidences that cause loss exposure.

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 2016-2017 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.

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On December 31, 2017, the County had multiple outstanding claims, none of which had more than remote possibility of adverse judgment against the County. For all pending claims, the County’s legal staff maintains the position that the County bears little or no loss liability, based upon the strength of the claims and prior experience. Settlements paid did not exceed the County’s reserves set aside for self-insurance. Accordingly, no liability for losses has been reported on the balance sheet, as was the case in the prior year.

The County provides employees health benefits through a self-funded health insurance 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, 2017, 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 \$175,000. The current attachment point for annual aggregate stop-loss coverage has been set at \$7,099,409. Stop-loss claims received during FY17 totaled \$183,580, and were all reimbursements for prior year claims. The Health Insurance Fund Balance at September 30, 2017 was \$1,847,992. Estimated claims outstanding (incurred but not received – “IBNR”), as of fiscal year end was \$696,000 based on health plan consultant’s actuarial estimate.

Fiscal Year	Beginning IBNR	Claims Incurred	Payments on claims	Ending IBNR
2017	\$ 615,000	6,913,391	6,832,391	\$ 696,000
2016	\$ 575,000	8,156,848	8,116,848	\$ 615,000

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.

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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.

The contribution rates for employees are set by statute at 60% for general employees and 72% for police and firefighters. As of June 30, 2017 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 \$4,173,349 for the year ended September 30, 2017.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions – At September 30, 2017, Kootenai County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, Kootenai County’s proportion was 1.1721146%.

For the year ended September 30, 2017, Kootenai County recognized pension expense (revenue) of \$(1,222,403). At September 30, 2017, 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	\$ 2,552,255	\$ 1,659,813
Changes in Assumptions or other inputs	340,703	-
Net difference between projected and actual earnings on pension plan investments	-	1,103,836
Employer change in proportionate share	765,074	1,227,029
Employer contributions subsequent to the measurement date	978,124	-
Total	\$ 4,636,156	\$ 3,990,678

The \$978,124 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, 2018.

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, 2016 the beginning of the measurement period ended June 30, 2017 is 4.9 years.

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

Year Ended September 30:	
2018	\$(1,043,589)
2019	\$ 1,688,890
2020	\$ 396,373
2021	\$(1,374,320)

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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, 2017 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, 2017 is based on the results of an actuarial valuation date July 1, 2017.

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. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

Kootenai County Comprehensive Annual Financial Report – FY 2017

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.

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 (6.10%)	Current Discount Rate (7.10%)	1% increase (8.10%)
Employer's net pension (asset) liability	\$ 42,820,302	\$ 18,423,628	\$ (1,850,655)

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.

Kootenai County Comprehensive Annual Financial Report – FY 2017

NOTE 12: CLASSIFICATION OF FUNDS

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

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

NOTE 13: JOINTLY GOVERNED ORGANIZATIONS

Kootenai County participates in two jointly governed organizations. Those organizations are the Hayden Area Regional Sewer Board (HARSB).

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

Kootenai County has no financial interest or responsibility in HARSB. Kootenai County's role on the Sewer Board qualifies the relationship as one of a jointly governed organization. Additionally, there were no related party transactions during the period ending September 30, 2017.

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, 2017 are as follows:

<u>Receivable Fund (Payable) Funds</u>	
<u>Major Funds:</u>	
General Fund	<u>\$ 83,820</u>
<u>Non-Major Special Revenue and Capital Project Funds:</u>	
Capital Projects	<u>(83,820)</u>
Total	<u><u>\$ -</u></u>

Kootenai County Comprehensive Annual Financial Report – FY 2017

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		
		General Gov't Funds	Other Governmental Funds	Enterprise Funds
Transfer Out	General Governmental Funds	\$ (391,277)	\$ 317,394	\$ (73,883)
	Other Governmental Funds	36,050	(36,050)	-
	Enterprise Funds	763,330	44,996	808,326
	Total	<u>\$ 408,103</u>	<u>\$ 326,340</u>	<u>\$ 734,443</u>

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.

Significant interfund transfers during the fiscal year include:

- Solid Waste transfer to General Government of \$763,330 and Health District of \$44,996, for administrative and overhead costs.
- General Fund transfers of \$172,259 to non-major other governmental funds and \$67,463 to Solid Waste to cover Health Insurance increase.
- General fund transfers to non-major other governmental funds of \$99,815 to cover Wage Adjustments.
- General Fund transfer to support non-major other governmental fund programs (Centennial Trail Fund - \$8,500, District Court - \$20,500).
- General fund transfers to non-major other governmental funds of \$16,320, and Solid Waste of \$6,420 to cover paid sick leave termination.
- \$36,050 Aquifer Protection Fund transfer to General Fund for program administrative costs.

Kootenai County Comprehensive Annual Financial Report – FY 2017

NOTE 16: FUND EQUITY

Fund Equity Balances:

At September 30, 2017, the details of fund equity balances are as follows:

Fund Balances:	General	Non-Major Other Govt	Total
Nonspendable:			
Prepays	\$ 489,349	\$ 11,394	\$ 500,743
Total Nonspendable	<u>489,349</u>	<u>11,394</u>	<u>500,743</u>
Restricted			
Juvenile justice services	641,317	-	641,317
Enhanced 9-1-1 Services	2,706,030	-	2,706,030
Court facility construction	598,088	-	598,088
Sheriff Commissary	147,886	-	147,886
Sheriff Drug Seizure	213,673	-	213,673
Court interlock devices	-	109,761	109,761
Operations	-	6,253,009	6,253,009
Total Restricted	<u>4,306,994</u>	<u>6,362,770</u>	<u>10,669,764</u>
Committed:			
Jail Expansion	9,446,530	-	9,446,530
Facilities Projects	3,206,926	-	3,206,926
Info Systems Projects	433,308	-	433,308
Other Capital Projects	70,596	54,292	124,888
Operations	1,619,947	232,797	1,852,744
Total Committed	<u>14,777,307</u>	<u>287,089</u>	<u>15,064,396</u>
Assigned			
Capital Project Reserve-Facilities Master Plan	8,757,465	-	8,757,465
Capital Project Reserve-Info System Infrastructure	1,000,000	-	1,000,000
Health Care	500,000	-	500,000
Other Assignments	2,311,972	-	2,311,972
Total Assigned	<u>12,569,437</u>	<u>-</u>	<u>12,569,437</u>
Unassigned	<u>12,606,673</u>	<u>(88)</u>	<u>12,606,585</u>
Total fund balances	<u><u>\$ 44,749,760</u></u>	<u><u>\$ 6,661,165</u></u>	<u><u>\$ 51,410,925</u></u>

Required Supplementary Information

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 38,409,955	\$ 38,409,955	\$ 38,906,447	\$ 496,492
Licenses and permits	1,390,300	1,390,300	1,449,987	59,687
Intergovernmental	9,435,175	10,585,067	11,951,418	1,366,351
Interest	755,000	755,000	486,048	(268,952)
Fines and forfeitures	509,050	509,050	487,511	(21,539)
Charges for services	6,429,697	6,657,837	7,325,051	667,214
Miscellaneous	15,894,868	17,269,755	734,297	(16,535,458)
<i>Total Revenues</i>	<i>72,824,045</i>	<i>75,576,964</i>	<i>61,340,759</i>	<i>(14,236,205)</i>
Expenditures				
Current:				
General government				
Assessor	1,717,382	1,802,893	1,747,584	55,309
Building & grounds	560,519	575,735	581,648	(5,913)
County auto shop	200,247	209,050	206,278	2,772
County clerk	4,799,628	5,046,560	4,833,254	213,306
County commissioner	500,097	515,112	506,971	8,141
County grant writer	177,599	185,673	170,596	15,077
General accounts	3,554,205	1,232,831	1,181,425	51,406
Office of emergency management	224,358	860,878	374,740	486,138
Human resources	350,472	370,876	374,523	(3,647)
Information services	2,188,508	2,239,298	2,119,224	120,074
Liability insurance	789,157	789,157	793,903	(4,746)
Community development	1,774,844	1,854,074	1,723,287	130,787
Prosecuting attorney	3,142,747	3,704,156	3,728,769	(24,613)
Public defender	2,826,063	3,268,608	3,535,196	(266,588)
Reprographics/mail room	261,123	269,769	263,526	6,243
Treasurer	768,307	789,036	644,136	144,900
Veterans services	100,217	103,704	103,066	638

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
<i>(Continued)</i>				
Public safety				
9-1-1	3,282,099	3,399,351	3,315,639	\$ 83,712
Adult misdemeanor probation	694,161	723,284	604,876	118,408
Coroner	340,003	345,599	325,744	19,855
Justice - general accounts	829,629	579,629	778,109	(198,480)
Juvenile detention center	2,536,430	2,649,022	2,497,942	151,080
Juvenile diversion	257,301	284,205	254,704	29,501
Juvenile probation	1,146,817	1,190,048	1,152,349	37,699
Sheriff	23,498,267	25,073,676	25,147,196	(73,520)
Health & welfare				
County assistance	600,266	600,266	385,500	214,766
Capital outlay:				
Capital expenditures	1,906,700	3,057,652	2,830,496	227,156
Construction in progress	14,567,279	14,264,925	3,153,761	11,111,164
Total Expenditures	<u>73,594,425</u>	<u>75,985,067</u>	<u>63,334,442</u>	<u>12,650,625</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(770,380)</u>	<u>(408,103)</u>	<u>(1,993,683)</u>	<u>(1,585,580)</u>
Other Financing Sources (Uses)				
Transfers In	799,380	799,380	799,380	-
Transfers (out)	<u>(29,000)</u>	<u>(391,277)</u>	<u>(391,277)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>770,380</u>	<u>408,103</u>	<u>408,103</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	(1,585,580)	
Fund Balances Beginning of Year			<u>46,335,340</u>	
Fund Balances End of Year			<u>\$ 44,749,760</u>	

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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, 2017

	<u>Budgeted Amounts</u>	Actual Amounts (Budgetary Basis)	Variance with
	Final		Final Budget (Over) Under
Board of County Commissioners			
General Government	\$ 45,729,519	\$ 27,356,765	\$ 18,372,754
Solid Waste	14,748,042	14,035,803	712,239
Total BOCC	<u>\$ 60,477,561</u>	<u>\$ 41,392,568</u>	<u>\$ 19,084,993</u>
County Clerk	<u>\$ 7,288,951</u>	<u>\$ 6,075,474</u>	<u>\$ 1,213,477</u>
Administrative District Judge	<u>\$ 2,543,566</u>	<u>\$ 2,541,953</u>	<u>\$ 1,613</u>
Treasurer	<u>\$ 789,036</u>	<u>\$ 644,136</u>	<u>\$ 144,900</u>
Assessor	<u>\$ 4,297,343</u>	<u>\$ 4,081,194</u>	<u>\$ 216,149</u>
Coroner	<u>\$ 375,234</u>	<u>\$ 355,646</u>	<u>\$ 19,588</u>
Sheriff	<u>\$ 29,853,338</u>	<u>\$ 29,878,532</u>	<u>\$ (25,194)</u>
Prosecuting Attorney	<u>\$ 4,052,367</u>	<u>\$ 4,051,138</u>	<u>\$ 1,229</u>

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

KOOTENAI COUNTY, IDAHO
Notes to Required Supplementary Information – Basis of Budgetary Reporting;
Stewardship, Compliance, and Accountability
For the Year Ended September 30, 2017

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.

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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). Explanations of overspending include the following:

- The Sheriff elected group appears to be initially overspent from appropriated funds on page 75. This shortfall was covered by unscheduled revenues at year-end.
- In general, non-major funds are balanced using their own fund balance reserves at year-end. This year, Airport, Parks, District Court and Kootenai Emergency Management were balanced using this method.
- Any anticipated overages are brought to the Board of County Commissioners during the budget year, and additional spending is approved in a public meeting. At year-end, if balancing funds are needed, they are transferred at that time.

Kootenai County Board of County Commissioners approved multiple unexpended capital projects totaling \$14,304,048 to be carried forward from fiscal year 2017 budget as allowed by Idaho Code Section 31, Chapter 16. The following schedule details the in-process projects carried over from prior year:

	Carryforward Balance 10/1/2016	Appropriation FY 2017	Expenditures FY 2017	Carryforward Balance 9/30/2017
Landfill Capital Improvement Projects	\$ 512,331	\$ 481,324	\$ 275,951	\$ 717,704
Landfill Closure / Post Closure Project	-	2,807,000	1,536,529	1,270,471
Ramsey Transfer Station Improvement Projects	21,128	550,000	165,034	406,094
Prairie Transfer Station Improvement Projects	-	100,000	81,639	18,361
Solid Waste Rural Site Purchases	310,885	144,792	185,911	269,766
District Court Case Management Software	149,643	-	-	149,643
Jail Maintenance Improvement Projects	9,227	5,235	14,462	-
SH Evidence Storage Remodel	83,854	333,000	18,887	397,967
IT Digital Evidence Storage Project	-	349,279	308,105	41,174
IT Sheriff Access Control Project	-	71,679	25,512	46,167
911 Access Control Project	-	16,258	-	16,258
Clerk Recorder's Archiving Project	24,944	30,000	606	54,338
Admin Cabling Project	165,581	-	37,098	128,483
IT Firewall Project	-	200,000	166,653	33,347
IT Network Projects	24,381	83,000	72,887	34,494
Parking Lot Contribution (City of CDA Project)	-	1,323,000	104,041	1,218,959
Jail Expansion Project	-	12,000,000	2,553,470	9,446,530
Parks Stateline Bridge Painting Project	14,850	-	14,850	-
County Fair ADA Improvements	-	100,000	45,708	54,292
Total Carryforward	\$ 1,316,824	\$ 18,594,567	\$ 5,607,343	\$ 14,304,048

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Schedule of Employer's Share of Net Pension Liability - PERSI For the Year Ended September 30, 2017

Last Three Fiscal Years⁽¹⁾
(dollars in thousands)

	2015 ⁽²⁾	2016 ⁽²⁾	2017 ⁽²⁾
Proportion of the net pension liability	1.2024%	1.2650%	1.1721%
Proportionate share of the net pension liability	\$ 15,833	\$ 25,645	\$ 18,423
Covered payroll	\$ 33,347	\$ 36,726	\$ 36,210
Proportionate share of the net pension liability as a percentage of its covered payroll	47.48%	69.83%	50.88%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%	90.68%

(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 2017

KOOTENAI COUNTY, IDAHO Schedule of Employer's Contributions For the Year Ended September 30, 2017

Last Three Fiscal Years⁽¹⁾
(dollars in thousands)

	2015 ⁽²⁾	2016 ⁽²⁾	2017 ⁽²⁾
Contractually required contributions	\$ 3,881	\$ 4,059	\$ 4,173
Contributions in relation to the contractually required contributions	(3,881)	(4,059)	(4,173)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 34,023	\$ 35,591	\$ 36,489
Contributions as a percentage of covered payroll	11.41%	11.40%	11.44%

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

(2) Data reported is measured as of September 30

Supplementary Information

Non-major Governmental Funds Special Revenue Funds

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

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

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

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

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

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

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

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

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

Snowmobile Fund - accounts for the funding of the local snowmobile trail grooming. 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 of 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 2017

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Governmental Funds September 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash in bank and investments	\$ 7,082,673	\$ -	\$ 7,082,673
Taxes delinquent-receivable	140,121	-	140,121
Accounts receivable	134,547	-	134,547
Interest receivable	5	-	5
Grants receivable	277,713	146,683	424,396
Prepays	11,306	88	11,394
Total Assets	\$ 7,646,365	\$ 146,771	\$ 7,793,136
Liabilities			
Accounts payable	\$ 382,163	\$ 61,951	\$ 444,114
Advanced revenues-other	108,834	-	108,834
Advanced revenues-grants	389,967	1,000	390,967
Due to other funds	-	83,820	83,820
Total Liabilities	880,964	146,771	1,027,735
Deferred Inflows of Resources			
Unavailable property taxes	104,236	-	104,236
Total Deferred Inflows of Resources	104,236	-	104,236
Fund Balances:			
Nonspendable	11,306	88	11,394
Restricted	6,362,770	-	6,362,770
Committed	287,089	-	287,089
Assigned	-	-	-
Unassigned	-	(88)	(88)
Total Fund Balances	6,661,165	-	6,661,165
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,646,365	\$ 146,771	\$ 7,793,136

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2017

	Centennial Trail	Tourism Promotion	Airport	County Fair	Noxious Weeds
Assets					
Cash in bank and investments	\$ 134,981	\$ 978	\$ 645,919	\$ 72,822	\$ 44,286
Taxes delinquent-receivable	-	-	5,078	1,426	4,111
Accounts receivable	-	367	-	-	880
Interest receivable	-	-	-	-	-
Grants receivable	-	-	-	449	-
Prepays	-	-	902	-	-
Total Assets	\$ 134,981	\$ 1,345	\$ 651,899	\$ 74,697	\$ 49,277
Liabilities					
Accounts payable	\$ -	\$ 367	\$ 57,216	\$ 3,094	\$ 10,939
Advanced revenues	-	-	54,235	-	-
Advanced grant revenues	-	-	-	-	-
Total Liabilities	-	367	111,451	3,094	10,939
Deferred Inflows of Resources					
Unavailable property taxes	-	-	4,036	980	2,925
Total deferred inflows of resources	-	-	4,036	980	2,925
Fund Balances					
Nonspendable	-	-	902	-	-
Restricted	134,981	978	535,510	16,331	15,413
Committed	-	-	-	54,292	20,000
Total Fund Balances	134,981	978	536,412	70,623	35,413
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 134,981	\$ 1,345	\$ 651,899	\$ 74,697	\$ 49,277

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2017

	Health District	Historical Society	Parks	Snowmobile	County Vessel
Assets					
Cash in bank and investments	\$ 142,407	\$ 4,264	\$ 210,280	\$ 208,007	\$ 245,126
Taxes delinquent-receivable	10,286	289	3,902	-	-
Accounts receivable	-	-	-	-	32,548
Interest receivable	-	-	-	-	-
Grants receivable	-	-	-	-	-
Prepays	-	-	-	-	136
Total Assets	\$ 152,693	\$ 4,553	\$ 214,182	\$ 208,007	\$ 277,810
Liabilities					
Accounts payable	\$ -	\$ 3,750	\$ 2,938	\$ -	\$ 5,627
Advanced revenues	-	-	7,266	-	-
Advanced grant revenues	-	-	-	-	-
Total Liabilities	-	3,750	10,204	-	5,627
Deferred Inflows of Resources					
Unavailable property taxes	7,337	228	2,783	-	-
Total deferred inflows of resources	7,337	228	2,783	-	-
Fund Balances					
Nonspendable	-	-	-	-	136
Restricted	145,356	575	193,740	208,007	229,967
Committed	-	-	7,455	-	42,080
Total Fund Balances	145,356	575	201,195	208,007	272,183
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 152,693	\$ 4,553	\$ 214,182	\$ 208,007	\$ 277,810

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2017

	Public Access	Indigent	FTA Public Transit	District Court
Assets				
Cash in bank and investments	\$ 63,741	\$ 3,380,345	\$ 202,961	\$ 427,428
Taxes delinquent-receivable	-	5,734	-	19,476
Accounts receivable	-	-	-	73,902
Interest receivable	5	-	-	-
Grants receivable	-	-	277,264	-
Prepays	-	-	-	10,065
Total Assets	\$ 63,746	\$ 3,386,079	\$ 480,225	\$ 530,871
Liabilities				
Accounts payable	\$ -	\$ 81,673	\$ 52,244	\$ 33,811
Advanced revenues	-	9,319	38,014	-
Advanced grant revenues	-	-	389,967	-
Total Liabilities	-	90,992	480,225	33,811
Deferred Inflows of Resources				
Unavailable property taxes	-	3,402	-	13,854
Total deferred inflows of resources	-	3,402	-	13,854
Fund Balances				
Nonspendable	-	-	-	10,065
Restricted	63,746	3,291,685	-	459,141
Committed	-	-	-	14,000
Total Fund Balances	63,746	3,291,685	-	483,206
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 63,746	\$ 3,386,079	\$ 480,225	\$ 530,871

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2017

	Revaluation	KCEMSS	Aquifer Protections	Total Nonmajor Special Revenue Funds
Assets				
Cash in bank and investments	\$ 613,669	\$ 16,749	\$ 668,710	\$ 7,082,673
Taxes delinquent-receivable	32,383	37,115	20,321	140,121
Accounts receivable	-	26,850	-	134,547
Interest receivable	-	-	-	5
Grants receivable	-	-	-	277,713
Prepays	203	-	-	11,306
Total Assets	\$ 646,255	\$ 80,714	\$ 689,031	\$ 7,646,365
Liabilities				
Accounts payable	\$ 4,628	\$ 13,657	\$ 112,219	\$ 382,163
Advanced revenues	-	-	-	108,834
Advanced grant revenues	-	-	-	389,967
Total Liabilities	4,628	13,657	112,219	880,964
Deferred Inflows of Resources				
Unavailable property taxes	23,039	27,671	17,981	104,236
Total deferred inflows of resources	23,039	27,671	17,981	104,236
Fund Balances				
Nonspendable	203	-	-	11,306
Restricted	512,143	39,386	515,811	6,362,770
Committed	106,242	-	43,020	287,089
Total Fund Balances	618,588	39,386	558,831	6,661,165
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 646,255	\$ 80,714	\$ 689,031	\$ 7,646,365

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Capital Projects Funds For the Year Ended September 30, 2017

	General Construction Capital Projects	Total Nonmajor Capital Project Funds
Assets		
Grants receivable	\$ 146,683	\$ 146,683
Prepays	88	88
Total Assets	\$ 146,771	\$ 146,771
 Liabilities		
Accounts payable	\$ 61,951	\$ 61,951
Advanced grant revenues	1,000	1,000
Due to other funds	83,820	83,820
Total Liabilities	146,771	146,771
 Fund Balances		
Nonspendable	88	88
Unassigned	(88)	(88)
Total Fund Balances	-	-
Total Liabilities and Fund Balances	\$ 146,771	\$ 146,771

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the Year Ended September 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 8,718,570	\$ -	\$ 8,718,570
Licenses and permits	121,492	-	121,492
Intergovernmental	2,293,117	245,565	2,538,682
Interest	697	-	697
Fines and forfeitures	776,261	-	776,261
Charges for services	1,603,152	-	1,603,152
Miscellaneous	857,751	39,596	897,347
	<i>Total Revenues</i>	285,161	14,656,201
Expenditures			
Current:			
General government	3,678,627	13,145	3,691,772
Public works	1,035,488	-	1,035,488
Public safety	5,396,842	-	5,396,842
Sanitation	350,569	-	350,569
Health & welfare	2,036,226	-	2,036,226
Culture and recreation	851,464	-	851,464
Capital Outlay:			
Capital expenditures	582,933	-	582,933
Construction in progress	19,542	272,016	291,558
	<i>Total Expenditures</i>	285,161	14,236,852
<i>Excess (Deficiency) of Revenues</i>			
<i>Over (Under) Expenditures</i>			
	419,349	-	419,349
Other Financing Sources (Uses)			
Transfers In	362,390	-	362,390
Transfers (out)	(36,050)	-	(36,050)
	<i>Total Other Financing Sources (Uses)</i>	-	326,340
<i>Net Change in Fund Balances</i>			
	745,689	-	745,689
<i>Fund Balances Beginning of Year</i>			
	5,915,476	-	5,915,476
<i>Fund Balances End of Year</i>			
	\$ 6,661,165	\$ -	\$ 6,661,165

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2017

	Centennial Trail	Tourism Promotion	Airport	County Fair	Noxious Weeds
Revenues					
Taxes	\$ -	\$ -	\$ 248,938	\$ 101,803	\$ 298,481
Licenses and permits	-	-	-	-	-
Intergovernmental	-	939	32,059	2,822	52,288
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	15,000	-	740,537	-	571
Miscellaneous	-	-	11,366	20,000	2,359
<i>Total Revenues</i>	<u>15,000</u>	<u>939</u>	<u>1,032,900</u>	<u>124,625</u>	<u>353,699</u>
Expenditures					
Current:					
General government		-	-	-	-
Public works	-	-	1,035,488	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	350,569
Health & welfare	-	-	-	-	-
Culture and recreation	-	1,125	-	45,708	-
Capital outlay:					
Capital expenditures	-	-	3,300	-	-
Construction in progress	-	-	4,552	14,990	-
<i>Total Expenditures</i>	<u>-</u>	<u>1,125</u>	<u>1,043,340</u>	<u>60,698</u>	<u>350,569</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>15,000</u>	<u>(186)</u>	<u>(10,440)</u>	<u>63,927</u>	<u>3,130</u>
Other Financing Sources (Uses)					
Transfers in	8,500	-	32,054	-	6,942
Transfers (out)	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>8,500</u>	<u>-</u>	<u>32,054</u>	<u>-</u>	<u>6,942</u>
<i>Net Change in Fund Balances</i>	23,500	(186)	21,614	63,927	10,072
<i>Fund Balances Beginning of Year</i>	<u>111,481</u>	<u>1,164</u>	<u>514,798</u>	<u>6,696</u>	<u>25,341</u>
<i>Fund Balances End of Year</i>	<u>\$ 134,981</u>	<u>\$ 978</u>	<u>\$ 536,412</u>	<u>\$ 70,623</u>	<u>\$ 35,413</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2017

	Health District	Historical Society	Parks	Snowmobile	County Vessel
Revenues					
Taxes	\$ 744,452	\$ 15,194	\$ 281,760	\$ -	\$ -
Licenses and permits	-	-	-	78,463	-
Intergovernmental	-	-	-	-	683,361
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	97,739	-	-
Miscellaneous	-	-	71,810	-	-
<i>Total Revenues</i>	<u>744,452</u>	<u>15,194</u>	<u>451,309</u>	<u>78,463</u>	<u>683,361</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	-	-	-	3,989	298,688
Sanitation	-	-	-	-	-
Health & welfare	779,852	-	-	-	-
Culture and recreation	-	15,000	441,141	52,722	295,034
Capital outlay:					
Capital expenditures	-	-	-	6,954	39,276
Construction in progress	-	-	-	-	-
<i>Total Expenditures</i>	<u>779,852</u>	<u>15,000</u>	<u>441,141</u>	<u>63,665</u>	<u>632,998</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(35,400)</u>	<u>194</u>	<u>10,168</u>	<u>14,798</u>	<u>50,363</u>
Other Financing Sources (Uses)					
Transfers in	44,996	-	9,805	-	20,296
Transfers (out)	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>44,996</u>	<u>-</u>	<u>9,805</u>	<u>-</u>	<u>20,296</u>
<i>Net Change in Fund Balances</i>	9,596	194	19,973	14,798	70,659
<i>Fund Balances Beginning of Year</i>	<u>135,760</u>	<u>381</u>	<u>181,222</u>	<u>193,209</u>	<u>201,524</u>
<i>Fund Balances End of Year</i>	<u>\$ 145,356</u>	<u>\$ 575</u>	<u>\$ 201,195</u>	<u>\$ 208,007</u>	<u>\$ 272,183</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2017

	Public Access	Indigent	FTA Public Transit	District Court
Revenues				
Taxes	\$ -	\$ 386,831	\$ -	\$ 1,406,501
Licenses and permits	-	-	-	250
Intergovernmental	6,599	-	1,210,318	195,242
Interest	697	-	-	-
Fines and forfeitures	-	-	-	776,261
Charges for services	-	-	568,128	181,177
Miscellaneous	-	542,737	94,344	15,135
<i>Total Revenues</i>	<u>7,296</u>	<u>929,568</u>	<u>1,872,790</u>	<u>2,574,566</u>
Expenditures				
Current:				
General government	-	-	1,368,034	-
Public works	-	-	-	-
Public safety	-	-	-	2,535,545
Sanitation	-	-	-	-
Health & welfare	-	856,114	-	-
Culture and recreation	734	-	-	-
Capital outlay:				
Capital expenditures	-	-	506,670	26,733
Construction in progress	-	-	-	-
<i>Total Expenditures</i>	<u>734</u>	<u>856,114</u>	<u>1,874,704</u>	<u>2,562,278</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>6,562</u>	<u>73,454</u>	<u>(1,914)</u>	<u>12,288</u>
Other Financing Sources (Uses)				
Transfers in	-	18,759	1,914	112,184
Transfers (out)	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>18,759</u>	<u>1,914</u>	<u>112,184</u>
<i>Net Change in Fund Balances</i>	6,562	92,213	-	124,472
<i>Fund Balances Beginning of Year</i>	<u>57,184</u>	<u>3,199,472</u>	<u>-</u>	<u>358,734</u>
<i>Fund Balances End of Year</i>	<u>\$ 63,746</u>	<u>\$ 3,291,685</u>	<u>\$ -</u>	<u>\$ 483,206</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2017

	Revaluation	Kootenai Emergency Management	Aquifer Protection District	Total Non-major
Revenues				
Taxes	\$ 2,344,073	\$ 2,411,099	\$ 479,438	\$ 8,718,570
Licenses and permits	-	42,779	-	121,492
Intergovernmental	-	109,489	-	2,293,117
Interest	-	-	-	697
Fines and forfeitures	-	-	-	776,261
Charges for services	-	-	-	1,603,152
Miscellaneous	-	-	100,000	857,751
<i>Total Revenues</i>	<u>2,344,073</u>	<u>2,563,367</u>	<u>579,438</u>	<u>14,371,040</u>
Expenditures				
Current:				
General government	2,310,593	-	-	3,678,627
Public works	-	-	-	1,035,488
Public safety	-	2,558,620	-	5,396,842
Sanitation	-	-	-	350,569
Health & welfare	-	-	400,260	2,036,226
Culture and recreation	-	-	-	851,464
Capital outlay:				
Capital expenditures	-	-	-	582,933
Construction in progress	-	-	-	19,542
<i>Total Expenditures</i>	<u>2,310,593</u>	<u>2,558,620</u>	<u>400,260</u>	<u>13,951,691</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>33,480</u>	<u>4,747</u>	<u>179,178</u>	<u>419,349</u>
Other Financing Sources (Uses)				
Transfers in	106,940	-	-	362,390
Transfers (out)	-	-	(36,050)	(36,050)
<i>Total Other Financing Sources (Uses)</i>	<u>106,940</u>	<u>-</u>	<u>(36,050)</u>	<u>326,340</u>
<i>Net Change in Fund Balances</i>	140,420	4,747	143,128	745,689
<i>Fund Balances Beginning of Year</i>	<u>478,168</u>	<u>34,639</u>	<u>415,703</u>	<u>5,915,476</u>
<i>Fund Balances End of Year</i>	<u>\$ 618,588</u>	<u>\$ 39,386</u>	<u>\$ 558,831</u>	<u>\$ 6,661,165</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Capital Projects Funds For the Year Ended September 30, 2017

	General Construction Capital Projects	Total Nonmajor Capital Projects Funds
Revenues		
Intergovernmental	\$ 245,565	\$ 245,565
Miscellaneous	39,596	39,596
	<i>Total Revenues</i>	<i>285,161</i>
Expenditures		
Current:		
General government	13,145	13,145
Capital outlay:		
Construction in progress	272,016	272,016
	<i>Total Expenditures</i>	<i>285,161</i>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-
<i>Net Change in Fund Balances</i>	-	-
<i>Fund Balances Beginning of Year</i>	-	-
<i>Fund Balances End of Year</i>	\$ -	\$ -

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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, 2017

	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						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	2,000	939	(1,061)
Fines and forfeitures	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Charges for services	17,000	15,000	(2,000)	-	-	-
Miscellaneous	44,500	-	(44,500)	-	-	-
<i>Total Revenues</i>	<u>61,500</u>	<u>15,000</u>	<u>(46,500)</u>	<u>2,000</u>	<u>939</u>	<u>(1,061)</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health & welfare	-	-	-	-	-	-
Culture and recreation	70,000	-	70,000	2,000	1,125	875
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>2,000</u>	<u>1,125</u>	<u>875</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(8,500)</u>	<u>15,000</u>	<u>23,500</u>	<u>-</u>	<u>(186)</u>	<u>(186)</u>
Other Financing Sources (Uses)						
Transfers in	8,500	8,500	-	-	-	-
Transfers (out)	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>8,500</u>	<u>8,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>23,500</u>	<u>23,500</u>	<u>-</u>	<u>(186)</u>	<u>(186)</u>
<i>Fund Balances Beginning of Year</i>	<u>111,481</u>	<u>111,481</u>	<u>-</u>	<u>1,164</u>	<u>1,164</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 111,481</u>	<u>\$ 134,981</u>	<u>\$ 23,500</u>	<u>\$ 1,164</u>	<u>\$ 978</u>	<u>\$ (186)</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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, 2017

	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	\$ 244,143	\$ 248,938	\$ 4,795	\$ 100,000	\$ 101,803	\$ 1,803
Licenses and permits						
Intergovernmental	-	32,059	32,059	791,771	2,822	(788,949)
Fines and forfeitures	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Charges for services	637,000	740,537	103,537	-	-	-
Miscellaneous	5,000	11,366	6,366	71,000	20,000	(51,000)
<i>Total Revenues</i>	<u>886,143</u>	<u>1,032,900</u>	<u>146,757</u>	<u>962,771</u>	<u>124,625</u>	<u>(838,146)</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public works	918,197	1,035,488	(117,291)	-	-	-
Public safety	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health & welfare						
Culture and recreation	-	-	-	151,000	45,708	105,292
Capital outlay:						
Capital expenditures	-	3,300	(3,300)	416,771	-	416,771
Construction in progress	-	4,552	(4,552)	395,000	14,990	380,010
<i>Total Expenditures</i>	<u>918,197</u>	<u>1,043,340</u>	<u>(125,143)</u>	<u>962,771</u>	<u>60,698</u>	<u>902,073</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(32,054)</u>	<u>(10,440)</u>	<u>21,614</u>	<u>-</u>	<u>63,927</u>	<u>63,927</u>
Other Financing Sources (Uses)						
Transfer in	32,054	32,054	-	-	-	-
Transfers (out)	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>32,054</u>	<u>32,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	-	21,614	21,614	-	63,927	63,927
<i>Fund Balances Beginning of Year</i>	<u>514,798</u>	<u>514,798</u>	<u>-</u>	<u>6,696</u>	<u>6,696</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 514,798</u>	<u>\$ 536,412</u>	<u>\$ 21,614</u>	<u>\$ 6,696</u>	<u>\$ 70,623</u>	<u>\$ 63,927</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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, 2017

	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	\$ 294,463	\$ 298,481	\$ 4,018	\$ 734,856	\$ 744,452	\$ 9,596
Licenses and permits						
Intergovernmental	52,289	52,288	(1)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Charges for services	-	571	571	-	-	-
Miscellaneous	-	2,359	2,359	-	-	-
<i>Total Revenues</i>	<u>346,752</u>	<u>353,699</u>	<u>6,947</u>	<u>734,856</u>	<u>744,452</u>	<u>9,596</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Sanitation	353,694	350,569	3,125	-	-	-
Health & welfare	-	-	-	779,852	779,852	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>353,694</u>	<u>350,569</u>	<u>3,125</u>	<u>779,852</u>	<u>779,852</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(6,942)</u>	<u>3,130</u>	<u>10,072</u>	<u>(44,996)</u>	<u>(35,400)</u>	<u>9,596</u>
Other Financing Sources (Uses)						
Transfers in	6,942	6,942	-	44,996	44,996	-
Transfers (out)	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>6,942</u>	<u>6,942</u>	<u>-</u>	<u>44,996</u>	<u>44,996</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>10,072</u>	<u>10,072</u>	<u>-</u>	<u>9,596</u>	<u>9,596</u>
<i>Fund Balances Beginning of Year</i>	<u>25,341</u>	<u>25,341</u>	<u>-</u>	<u>135,760</u>	<u>135,760</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 25,341</u>	<u>\$ 35,413</u>	<u>\$ 10,072</u>	<u>\$ 135,760</u>	<u>\$ 145,356</u>	<u>\$ 9,596</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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, 2017

	Historical Society			Parks		
	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	\$ 15,194	\$ 194	\$ 278,456	\$ 281,760	\$ 3,304
Licenses and permits						
Intergovernmental	9,624	-	(9,624)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Charges for services	-	-	-	88,000	97,739	9,739
Miscellaneous	13,106	-	(13,106)	53,710	71,810	18,100
<i>Total Revenues</i>	<u>37,730</u>	<u>15,194</u>	<u>(22,536)</u>	<u>420,166</u>	<u>451,309</u>	<u>31,143</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health & welfare	-	-	-	-	-	-
Culture and recreation	37,730	15,000	22,730	429,971	441,141	(11,170)
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>37,730</u>	<u>15,000</u>	<u>22,730</u>	<u>429,971</u>	<u>441,141</u>	<u>(11,170)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>194</u>	<u>194</u>	<u>(9,805)</u>	<u>10,168</u>	<u>19,973</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	9,805	9,805	-
Transfers (out)	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,805</u>	<u>9,805</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>194</u>	<u>194</u>	<u>-</u>	<u>19,973</u>	<u>19,973</u>
<i>Fund Balances Beginning of Year</i>	<u>381</u>	<u>381</u>	<u>-</u>	<u>181,222</u>	<u>181,222</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 381</u>	<u>\$ 575</u>	<u>\$ 194</u>	<u>\$ 181,222</u>	<u>\$ 201,195</u>	<u>\$ 19,973</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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, 2017

	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						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	70,922	78,463	7,541	-	-	-
Intergovernmental	-	-	-	637,070	683,361	46,291
Fines and forfeitures	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	10,227	-	(10,227)
<i>Total Revenues</i>	<u>70,922</u>	<u>78,463</u>	<u>7,541</u>	<u>647,297</u>	<u>683,361</u>	<u>36,064</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public Safety	3,500	3,989	(489)	328,141	298,688	29,453
Sanitation	-	-	-	-	-	-
Health & welfare	-	-	-	-	-	-
Culture and recreation	67,422	52,722	14,700	299,923	295,034	4,889
Capital outlay:						
Capital expenditures	-	6,954	(6,954)	39,529	39,276	253
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>70,922</u>	<u>63,665</u>	<u>7,257</u>	<u>667,593</u>	<u>632,998</u>	<u>34,595</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>14,798</u>	<u>14,798</u>	<u>(20,296)</u>	<u>50,363</u>	<u>70,659</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	20,296	20,296	-
Transfers (out)	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,296</u>	<u>20,296</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>14,798</u>	<u>14,798</u>	<u>-</u>	<u>70,659</u>	<u>70,659</u>
<i>Fund Balances Beginning of Year</i>	<u>193,209</u>	<u>193,209</u>	<u>-</u>	<u>201,524</u>	<u>201,524</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 193,209</u>	<u>\$ 208,007</u>	<u>\$ 14,798</u>	<u>\$ 201,524</u>	<u>\$ 272,183</u>	<u>\$ 70,659</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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, 2017

	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	\$ -	\$ -	\$ -	\$ 363,422	\$ 386,831	\$ 23,409
Licenses and permits	-	-	-	-	-	-
Intergovernmental	6,000	6,599	599	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest	-	697	697	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	1,205,000	542,737	(662,263)
<i>Total Revenues</i>	<u>6,000</u>	<u>7,296</u>	<u>1,296</u>	<u>1,568,422</u>	<u>929,568</u>	<u>(638,854)</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health & welfare	-	-	-	1,587,181	856,114	731,067
Culture and recreation	6,000	734	5,266	-	-	-
Capital outlay:	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>6,000</u>	<u>734</u>	<u>5,266</u>	<u>1,587,181</u>	<u>856,114</u>	<u>731,067</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>6,562</u>	<u>6,562</u>	<u>(18,759)</u>	<u>73,454</u>	<u>92,213</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	18,759	18,759	-
Transfers (out)	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,759</u>	<u>18,759</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>6,562</u>	<u>6,562</u>	<u>-</u>	<u>92,213</u>	<u>92,213</u>
<i>Fund Balances Beginning of Year</i>	<u>57,184</u>	<u>57,184</u>	<u>-</u>	<u>3,199,472</u>	<u>3,199,472</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 57,184</u>	<u>\$ 63,746</u>	<u>\$ 6,562</u>	<u>\$ 3,199,472</u>	<u>\$ 3,291,685</u>	<u>\$ 92,213</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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, 2017

	FTA Public Transportation		
	Final Budgeted	Actual	Variance with
	Amounts	Amounts	Final Budget
			Over (Under)
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	4,867,336	1,210,318	(3,657,018)
Fines and forfeitures	-	-	-
Interest	-	-	-
Charges for services	1,201,412	568,128	(633,284)
Miscellaneous	665,213	94,344	(570,869)
	6,733,961	1,872,790	(4,861,171)
 Expenditures			
Current:			
General government	3,055,560	1,368,034	1,687,526
Public works	-	-	-
Public Safety	-	-	-
Sanitation	-	-	-
Health & welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay:	-	-	-
Capital expenditures	1,215,645	506,670	708,975
Construction in progress	2,464,670	-	2,464,670
	6,735,875	1,874,704	4,861,171
<i>Excess (Deficiency) of Revenues</i>			
<i>Over (Under) Expenditures</i>	(1,914)	(1,914)	-
 Other Financing Sources (Uses)			
Transfers in	1,914	1,914	-
Transfers (out)	-	-	-
	1,914	1,914	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
Fund Balances End of Year	\$ -	\$ -	\$ -

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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, 2017

	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	\$ 1,389,952	\$ 1,406,501	\$ 16,549	\$ 2,314,166	\$ 2,344,073	\$ 29,907
Licenses and permits	-	250	250	-	-	-
Intergovernmental	170,410	195,242	24,832	-	-	-
Fines and Forfeitures	705,190	776,261	71,071	-	-	-
Charges for services	131,830	181,177	49,347	-	-	-
Miscellaneous	34,000	15,135	(18,865)	-	-	-
<i>Total Revenues</i>	<u>2,431,382</u>	<u>2,574,566</u>	<u>143,184</u>	<u>2,314,166</u>	<u>2,344,073</u>	<u>29,907</u>
Expenditures						
Current:						
General government	-	-	-	2,421,106	2,310,593	110,513
Public works	-	-	-	-	-	-
Public Safety	2,523,066	2,535,545	(12,479)	-	-	-
Sanitation	-	-	-	-	-	-
Health & welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
Capital expenditures	20,500	26,733	(6,233)	-	-	-
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>2,543,566</u>	<u>2,562,278</u>	<u>(18,712)</u>	<u>2,421,106</u>	<u>2,310,593</u>	<u>110,513</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(112,184)</u>	<u>12,288</u>	<u>124,472</u>	<u>(106,940)</u>	<u>33,480</u>	<u>140,420</u>
Other Financing Sources (Uses)						
Transfer in (out)	112,184	112,184	-	106,940	106,940	-
<i>Total Other Financing Sources (Uses)</i>	<u>112,184</u>	<u>112,184</u>	<u>-</u>	<u>106,940</u>	<u>106,940</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	-	124,472	124,472	-	140,420	140,420
<i>Fund Balances Beginning of Year</i>	<u>358,734</u>	<u>358,734</u>	<u>-</u>	<u>478,168</u>	<u>478,168</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 358,734</u>	<u>\$ 483,206</u>	<u>\$ 124,472</u>	<u>\$ 478,168</u>	<u>\$ 618,588</u>	<u>\$ 140,420</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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, 2017

	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	\$ 2,396,392	\$ 2,411,099	\$ 14,707	\$ 469,518	\$ 479,438	\$ 9,920
Licenses and permits	42,370	42,779	409	-	-	-
Intergovernmental	81,462	109,489	28,027	-	-	-
Miscellaneous	-	-	-	94,696	100,000	5,304
<i>Total Revenues</i>	2,520,224	2,563,367	43,143	564,214	579,438	15,224
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public Safety	2,520,224	2,558,620	(38,396)	-	-	-
Sanitation	-	-	-	-	-	-
Health & welfare	-	-	-	528,164	400,260	127,904
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	2,520,224	2,558,620	(38,396)	528,164	400,260	127,904
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	4,747	4,747	36,050	179,178	143,128
Other Financing (Uses)						
Transfers in (out)	-	-	-	(36,050)	(36,050)	-
<i>Total Other Financing (Uses)</i>	-	-	-	(36,050)	(36,050)	-
<i>Net Change in Fund Balances</i>	-	4,747	4,747	-	143,128	143,128
<i>Fund Balances Beginning of Year</i>	34,639	34,639	-	415,703	415,703	-
<i>Fund Balances End of Year</i>	\$ 34,639	\$ 39,386	\$ 4,747	\$ 415,703	\$ 558,831	\$ 143,128

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Construction Fund For the Year Ended September 30, 2017

	General Construction Capital Projects Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 768,282	\$ 245,565	\$ (522,717)
Charges for services	-	-	-
Miscellaneous	89,399	39,596	(49,803)
<i>Total Revenues</i>	857,681	285,161	(572,520)
Expenditures			
Current:			
General government	20,699	13,145	7,554
Public works	5,000	-	5,000
Public Safety	-	-	-
Sanitation	-	-	-
Health & welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay:	-	-	-
Capital expenditures	45,625	-	45,625
Construction in progress	786,357	272,016	514,341
<i>Total Expenditures</i>	857,681	285,161	572,520
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<i>Fund Balances End of Year</i>	\$ -	\$ -	\$ -

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

Fiduciary Funds

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

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

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

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2017
With Comparative Totals for September 30, 2016

	Agency Funds			
	State of Idaho	Cities	Highway Districts	School Districts
Assets				
Cash in bank and investments	\$ 1,895,383	\$ 118,261	\$ 36,752	\$ 159,965
Receivables:				
Taxes delinquent	77,891	379,789	242,119	611,955
Total Assets	\$ 1,973,274	\$ 498,050	\$ 278,871	\$ 771,920
Liabilities				
Due to agency activity	1,973,274	498,050	278,871	771,920
Total Liabilities	1,973,274	498,050	278,871	771,920
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2017
With Comparative Totals for September 30, 2016

	Agency Funds			
	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
Assets				
Cash in bank and investments	\$ 76,543	\$ 19,426	\$ 3,588	\$ 57,812
Receivables:				
Taxes delinquent	284,254	67,718	32,901	203,756
Total Assets	\$ 360,797	\$ 87,144	\$ 36,489	\$ 261,568
Liabilities				
Due to agency activity	360,797	87,144	36,489	261,568
Total Liabilities	360,797	87,144	36,489	261,568
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2017
With Comparative Totals for September 30, 2016

	Agency Funds		Totals	
	Public Hospital	Urban Renewal Districts	2017	2016
Assets				
Cash in bank and investments	\$ -	\$ 54,068	\$ 2,421,798	\$ 2,362,529
Receivables:				
Taxes delinquent	-	510,661	2,411,044	2,407,444
Total Assets	\$ -	\$ 564,729	\$ 4,832,842	\$ 4,769,973
Liabilities				
Due to agency activity	-	564,729	4,832,842	4,769,973
Total Liabilities	-	564,729	4,832,842	4,769,973
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2017
With Comparative Totals for September 30, 2016

	Unapportioned Agency Funds	
	2017	2016
Assets		
Cash in bank and investments	\$ 3,756,226	\$ 4,225,198
Receivables:		
Taxes delinquent	33,324	33,929
Accounts Receivable, Net	10,478	10,478
Total Assets	\$ 3,800,028	\$ 4,269,605
Liabilities		
Accounts payable	\$ 72,179	\$ 107,484
Unavailable property taxes	376,737	457,672
Due to other individuals	3,166,393	3,501,271
Due to other governments	184,719	203,178
Total Liabilities	3,800,028	4,269,605
Net Position		
Held in trust for other purposes	\$ -	\$ -

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO
Statement of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2017

	Agency Funds			
	Balance 10/1/16	Additions	Deductions	Balance 9/30/17
State of Idaho				
Assets				
Cash in bank and investments	\$ 1,878,405	\$ 25,146,883	\$ 25,129,905	\$ 1,895,383
Receivables:				
Taxes delinquent	84,356	2,629,843	2,636,308	77,891
Total Assets	\$ 1,962,761	\$ 27,776,726	\$ 27,766,213	\$ 1,973,274
Liabilities				
Due to agency activity	1,962,761	26,400,441	26,389,928	1,973,274
Total Liabilities	\$ 1,962,761	\$ 26,400,441	\$ 26,389,928	\$ 1,973,274
Cities				
Assets				
Cash in bank and investments	\$ 137,840	\$ 41,007,233	\$ 41,026,812	\$ 118,261
Receivables:				
Taxes delinquent	394,241	36,456,738	36,471,190	379,789
Total Assets	\$ 532,081	\$ 77,463,971	\$ 77,498,002	\$ 498,050
Liabilities				
Due to agency activity	532,081	77,460,218	77,494,249	498,050
Total Liabilities	\$ 532,081	\$ 77,460,218	\$ 77,494,249	\$ 498,050
Highway Districts				
Assets				
Cash in bank and investments	\$ 33,680	\$ 10,110,050	\$ 10,106,978	\$ 36,752
Receivables:				
Taxes delinquent	232,831	10,536,210	10,526,922	242,119
Total Assets	\$ 266,511	\$ 20,646,260	\$ 20,633,900	\$ 278,871
Liabilities				
Due to agency activity	266,511	20,645,421	20,633,061	278,871
Total Liabilities	\$ 266,511	\$ 20,645,421	\$ 20,633,061	\$ 278,871
School Districts				
Assets				
Cash in bank and investments	\$ 137,114	\$ 39,123,475	\$ 39,100,624	\$ 159,965
Receivables:				
Taxes delinquent	577,070	38,094,951	38,060,066	611,955
Total Assets	\$ 714,184	\$ 77,218,426	\$ 77,160,690	\$ 771,920
Liabilities				
Due to agency activity	714,184	77,214,061	77,156,325	771,920
Total Liabilities	\$ 714,184	\$ 77,214,061	\$ 77,156,325	\$ 771,920

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Assets and Liabilities Fiduciary Funds September 30, 2017

	Agency Funds			
	Balance 10/1/16	Additions	Deductions	
<i>Fire Districts</i>				
Assets				
Cash in bank and investments	\$ 56,486	\$ 15,599,413	\$ 15,579,356	\$ 76,543
Receivables:				
Taxes delinquent	267,727	14,679,392	14,662,865	284,254
Total Assets	\$ 324,213	\$ 30,278,805	\$ 30,242,221	\$ 360,797
Liabilities				
Due to agency activity	324,213	30,277,326	30,240,742	360,797
Total Liabilities	\$ 324,213	\$ 30,277,326	\$ 30,240,742	\$ 360,797
<i>Public Library</i>				
Assets				
Cash in bank and investments	\$ 15,541	\$ 4,322,259	\$ 4,318,374	\$ 19,426
Receivables:				
Taxes delinquent	62,378	4,080,403	4,075,063	67,718
Total Assets	\$ 77,919	\$ 8,402,662	\$ 8,393,437	\$ 87,144
Liabilities				
Due to agency activity	77,919	8,402,662	8,393,437	87,144
Total Liabilities	\$ 77,919	\$ 8,402,662	\$ 8,393,437	\$ 87,144
<i>Water & Sewer Districts</i>				
Assets				
Cash in bank and investments	\$ 15,469	\$ 446,555	\$ 458,436	\$ 3,588
Receivables:				
Taxes delinquent	32,634	371,331	371,064	32,901
Total Assets	\$ 48,103	\$ 817,886	\$ 829,500	\$ 36,489
Liabilities				
Due to agency activity	48,103	817,315	828,929	36,489
Total Liabilities	\$ 48,103	\$ 817,315	\$ 828,929	\$ 36,489
<i>North Idaho College</i>				
Assets				
Cash in bank and investments	\$ 52,111	\$ 15,575,149	\$ 15,569,448	\$ 57,812
Receivables:				
Taxes delinquent	182,570	14,569,136	14,547,950	203,756
Total Assets	\$ 234,681	\$ 30,144,285	\$ 30,117,398	\$ 261,568
Liabilities				
Due to agency activity	234,681	30,144,285	30,117,398	261,568
Total Liabilities	\$ 234,681	\$ 30,144,285	\$ 30,117,398	\$ 261,568

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO
Statement of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2017

	Agency Funds			
	Balance 10/1/16	Additions	Deductions	Balance 9/30/17
<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	\$ 35,883	\$ 11,018,661	\$ 11,000,476	\$ 54,068
Receivables:				
Taxes delinquent	573,637	10,466,228	10,529,204	510,661
Total Assets	\$ 609,520	\$ 21,484,889	\$ 21,529,680	\$ 564,729
Liabilities				
Due to agency activity	609,520	21,483,117	21,527,908	564,729
Total Liabilities	\$ 609,520	\$ 21,483,117	\$ 21,527,908	\$ 564,729
Unapportioned Agency Funds				
	Balance 10/1/16	Additions	Deductions	Balance 9/30/17
Assets				
Cash in bank and investments	\$ 4,225,198	\$ 207,998,160	\$ 208,467,132	\$ 3,756,226
Receivables:				
Accounts Receivable	44,407	38,064	38,669	43,802
Total Assets	\$ 4,269,605	\$ 208,036,224	\$ 208,505,801	\$ 3,800,028
Liabilities				
Accounts payable	\$ 107,484	\$ 2,402,398	\$ 2,437,703	\$ 72,179
Deferred property taxes	457,672	192,099,508	192,180,443	376,737
Due to individuals	3,501,271	13,881,052	14,215,930	3,166,393
Due to other governments	203,178	2,058,057	2,076,516	184,719
Total Liabilities	\$ 4,269,605	\$ 210,441,015	\$ 210,910,592	\$ 3,800,028
<i>Total Agency Activity</i>				
Total Assets	\$ 9,039,578			\$ 8,632,870
Total Liabilities	\$ 9,039,578			\$ 8,632,870

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

Statistical Section

STATISTICAL SECTION

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

CONTENTS	Page
Financial Trends	119
<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	122
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.</i>	
Debt Capacity	134
<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	136
<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	140
<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 2017

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 46,745	\$ 49,558	\$ 50,237	\$ 51,342	\$ 54,424	\$ 53,954	\$ 52,716	\$ 50,379	\$ 48,152	\$ 49,060
Restricted	3,256	4,083	6,739	3,587	4,178	5,120	5,443	7,228	9,236	10,669
Unrestricted	<u>22,246</u>	<u>24,149</u>	<u>24,431</u>	<u>27,311</u>	<u>28,196</u>	<u>29,856</u>	<u>31,379</u>	<u>20,165</u>	<u>21,672</u>	<u>21,145</u>
Total governmental activities net position	<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>	<u>\$ 80,874</u>
Business-type activities										
Net investment in capital assets	\$ 22,970	\$ 28,681	\$ 28,905	\$ 26,800	\$ 25,796	\$ 28,810	\$ 28,752	\$ 28,059	\$ 26,765	\$ 27,405
Restricted	8,826	6,445	8,549	1,800	8,775	5,589	1,777	1,468	2,955	4,410
Unrestricted	<u>9,076</u>	<u>6,962</u>	<u>6,399</u>	<u>16,137</u>	<u>12,079</u>	<u>14,854</u>	<u>21,074</u>	<u>17,461</u>	<u>18,994</u>	<u>18,875</u>
Total business-type activities net position	<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>	<u>\$ 50,690</u>
Primary government										
Net investment in capital assets	\$ 69,715	\$ 78,239	\$ 79,142	\$ 78,142	\$ 80,220	\$ 82,764	\$ 81,468	\$ 78,438	\$ 74,917	\$ 76,465
Restricted	12,082	10,528	15,288	5,387	12,953	10,709	7,220	8,696	12,191	15,079
Unrestricted	<u>31,322</u>	<u>31,111</u>	<u>30,830</u>	<u>43,448</u>	<u>40,275</u>	<u>44,710</u>	<u>52,453</u>	<u>37,626</u>	<u>40,666</u>	<u>40,020</u>
Total primary government net position	<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>	<u>\$131,564</u>

Kootenai County Comprehensive Annual Financial Report – FY 2017

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

Expenses	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
General government	\$ 23,408	\$ 22,982	\$ 21,652	\$ 22,126	\$ 23,479	\$ 23,043	\$ 24,614	\$ 27,129	\$ 27,344	\$ 26,963
Public works	2,459	2,465	2,032	2,131	1,947	3,204	2,814	2,564	2,629	3,073
Public safety	30,029	30,454	31,144	34,056	33,654	36,439	36,578	37,411	39,748	41,509
Sanitation weed control	324	787	446	429	301	342	303	321	335	356
Health and welfare	3,312	2,966	4,929	4,020	4,549	3,808	3,834	3,127	2,761	2,419
Culture and recreation	844	944	796	950	818	727	1,040	1,049	1,285	1,247
Capital projects	38	-	-	-	-	-	-	-	-	-
Interest on long-term debt	37	32	30	-	-	-	-	-	-	-
Total governmental activities expenses	<u>60,451</u>	<u>60,630</u>	<u>61,029</u>	<u>63,712</u>	<u>64,748</u>	<u>67,563</u>	<u>69,183</u>	<u>71,601</u>	<u>74,102</u>	<u>75,567</u>
Business-type activities:										
Solid waste and landfill	7,922	8,901	8,779	9,439	9,038	8,396	8,852	9,027	10,134	10,336
Total business-type activities expenses	<u>7,922</u>	<u>8,901</u>	<u>8,779</u>	<u>9,439</u>	<u>9,038</u>	<u>8,396</u>	<u>8,852</u>	<u>9,027</u>	<u>10,134</u>	<u>10,336</u>
Total primary government expenses	<u>\$ 68,373</u>	<u>\$ 69,531</u>	<u>\$ 69,808</u>	<u>\$ 73,151</u>	<u>\$ 73,786</u>	<u>\$ 75,959</u>	<u>\$ 78,035</u>	<u>\$ 80,628</u>	<u>\$ 84,236</u>	<u>\$ 85,903</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 7,526	\$ 6,976	\$ 6,790	\$ 6,747	\$ 7,426	\$ 8,166	\$ 8,401	\$ 8,627	\$ 10,274	\$ 10,833
Public safety	8,998	9,202	9,710	10,371	10,774	12,012	11,480	11,539	10,903	11,476
Culture and recreation	429	484	411	451	469	421	448	447	409	490
Other activities	46	65	56	70	108	768	821	879	862	851
Operating grants and contributions	3,639	3,067	2,286	2,012	2,819	2,602	2,814	2,789	2,000	2,322
Capital grants and contributions	898	3,650	2,089	2,414	3,848	2,224	1,549	1,372	1,666	646
Total governmental activities program revenues	<u>21,536</u>	<u>23,444</u>	<u>21,342</u>	<u>22,065</u>	<u>25,444</u>	<u>26,193</u>	<u>25,513</u>	<u>25,653</u>	<u>26,114</u>	<u>26,618</u>
Business-type activities:										
Charges for services:										
Solid waste and landfill	11,195	9,947	10,594	10,597	10,722	10,962	11,451	12,021	12,604	12,907
Operating grants and contributions	-	-	-	-	-	-	-	-	-	73
Capital grants and contributions	-	-	-	-	170	-	-	-	-	-
Total business-type activities program revenues	<u>11,195</u>	<u>9,947</u>	<u>10,594</u>	<u>10,597</u>	<u>10,892</u>	<u>10,962</u>	<u>11,451</u>	<u>12,021</u>	<u>12,604</u>	<u>12,980</u>
Total primary government program revenues	<u>\$ 32,731</u>	<u>\$ 33,391</u>	<u>\$ 31,936</u>	<u>\$ 32,662</u>	<u>\$ 36,336</u>	<u>\$ 37,155</u>	<u>\$ 36,964</u>	<u>\$ 37,674</u>	<u>\$ 38,718</u>	<u>\$ 39,598</u>

Kootenai County Comprehensive Annual Financial Report – FY 2017

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (expense)/revenue										
Governmental activities	\$(38,915)	\$(37,184)	\$(39,687)	\$(41,647)	\$(39,304)	\$(41,370)	\$(43,670)	\$(45,948)	\$(47,988)	\$(48,949)
Business-type activities	3,273	1,046	1,815	1,158	1,854	2,566	2,599	2,994	2,470	2,644
Total primary government net (expense)/revenue	<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>	<u>\$(46,305)</u>
General Revenues and other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 35,421	\$ 38,203	\$ 41,574	\$ 40,537	\$ 42,015	\$ 42,290	\$ 43,357	\$ 44,076	\$ 45,283	\$ 47,659
Sales and use taxes										
Miscellaneous	1,620	3,545	784	927	927	425	344	559	2,110	1,748
Interest and investment earnings	1,747	499	434	240	401	416	81	773	1,086	487
Gain (Loss) on sale of assets/property	(116)	(40)	(10)	(41)	(6)	(236)	(47)	110	38	135
Transfers	556	521	521	816	526	608	543	6,507	759	734
Total governmental activities	<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>	<u>\$ 50,763</u>
Business-type activities:										
Miscellaneous	143	120	263	431	346	319	357	-	-	227
Interest and investment earnings	1,073	369	193	95	234	277	71	-	-	-
Gain (Loss) on sale of assets/property	50	59	15	17	4	50	(135)	99	14	(161)
Transfers	(556)	(377)	(521)	(816)	(526)	(608)	(543)	(6,507)	(759)	(734)
Total business-type activities	<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>	<u>(668)</u>
Total primary government	<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>	<u>\$ 50,095</u>
Change in Net Position										
Governmental activities	\$ 313	\$ 5,544	\$ 3,616	\$ 832	\$ 4,559	\$ 2,133	\$ 608	\$ 6,077	\$ 1,288	\$ 1,814
Business-type activities	3,983	1,217	1,765	885	1,912	2,604	2,349	(3,414)	1,725	1,976
Total primary government	<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>	<u>\$ 3,790</u>

Kootenai County Comprehensive Annual Financial Report – FY 2017

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	Total
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
2017	47,659	47,659

Kootenai County Comprehensive Annual Financial Report – FY 2017

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

	<u>2008</u>	<u>2009</u>	<u>2010</u> ^a	<u>2011</u> ^b	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General fund										
Nonspendable				\$ 18	\$ 12	\$ 274	\$ 146	\$ 99	\$ 499	\$ 489
Restricted				1,087	1,623	3,083	3,613	3,874	4,210	4,307
Committed				7,079	7,119	15,813	13,796	20,082	26,115	14,777
Assigned				-	526	555	655	-	-	12,569
Unassigned				20,150	21,335	13,223	16,378	18,987	15,511	12,607
Reserved	\$ 3,136	\$ 4,011	\$ 5,262							
Unreserved	21,549	21,759	22,687							
Total general fund	<u>\$ 24,685</u>	<u>\$ 25,770</u>	<u>\$ 27,949</u>	<u>\$ 28,334</u>	<u>\$ 30,615</u>	<u>\$ 32,948</u>	<u>\$ 34,588</u>	<u>\$ 43,042</u>	<u>\$ 46,335</u>	<u>\$ 44,749</u>
All other governmental funds										
Nonspendable				\$ 1	\$ 27	\$ 4	\$ 14	\$ 1	\$ 1	\$ 11
Restricted				2,499	2,555	2,037	1,830	3,353	5,026	6,363
Committed				1,322	880	1,487	1,726	1,077	888	287
Assigned				-	-	106	115	-	-	-
Reserved	\$ 120	\$ 72	\$ 1,476							
Unreserved, reported in:										
Special revenue funds	2,716	3,318	2,290							
Capital projects funds	(261)	-	-							
Jail tax payment fund	-	-	-							
Total all other governmental funds	<u>\$- \$ 2,575</u>	<u>\$ 3,390</u>	<u>\$ 3,766</u>	<u>\$ 3,822</u>	<u>\$ 3,462</u>	<u>\$ 3,634</u>	<u>\$ 3,685</u>	<u>\$ 4,431</u>	<u>\$ 5,915</u>	<u>\$ 6,661</u>

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 2017

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 35,484	\$ 37,615	\$ 41,267	\$ 41,169	\$ 42,406	\$ 42,644	\$ 43,496	\$ 44,236	\$ 45,252	\$ 47,625
Licenses and permits	1,489	1,432	1,398	1,443	1,490	1,468	1,462	1,518	1,573	1,571
Intergovernmental	11,265	13,889	12,121	12,128	14,545	13,555	13,792	13,729	14,357	14,490
Interest	1,747	500	433	240	401	416	81	773	1,086	487
Fines and forfeitures	1,305	1,356	1,364	1,276	1,278	2,284	1,369	1,351	1,318	1,264
Charges for services	7,360	6,826	6,591	6,533	7,377	7,220	7,814	8,532	8,635	8,928
Miscellaneous	1,638	3,527	1,302	1,600	1,659	1,702	1,516	1,615	1,678	1,632
Total revenues	60,288	65,145	64,476	64,389	69,156	69,289	69,530	71,754	73,899	75,997
Expenditures										
General government	22,620	22,233	21,244	21,283	21,958	22,012	23,325	24,644	24,866	26,580
Public works	711	746	754	737	725	810	800	863	916	1,036
Public safety	29,073	29,115	29,676	32,096	32,117	33,762	34,136	34,734	36,675	39,474
Sanitation	293	778	445	418	290	289	304	315	326	351
Health & welfare	3,305	2,979	4,927	4,021	4,539	3,807	3,836	3,143	2,764	2,422
Culture and recreation	715	737	678	759	643	625	764	694	911	851
Capital projects	9	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal retirement	84	85	87	508	-	-	-	-	-	-
Interest expense	37	32	30	23	-	-	-	-	-	-
Capital Outlay:										
Capital expenditures	2,254	2,938	2,836	2,760	2,618	3,461	2,860	2,914	2,007	3,413
Construction in progress	1,068	4,141	1,790	2,202	4,893	2,652	2,372	1,284	1,165	3,445
Total expenditures	60,169	63,784	62,467	64,807	67,783	67,418	68,397	68,591	69,630	77,572
<i>Excess of revenues over (under) expenditures</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>	<i>(1,575)</i>
Other financing sources (uses)										
Proceeds capital leases	-	-	-	-	-	-	-	-	-	-
Proceeds on asset disposal	-	-	-	-	-	-	-	-	-	-
Proceeds insurance	9	18	25	42	23	26	14	-	-	-
Transfers in	5,114	5,472	3,876	1,885	2,992	1,299	844	7,703	1,608	1,162
Transfers out	(4,557)	(4,951)	(3,355)	(1,069)	(2,466)	(691)	(301)	(1,666)	(1,099)	(427)
Total other financing sources (uses)	566	539	546	858	549	634	557	6,037	509	735
Net change in fund balances	\$ 685	\$ 1,900	\$ 2,555	\$ 440	\$ 1,922	\$ 2,505	\$ 1,690	\$ 9,200	\$ 4,778	\$ (840)
Debt service and capital outlay as a percentage of noncapital expenditures	6.1%	12.7%	8.2%	9.3%	12.5%	10.0%	8.3%	6.5%	4.8%	9.7%

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	Total
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
2017	47,625	47,625

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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	
2007	19,622,039,622	2,907,974,690	16,714,064,932	1,996,511,064	0.00%	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
2016	17,269,402,857	3,243,314,553	14,026,088,304	903,305,791	6.88%	3.13

Notes:

Values based on 2016 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 2017

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
County Direct Rates										
Current Expense	0.56	0.65	0.75	0.76	0.87	0.97	0.82	0.70	0.78	0.72
Liability Insurance	0.03	0.04	0.04	0.05	0.01	0.07	0.05	0.05	0.05	0.02
Airport Fund	0.02	0.03	0.03	0.03	0.03	0.01	0.03	0.02	0.02	0.03
Indigent Fund	0.09	0.10	0.12	0.24	0.24	0.18	0.06	0.09	0.02	0.06
District Court Fund	0.05	0.05	0.05	0.04	0.04	0.08	0.09	0.11	0.10	0.09
County Fair	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.01
Health District Fund	0.04	0.04	0.05	0.05	0.06	0.06	0.05	0.06	0.05	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	0.01	0.02	0.02	0.03	0.02	0.02	0.02	0.02	0.02
Parks Fund	0.02	0.01	0.02	0.01	0.02	0.02	0.02	0.02	0.02	0.02
Revaluation Fund	0.13	0.14	0.16	0.17	0.20	0.13	0.18	0.18	0.17	0.16
Justice Fund	1.24	1.44	1.69	1.82	1.98	1.96	1.95	1.92	1.89	1.79
County Direct Rate	2.21	2.52	2.94	3.19	3.48	3.51	3.28	3.18	3.13	2.97
City Rates										
Athol	2.40	2.77	2.96	3.51	3.57	3.23	3.63	3.57	3.54	3.46
Coeur d'Alene	4.51	4.92	5.76	6.28	6.77	6.74	6.46	6.09	5.90	5.51
Dalton Gardens	3.53	0.44	0.53	0.54	0.60	0.56	0.52	0.54	0.49	0.48
Fernan	1.00	1.20	1.34	1.37	1.51	1.42	1.36	1.35	1.19	1.17
Harrison	1.77	2.09	2.78	2.95	3.66	3.66	4.03	3.76	3.89	3.84
Hauser Lake	0.34	0.42	0.49	0.52	0.54	0.52	0.58	0.57	0.57	0.54
Hayden	0.82	0.95	1.11	1.23	1.36	1.35	1.29	1.30	1.28	1.23
Hayden Lake	0.39	0.47	0.60	0.64	0.72	0.75	0.75	0.74	0.75	0.66
Huetter	3.36	3.56	4.90	5.42	5.71	5.63	5.93	5.52	5.35	4.97
Post Falls	4.56	4.96	5.21	5.71	6.00	5.79	5.55	5.45	5.59	5.25
Rathdrum	3.68	4.03	4.71	5.04	5.83	5.83	5.67	5.69	5.77	5.52
Spirit Lake	3.49	4.17	4.93	5.70	6.70	6.93	6.65	6.94	6.48	5.93
Worley	2.47	3.11	3.06	4.07	4.61	4.71	4.74	4.34	5.05	5.07
School District Rates										
Coeur d'Alene # 271	1.17	1.11	1.50	2.17	2.32	2.51	2.11	2.38	2.31	2.31
Lakeland Joint #272	1.85	2.10	3.58	3.78	3.56	3.41	3.31	3.19	3.44	4.53
Post Falls # 273	2.29	2.36	2.58	2.83	3.15	3.16	3.08	2.82	2.63	2.44
Kootenai # 274	1.09	0.99	1.16	1.82	1.73	2.79	2.20	2.13	1.61	1.75
Kellogg Joint #391	5.08	6.12	6.17	6.62	6.26	6.26	6.73	6.92	6.76	6.26
Plummer-Worley Joint #44 ^(a)	0.06	0.06	1.44	1.43	1.49	2.74	2.68	2.72	2.70	2.80
Highway District Rates										
Post Falls # 1	0.31	0.38	0.45	0.49	0.68	0.69	0.67	0.65	0.61	0.57
Lakes # 2	0.47	0.55	0.67	0.72	0.79	0.80	0.78	0.76	0.74	0.69
East Side # 3	0.56	0.40	0.49	0.56	0.64	0.68	0.66	0.65	0.64	0.63
Worley # 4	0.68	0.75	0.87	1.00	1.18	1.28	1.26	1.25	1.24	1.21

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fire District Rates										
East Side	0.50	0.53	0.62	0.73	0.84	0.91	0.89	0.89	0.89	0.91
Hauser Lake	0.77	0.96	1.21	1.32	1.47	1.42	1.38	1.39	1.39	1.28
Northern Lakes	0.81	0.96	1.18	1.31	1.46	1.48	1.42	1.41	1.40	1.33
KC Fire & Rescue	1.40	1.66	1.86	1.99	1.98	2.01	1.92	1.93	1.89	1.89
Mica Kidd Island	0.36	0.40	0.48	0.56	0.64	0.68	0.65	0.64	0.64	0.63
Shoshone County #2	1.19	1.38	1.57	1.77	1.90	2.01	2.08	2.09	2.15	2.15
Spirit Lake	0.73	0.80	0.95	1.04	1.21	1.22	1.24	1.27	1.27	1.21
St. Maries	0.68	0.75	0.81	0.82	0.97	1.00	1.01	1.01	1.05	1.03
Timberlake	0.82	0.91	1.13	1.21	1.34	1.38	1.33	1.34	1.31	1.25
Worley	0.68	0.57	0.66	0.76	0.95	1.04	1.02	1.02	1.02	1.01
Water/Sewer District Rates										
Cataldo Water	0.37	0.42	0.44	0.48	0.53	0.54	0.53	0.52	0.51	0.51
Cleland Bay Sewer	0.25	0.26	0.29	0.31	0.40	0.43	0.43	0.42	0.42	0.41
Hayden Lake Sewer	0.03	0.04	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.05
Kidd Island Bay Sewer	0.34	0.36	0.43	0.50	0.71	0.71	0.66	0.69	0.68	0.66
Kingston-Cataldo Sewer	0.48	0.52	0.52	0.58	0.67	0.69	0.70	0.71	0.70	0.71
Kootenai Water #1	0.95	1.19	1.18	1.53	1.81	2.01	2.00	1.78	1.59	1.47
Other Special District Rates										
Community Library Network	0.17	0.20	0.31	0.36	0.41	0.42	0.41	0.40	0.40	0.38
KCEMSS	0.10	0.13	0.15	0.16	0.17	0.18	0.17	0.17	0.17	0.16
North Idaho College	0.73	0.83	1.00	1.10	1.22	1.20	1.12	1.10	1.04	0.98
Flood Control #17	0.32	0.37	0.41	0.45	0.45	0.40	0.20	0.19	0.18	0.17
Hayden Lake Watershed Improvement	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.12	0.12	0.11

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 2017

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

Tax Year	County	Cumulative levy totals for all agencies within each classification					
		Cities	Highways	Schools	Fire Districts	Water and Sewer Districts	Other Districts
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
2017	0.002970344	0.043635763	0.003100654	0.020099903	0.012697494	0.003805762	0.115832517
Tax Year 2017		Cities	Highways	Schools	Fire	Water & Sewer	Other
Number of taxing districts		13	4	6	10	6	15
Average tax rate per district		0.003356597	0.000775164	0.003349984	0.001269749	0.000634294	0.007722168
Minimum levy rate		0.000483753	0.000566224	0.001748906	0.000632162	0.000053311	0.000107965
Maximum levy rate		0.005932346	0.001214530	0.006262655	0.002146301	0.001470229	0.012999698

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 Improvement and URDs.

The number of URDs may change from year to year.

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

2017 levy rates as of 9/30/17.

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Principal Property Taxpayers, Current Year and Nine Years Ago September 30, 2017

Taxpayer	FY 2017 ¹			FY 2008 ²		
	Net Taxes Due	Rank	Percentage of Total Net Taxes Due	Net Taxes Due	Rank	Percentage of Total Net Taxes Due
Avista Corporation	\$ 2,610,073	1	1.58%	\$ 815,908	3	2.47%
Hagadone Hospitality Co., Hagadone Family Trust	1,327,286	2	0.80%	867,769	2	2.62%
Rathdrum Power, LLC	1,104,592	3	0.67%	934,693	1	2.83%
Wal-Mart Real Estate Business Trust, Wal-Mart Stores Inc.	538,656	4	0.33%	-	-	-
Post Falls Retirement Real Estate Investors, LLC	511,051	5	0.31%	-	-	-
Idaho Forest Group, LLC	482,526	6	0.29%	151,699	11	0.46%
Glacier 1919 Lincoln Way LLC, 400 Wilbur LLC, 600 LLC, 700 LLC	466,074	7	0.28%	-	-	-
Burlington No & Santa Fe RR	425,150	8	0.26%	-	-	-
Gas Transmission Northwest	423,103	9	0.26%	237,684	6	0.72%
Union Pacific Railroad Co.	308,708	10	0.19%	-	-	-
Frontier Communications NW (formerly Verizon NW & GTE)	300,011	11	0.18%	556,008	4	1.68%
Silverwood Inc.	297,351	12	0.18%	-	-	-
Horowitz Limited Partnership VII	283,920	13	0.17%	-	-	-
North Idaho Surgical Hospital Bldg LLC	282,795	14	0.17%	163,801	9	0.50%
DBH Properties LP	273,227	15	0.17%	-	-	-
Kimball International Market Inc., Flexcel Inc.	-	-	-	254,346	5	0.77%
Silver Lake Mall, LLC	-	-	-	204,500	7	0.62%
Stephen F Meyer, Etal	-	-	-	190,474	8	0.58%
Discovery CDA, Investors LLC	-	-	-	157,928	10	0.48%
Stimson Lumber Company	-	-	-	130,435	12	0.39%
Norton Aero, LTD	-	-	-	126,812	13	0.38%
Costco Wholesale	-	-	-	117,608	14	0.36%
Puryear Family LPT	-	-	-	112,577	15	0.34%
Sub Total	9,634,523		5.84%	5,022,242		15.20%
All Other Taxpayers	155,355,112		94.16%	106,882,254		84.80%
Total Net Taxes For All Taxing Districts in Kootenai County	\$ 164,989,635		100.00%	\$ 111,904,496		100.00%
Total Net Taxes Due to Kootenai County	\$ 43,843,913			\$ 33,073,659		

Notes:

¹ Based on 2016 Net Taxes billed in FY 2017.

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 2017

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

Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Tax Collections to Date	
		Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
2008	33,073,659	31,508,793	95.27%	1,564,866	33,073,659	100.00%
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%	1,031,070	40,239,694	100.00%
2015	40,587,506	40,140,395	98.90%	447,111	40,587,506	100.00%
2016	41,594,122	41,054,462	98.70%	497,619	41,552,081	99.90%
2017	43,843,913	43,262,208	98.67%	132,854	43,395,062	98.98%

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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)
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
2017	16,560,772	256,242	522,114	2,103,454	15,235,674	2.97

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 2017

KOOTENAI COUNTY, IDAHO Schedule of Forgone Amounts as of the 2017 Tax Year

District	Forgone Amount
Kootenai County	\$ 9,105,938
City of Athol	387
City of Coeur d'Alene	5,026,426
City of Dalton Gardens	2,046
City of Fernan Lake	12,840
City of Harrison	7,436
City of Hauser Lake	1,999
City of Hayden	26
City of Hayden Lake	273
City of Huetter	3,329
City of Post Falls	2,239,452
City of Rathdrum	326,270
City of Spirit Lake	14,207
KC Emergency Medical Services System	180,647
East Side Fire	126,267
Hauser Fire	3,989
Kootenai County Fire & Rescue	892,456
Northern Lakes Fire	153
Shoshone Fire #2	103
Worley Fire	20
Twin Lakes-Rathdrum Flood Control #17	25,522
Lakes Highway # 2	1,195,892
Post Falls Highway # 1	638,206
Worley Highway # 4	12,301
Kootenai Hospital	61,391
North Idaho College	2,624,774
Community Library Network	2,948
Cataldo Water	1,279
Cleland Bay Sewer	345
Hayden Lake Sewer	16,165
Kidd Island Bay Sewer	1,141
Kootenai County Water #1	12,384
Hayden Lake Watershed	15,975

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 2017

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

Legal Debt Margin Calculation For Fiscal Year 2017

Assessed Valuations:	
Assessed Value	\$ 18,973,234,220
Add Back Homestead Exemptions	\$ 3,608,967,956
Total Assessed Value ¹	<u>\$22,582,202,176</u>
Legal Debt Margin	
Debt Limitation*: 2% of assessed market value	\$451,644,044
Less: Debt applicable to limitation	-
Legal Debt Margin	\$451,644,044

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$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	\$451,644,044
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$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	\$451,644,044
Total net debt applicable to the limit as a percentage of debt limit	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 2017 for Tax Year 2017

*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 2017

KOOTENAI COUNTY, IDAHO Schedule of Direct and Overlapping Debt September 30, 2017

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	\$ 6,417,999	July/15	Sep/25	100.00%	\$ 6,417,999
2	Coeur d'Alene SD #271	51,435,000	Aug/12	Sep/31	100.00%	51,435,000
2	Lakeland SD #272	9,755,000	June/12	Aug/25	99.56%	9,712,078
2	Post Falls SD #273	19,290,000	May/15	Aug/34	100.00%	19,290,000
1	Kootenai Joint SD #274	1,075,000	Feb/13	Aug/22	99.48%	1,069,410
2	Kellogg Joint SD #391	7,385,000	Oct/77	Sep/27	18.08%	1,335,208
1	Plummer Worley #44 ⁽²⁾	7,908,968	Sep/10	Sep/30	68.24%	5,397,080 ⁽³⁾
1	St. Maries Fire District	270,000	Feb/12	Sep/27	25.65%	69,255
1	Community Library Network	1,825,000	Oct/05	Aug/25	98.22%	1,792,515
1	Bayview Water/Sewer District	538,093	Nov/04	Nov/22	N/A	N/A ⁽⁴⁾⁽⁵⁾
1	Harbor View Estates Water & Sewer District	187,435	Aug/08	Aug/18	N/A	N/A ⁽⁴⁾⁽⁶⁾
Subtotal, Overlapping Debt		<u>106,087,495</u>				<u>96,518,545</u>
Total Overlapping & Underlying Debt		<u>\$106,087,495</u>				<u>\$96,518,545</u>

Notes:

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

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

⁽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 and Harbor View Estates Water and Sewer District are non-levying districts therefore there's no ability to calculate overlapping debt.

⁽⁵⁾ Bayview W/S is estimated based on 2016 report from district, no 2017 reports provided.

⁽⁶⁾ Information based on 2012 report from district, no 2013 -2017 report provided.

Kootenai County Comprehensive Annual Financial Report – FY 2017

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	
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	150,364	2.1%	1,652,828	1.1%	
2016	154,311	2.6%	1,683,140	1.8%	
2017	N/A ¹	N/A	N/A ¹	0.0%	

Per Capita Personal Income ^(c)					
Year	Kootenai County	State of Idaho	Kootenai Co. as a % of State of Idaho	Personal Income (thousands of dollars)	Annual Average Unemployment Rate ⁵
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	39,820	39,470	100.9%	6,144,664	4.7%
2017	N/A	N/A ²	N/A	N/A ²	4.9%

Regular School		Median Age			
Year	Enrollment ^{(a)3}	High School Diplomas ^{(a)4}	Year	Kootenai County (b)	State of Idaho (b)
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	25,908	N/A	2016	39.7	35.7
2017	N/A	N/A	2017	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 included 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 2016/2017 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 2017

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

Employer	2017			2008		
	Range of Employees	Rank	Percentage of Total County Employment	Range of Employees	Rank	Percentage of Total County Employment
Kootenai Health	2,500 - 3,000	1	4.02 - 4.82%	1,800 - 1,899	1	3.14 - 3.31%
Coeur d'Alene School District	1,000 - 1,500	2	1.61 - 2.41%	1,300 - 1,399	2	2.26 - 2.44%
Hagadone Hospitality Co.	800 - 900	3	1.29 - 1.45%	1,200 - 1,299	3	2.09 - 2.26%
Wal-Mart	800 - 900	4	1.29 - 1.45%	500 - 599	10	0.87 - 1.04%
North Idaho College	800 - 900	5	1.29 - 1.45%	900 - 999	5	1.57 - 1.74%
Qualfon Data	800 - 900	6	1.29 - 1.45%	-	-	-
Coeur d'Alene Casino (Tribe)	700 - 800	7	1.13 - 1.29%	900-999	6	1.57 - 1.74%
Kootenai County	700 - 800	8	1.13 - 1.29%	600 - 699	7	1.22 - 1.39%
US Bank	700 - 800	9	1.13 - 1.29%	-	-	-
Empire Aerospace	400 - 500	10	0.64 - 0.80%	-	-	-
Center Partners	-	-	-	1,000 - 1,099	4	1.74 - 1.91%
Post Falls School District	-	-	-	600 - 699	8	1.04 - 1.22%
Lakeland School District	-	-	-	500 - 599	9	0.87 - 1.04%
Average employment size of the 10 largest employers	1,010			990		
Kootenai County Non-Farm Payroll Employment Total ¹	62,200 ²			57,406		

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 2017

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	2017	2016	2015	2014	2013	2012	2011	2010
<i>(1) Data as of June 30th</i>										
Commercial Banks	43	-	3,261	2,764	2,182	2,018	1,861	1,817	1,740	\$1,837
FDIC Savings Banks	-	-	-	-	-	-	-	-	-	-
Subtotal FDIC- Insured Institutions	43		3,261	\$2,764	\$2,182	\$2,018	\$1,861	\$1,817	\$1,740	\$1,837
<i>(2) Data as of December 31st</i>										
Credit Unions	9	1	9	9	9	9	9	9	8	9
Total	52	1	\$3,261	\$2,764	\$2,182	\$2,018	\$1,861	\$1,817	\$1,740	\$1,837

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

(1) Source: Federal Deposit Insurance Corporation

(2) Source: National Credit Union Administration

Kootenai County Comprehensive Annual Financial Report – FY 2017

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Assessor	67.0	67.0	67.0	66.0	66.0	61.0	61.0	59.0	61.0	63.0
Clerk	76.0	76.0	76.0	76.0	78.0	78.0	79.0	85.0	85.0	85.0
Commissioners	106.0	106.0	107.0	106.0	100.0	99.0	100.0	107.0	109.0	109.0
Prosecuting Attorney	37.0	37.0	36.0	36.0	37.0	39.0	44.0	44.0	41.0	41.0
Sheriff	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Treasurer	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0
Public Safety										
Commissioners	70.0	77.0	77.0	78.0	69.0	65.0	65.0	65.0	64.0	65.0
Coroner	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Sheriff ¹	148.0	155.0	154.0	156.0	163.0	163.0	162.0	166.0	170.0	174.6
Jail (Sheriff)	123.0	126.0	124.0	120.0	122.0	122.0	126.0	121.0	120.0	120.0
Prosecuting Attorney	-	-	-	-	-	-	-	-	4.0	4.0
District Court Judges	30.0	31.0	34.0	34.0	34.0	-	34.0	32.0	33.0	33.0
Culture and Recreation										
Commissioners	8.0	8.0	8.0	8.0	8.0	8.0	6.0	8.0	8.0	8.0
Public Works										
Commissioners	8.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0	8.0	8.0
Health and Welfare										
Clerk	7.0	7.0	7.0	7.0	8.0	7.0	7.0	6.0	6.0	6.0
Sanitation										
Commissioners	4.0	4.0	4.0	3.0	2.0	2.0	2.0	5.0	3.0	3.0
Solid Waste										
Commissioners	69.0	70.0	64.0	61.0	59.0	59.0	58.0	58.0	59.0	60.0
Total	766.0	785.0	779.0	772.0	767.0	724.0	765.0	780.0	785.0	793.6

Source: Kootenai County Adopted Budget Documents and Payroll Data

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Physical arrests	9,207	8,673	9,156	8,291	7,824	7,830	6,983	7,936	8,423	8,055
District Court Caseload										
Felonies	1,925	1,836	2,028	1,957	920	1,101	1,114	1,091	1,325	1,415
Misdemeanors	12,308	11,801	11,195	10,217	7,077	7,226	6,893	8,397	7,488	7,778
Infractions	21,247	20,366	18,379	17,400	14,613	16,473	16,489	16,246	17,542	15,901
Refuse Collection										
Landfilled refuse ¹	130	123	123	122	123	128	133	137	155	162
Refuse collected ¹	183	157	150	144	142	153	159	168	188	191
Recyclables collected ¹	22	22	21	14	15	15	15	17	24	16
Parks and Waterways										
Improved facilities	24	24	24	24	24	24	24	24	24	24
Airport										
Buildings ²	93	93	95	95	95	95	95	95	99	103

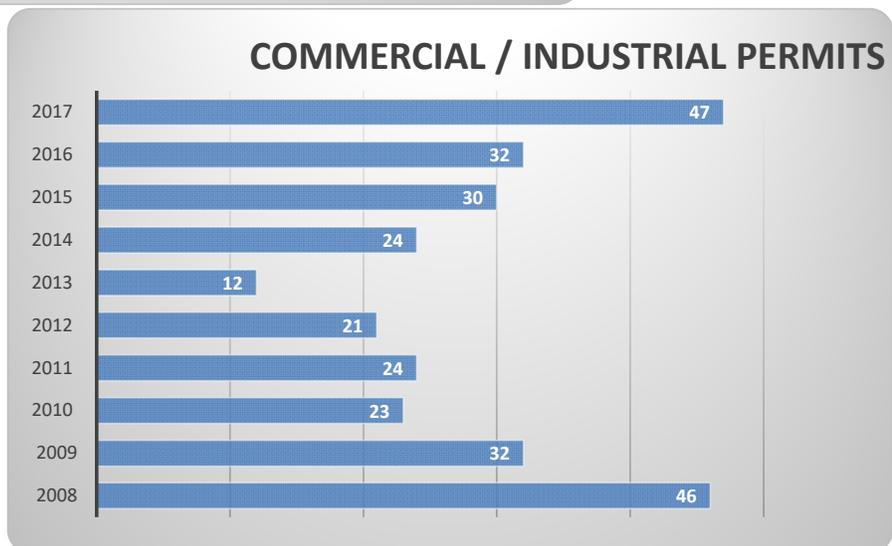
Sources: Various County Departments

¹ Amount shown in thousands of tons.

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

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

Year	Residential		Commerical/Industrial	
	Permits	Value	Permits	Value
2008	217	70,192,691	46	20,580,311
2009	144	44,440,496	32	8,111,906
2010	145	42,458,717	23	7,672,725
2011	119	37,889,702	24	4,372,917
2012	136	37,992,115	21	6,066,286
2013	201	58,014,200	12	3,017,010
2014	229	73,205,987	24	3,034,482
2015	285	82,038,426	30	7,787,390
2016	315	94,246,973	32	12,353,808
2017	383	113,586,535	47	17,883,226



Notes:

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

Kootenai County Comprehensive Annual Financial Report – FY 2017

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government:										
Land	\$ 2,336	\$ 3,023	\$ 3,023	\$ 3,232	\$ 3,232	\$ 3,232	\$ 3,847	\$ 3,838	\$ 3,973	\$ 4,342
Buildings	13,944	16,317	16,567	18,210	18,316	15,938	15,938	17,196	17,461	18,057
Improvements	60	60	60	61	240	1,417	1,915	2,651	2,770	2,856
Machinery and equipment	9,771	9,975	10,452	10,182	11,077	12,334	12,463	11,582	10,066	10,845
Public works:										
Land	1,828	1,828	1,828	1,828	1,828	1,828	1,828	2,437	2,437	2,437
Buildings	562	562	562	562	562	562	562	1,888	2,357	2,357
Improvements	25,239	25,239	25,247	26,143	27,665	28,623	32,131	32,491	33,780	34,330
Machinery and equipment	1,817	1,840	2,011	2,210	2,183	2,349	2,391	2,015	2,497	2,964
Public safety:										
Land	107	107	107	107	107	108	108	107	107	107
Buildings	22,718	21,667	21,774	20,280	20,539	23,245	23,245	23,294	23,294	23,366
Improvements	51	51	51	99	5,008	3,921	3,913	4,647	4,667	4,667
Machinery and equipment	8,704	8,879	10,076	10,062		13,891	15,454	12,958	14,953	16,039
Sanitation:										
Land	1,294	1,294	1,658	1,658	1,782	1,747	1,747	1,747	1,751	1,896
Buildings	632	632	632	613	7,166	740	818	838	873	935
Improvements	20,911	34,147	34,233	39,755	33,747	40,289	45,012	45,295	46,272	46,672
Machinery and equipment	9,179	9,521	10,518	10,475	10,895	11,608	12,085	12,556	13,555	13,905
Health & welfare:										
Machinery and equipment	29	32	21	16	10	22	16	11	9	9
Culture and recreation:										
Land	249	249	249	249	249	249	249	249	249	249
Buildings	272	351	371	358	358	410	410	397	457	457
Improvements	1,201	1,201	1,201	1,206	1,858	3,159	3,516	3,521	3,444	3,667
Machinery and equipment	517	542	608	1,612	1,569	1,136	1,114	1,118	1,021	1,035
Capital projects:										
Construction in progress	11,872	9,484	12,205	9,168	6,027	9,046	3,580	2,247	953	4,788
	<u>\$133,293</u>	<u>\$147,001</u>	<u>\$153,454</u>	<u>\$158,086</u>	<u>\$154,418</u>	<u>\$175,854</u>	<u>\$182,342</u>	<u>\$183,084</u>	<u>\$186,945</u>	<u>\$195,983</u>

Kootenai County Comprehensive Annual Financial Report – FY 2017

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety:										
Kootenai County Sheriff										
Sheriff Office	1	1	1	1	1	1	1	1	1	1
Patrol Units	56	58	62	71	76	78	81	77	73	72
Public Safety Buildings	3	3	3	3	3	3	3	3	3	3
Sanitation:										
Ramsey Transfer Station										
Trash Rolloff Bins	36	21	21	21	21	21	21	21	25	27
Loaders	5	3	4	4	4	4	4	4	3	3
Tractor Trucks	6	3	3	3	3	5	5	4	5	5
Transfer Trailers	34	25	29	26	26	26	22	24	24	21
Prairie Transfer Station										
Trash Rolloff Bins	0	15	15	15	15	15	15	15	17	17
Loaders	0	2	2	2	2	2	2	2	2	2
Tractor Trucks	0	3	3	3	3	3	3	3	4	5
Transfer Trailers	0	8	8	8	8	8	10	10	14	16
Fighting Creek Landfill										
Heavy Machinery & Equipment	17	18	20	23	24	24	24	23	24	25
Culture and Recreation:										
Waterways/Park & Recreation										
Pumpouts	9	9	9	9	9	9	10	10	8	8
Vault Toilets										
Wood	7	7	7	7	7	7	7	7	0	0
Concrete	3	6	7	7	8	8	8	9	11	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
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 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, 2017, and North Idaho Fair & Rodeo, a discretely presented component unit as of for the year ended December 31, 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 March 1, 2018.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

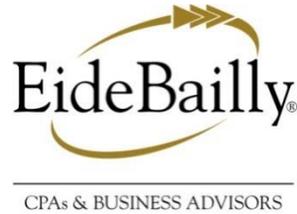
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

Boise, Idaho
March 1, 2018



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
Coeur d’Alene, Idaho

Report on Compliance for the Major Federal Program

We have audited Kootenai County, Idaho’s (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County’s major federal program for the year ended September 30, 2017. The County’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the compliance of the County’s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County’s compliance.

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended September 30, 2017.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County’s internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness

of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

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

Boise, Idaho
March 1, 2018

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Schedule of Audit Findings and Questioned Costs For the Year Ended September 30, 2017

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>
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, 2017

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 2017

KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2017

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				
Child Nutrition Cluster				
School Breakfast Program	10.553	RC28-03	\$ 17,715	\$ -
National School Lunch Program	10.555	RC28-03	27,864	-
Subtotal Child Nutrition Cluster			<u>45,579</u>	<u>-</u>
Idaho Department of Lands				
Wildland Urban Interface Western State Grant	10.664	HFT #14HFR1-Kootenai	27,872	-
Wildland Urban Interface Western State Grant	10.664	15WFM-Kootenai	36,760	-
Subtotal Wildland Urban Interface Western State Grant			<u>64,632</u>	<u>-</u>
Total Department of Agriculture			<u>110,211</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	2,203	-
Total Department of Interior			<u>2,203</u>	<u>-</u>
Department of Justice				
<u>Direct Programs</u>				
Equitable Sharing Program	16.922		98,817	-
<u>Pass-Through Programs</u>				
Idaho Supreme Court				
OVW Domestic Violence Court	16.013	2015-FJ-AX-0007	28,336	-
City of Coeur D'Alene, Kootenai County				
2014 Byrne Justice Assistance Grant	16.738	2014-DJ-BX-0973	3,493	-
2015 Byrne Justice Assistance Grant	16.738	2015-DJ-BX-0429	215	-
Subtotal City of Coeur D'Alene, Kootenai County			<u>3,708</u>	<u>-</u>
Total Department of Justice			<u>130,861</u>	<u>-</u>
Department of Transportation				
<u>Direct Programs</u>				
Airport Improvement Program	20.106		149,314	-
Federal Transit Cluster				
FTA Section 5307 Small Urbanized Area Grant	20.507		1,135,146	220,898
Subtotal Department of Transportation Direct Programs			<u>1,284,460</u>	<u>220,898</u>

Kootenai County Comprehensive Annual Financial Report – FY 2017

KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2017

Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
<u>Pass-Through Programs</u>				
Federal Transit Cluster				
Idaho Department of Transportation				
5339 Small Urban Funding	20.526	ITD-5339	57,393	-
Subtotal Federal Transit Cluster			1,192,539	220,898
Idaho Department of Transportation				
5310 Small Urban Funding	20.513	ITD-5310	17,779	-
State & Community Hwy Safety Program @ 25	20.205	SYD1502	4,500	-
Highway Safety Cluster				
Traffic Enforcement Mobilization FY2017	20.600		20,698	-
Traffic Enforcement Mobilization FY2017	20.616		14,977	-
Subtotal Highway Safety Cluster			35,675	-
Subtotal Department of Transportation Pass-Through Programs			57,954	-
Total Department of Transportation			1,399,807	220,898
Department of Homeland Security				
<u>Direct Programs</u>				
Federal Emergency Management Activity	97.036	D4246P-PW10	65,604	-
<u>Pass-Through Programs</u>				
State Department of Parks & Rec				
Boater Safety Financial Assistance	97.012	FFY 17 RBS Grant	76,534	-
State of Idaho Military Division				
Emergency Management Performance Grant 2016	97.042	EMS-2016-EP-00004	43,555	-
Emergency Management Performance Grant 2017	97.042	EMW-2017-EP-0003-S01	83,494	-
Subtotal Emergency Management Performance Grant			127,049	-
Homeland Security - 2016	97.067	EMW-2015-SS-0091	94,072	-
Homeland Security - 2015	97.067	EMW-2016-SS-0028-S01	58,759	-
Subtotal Homeland Security			152,831	-
Idaho Office of Emergency Management				
Hazard Mitigation Grant Program	97.039	D4252H-E911	13,694	-
Hazard Mitigation Grant Program	97.039	D5088H-Bayview	9,858	-
Subtotal Hazard Mitigation Grant Program			23,552	-
Subtotal Department of Homeland Security Pass-Through Programs			379,966	-
Total Department of Homeland Security			445,570	-
Total Expenditures of Federal Awards			\$ 2,088,652	\$ 220,898

KOOTENAI COUNTY, IDAHO
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2017

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.