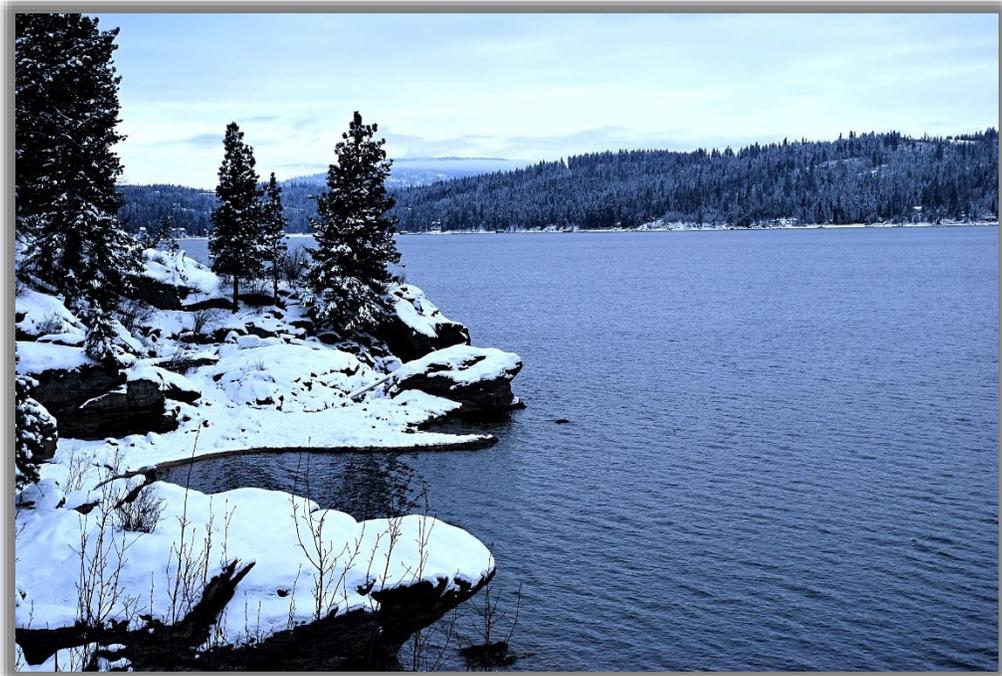


Kootenai County, Idaho



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2020

Jim Brannon ~ Auditor



KOOTENAI COUNTY, IDAHO

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2020

Jim Brannon
County Auditor

Prepared by the Office of the County Auditor

KOOTENAI COUNTY, IDAHO

Office of the County Auditor

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Chief Deputy Clerk

ACKNOWLEDGMENTS:

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Kootenai County Comprehensive Annual Financial Report – FY 2020

TABLE OF CONTENTS KOOTENAI COUNTY, IDAHO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020

INTRODUCTORY SECTION

GFOA Certificate	vii
Auditor's Letter of Transmittal	1
Elected Officials	5
Organizational Chart	6

FINANCIAL SECTION

Report of Independent Auditor	9
Management's Discussion and Analysis	14
Basic Financial Statements	
Statement of Net Position	30
Statement of Activities	31
Balance Sheet, Governmental Funds	33
Reconciliation	34
Statement of Revenues, Expenditures and Changes in Fund Balances, Governmental Funds	35
Reconciliation	36
Statement of Net Position, Proprietary Funds	37
Statement of Revenues, Expenses and Changes in Fund Net Position, Proprietary Funds	38
Statement of Cash Flows, Proprietary Funds	39
Statement of Fiduciary Net Position, Fiduciary Funds	40
Notes to the Financial Statements	
Notes Index	43

REQUIRED SUPPLEMENTARY INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual, General Fund	73
Notes to Required Supplementary Information - Basis of Budgetary Reporting	75
Schedule of Employer's Share of Net Pension Liability	77
Schedule of Employer's Contributions	78

Supplementary Information

Non-major Governmental Funds, Special Revenue Funds, defined	81
Non-major Capital Projects Funds, Capital Projects Funds, defined	82
Combining Financial Statements	
Combining Balance Sheet Non-major Governmental Funds	85
Combining Balance Sheet Non-major Special Revenue Funds	86
Combining Balance Sheet Non-major Capital Projects Funds	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Non-major Governmental Funds	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Non-major Special Revenue Funds	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Non-major Capital Project Funds	96
Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual	
Centennial Trail and Tourism Promotion Special Revenue Funds	97
Airport and County Fair Special Revenue Funds	98
Noxious Weeds and Health District Special Revenue Funds	99
Historical Society and Parks Special Revenue Funds	100
Snowmobile and County Vessel Special Revenue Funds	101
Public Access and Indigent Special Revenue Funds	102
Public Transportation Special Revenue Funds	103
District Court and Revaluation Special Revenue Funds	104
Kootenai Emergency Management and Aquifer Protection District Special Revenue Funds	105
General Construction Funds	106

Kootenai County Comprehensive Annual Financial Report – FY 2020

Fiduciary Funds, defined	107
Combining Statement of Fiduciary Assets and Liabilities, Fiduciary Funds	108
Statement of Changes in Fiduciary Assets and Liabilities, Fiduciary Funds	111
STATISTICAL SECTION	
Statistical Section Index	116
Net Position by Component.....	117
Changes in Net Position	118
Governmental Activities Tax Revenue by Source	120
Fund Balances of Governmental Funds.....	121
Changes in Fund Balances of Governmental Funds.....	122
Governmental Activities Tax Revenue by Source	123
Assessed Valuation and Tax Rates.....	124
Property Tax Rates - Direct and Overlapping Rates	125
Property Tax Rates - Direct and All Overlapping Governments.....	127
Principal Property Taxpayers	128
County Property Tax Levy and Collections	129
Assessed Value and Actual Value of Taxable Property	130
Schedule of Foregone Amounts	131
Legal Debt Margin Information	132
Schedule of Direct and Overlapping Debt.....	133
Demographic and Economic Statistics	134
Principal Employers	135
Domestic Financial Institutions Operating in Kootenai County, Idaho	136
County Employees by Function	137
Operating Indicators by Function / Program	138
Building Permits and Construction Values	139
Capital Asset Values by Function	140
Capital Asset Statistics by Function	141
SINGLE AUDIT SECTION	
Auditor's Section	
Reports of Independent Auditor:	
Report on Internal Control over Financial Reporting and on Compliance.....	146
Report on Compliance and Internal Controls Related to Federal Programs	148
Schedule of Audit Findings and Questioned Costs.....	150
Auditees' Section	
Schedule of Expenditures of Federal Awards.....	154
Notes to Schedule of Expenditures of Federal Awards	157

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, 2019

Christopher P. Morrill

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 8, 2021

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of Kootenai County (*the County*) to you for the Fiscal Year ended September 30, 2020. This report is prepared in accordance with the Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board (GASB), and includes recommendations from the Government Finance Officers Association.

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

Idaho State Statute requires that an annual audit be completed by an independent audit firm. The accounting firm of Eide Bailly, LLP, was selected with the approval of the Board of County Commissioners (*the Board* or *the Commissioners*), to perform this audit. Eide Bailly, LLP has issued an unmodified ("clean") opinion on Kootenai County's financial statements. The Independent Auditor's Report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report, and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with the report.

The Single Audit Section, which includes reports on compliance and internal controls from the independent auditor, is in compliance with the Federal Single Audit Act of 1984 and the U.S. Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, found on page 148.

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 Seneaqueoteen 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 2020

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 166,000. Coeur d'Alene is both the largest city and the County Seat. Nearby population centers include the cities of Spokane and Spokane Valley located in Washington, thirty miles to the west, with a population of approximately 315,000, and Missoula, Montana, 150 miles to the east, with a population of over 74,000.

Kootenai County is adjacent to the Panhandle National Forest and contains several beautiful lakes that cover 70.6 square miles. This includes the twenty-five (25) mile long Lake Coeur d'Alene.

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

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

ECONOMIC CONDITION

Local economy

Tourism is, undoubtedly, an important component of Kootenai County's growing economy. From food and drink establishments, traveler accommodations, recreational centers, and retail trade, each of these various types of businesses contributes significantly to tourism and the local economy as a whole, and as a group are important employers for Idaho's workforce. In recent years, however, we have seen the growth of other related businesses. Silverwood Theme Park is now the second largest employer in the County with more than 1,000 employees.

Idaho has remained fairly open during the COVID-19 pandemic, allowing restaurants and small local businesses to thrive. An influx of Washington and Montana residents seeking services has kept the economy strong. As we move into the new year, we see businesses relocating to the area, furthering growth and providing jobs.

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

The County is also strategically located along the Interstate 90 (I-90) corridor which stretches from central Washington into Montana. The I-90 Aerospace corridor is an integrated network of over 200 companies and organizations actively engaged in the aerospace industry. While it is still a small component to the range of industries in the area, it is poised to grow, already increasing 2.5 times over the past decade. Northern Idaho has 20 percent of the state's aerospace employment, second to the state's airport hub in the southwestern region.

Kootenai County remains in sound financial condition at the conclusion of fiscal year 2020. Fund reserves are recovering from the large jail expansion project (2017-2019). As we look forward, the Board is preparing to expand facilities for the courts and legal divisions. Several options for an Attorney Center are in review.

Major Initiatives

During 2020, the County allocated \$5M towards design and construction of a new justice facility. Solid Waste focused on equipment, transfer station and landfill facility improvements (\$2.6M). To catch up with aging patrol vehicles, an investment of \$2.1M was made over the next three years. Other projects included E911 phones, facilities, and infrastructure (\$1.2M), IT updates and connectivity (\$362K), and several other small renovations and maintenance of existing facilities.

A wage study during the FY20 budget process revealed wages and salaries below the local market as much as 17 to 20%. To remedy the situation, the Board approved increases to move employees closer to current, local market rates. As a first step, increases were awarded effective the first pay period of January 2020. To control costs, increases were limited, and elected officials opted out. The remainder of increases were phased in as a budget item for FY21. Total costs for the study in 2020 were \$1.7M spread over approximately 820 employees. Additionally 10 of 29 new positions requested were approved and include District Court Clerks (2); DMV Title Clerk (1); Jail Warrants Clerk (1); Seasonal Noxious Weeds employee (1); Public Transportation Manager (1); IT Applications Systems Manager (0.5); AMP Probation Officer (0.5); and the extension of temporary employees in District Court (4) and Elections (1). Overtime, Holiday and On-Call pay, as well as promotions and service awards rounded out additions to personnel.

Employee benefit costs also increased in 2020. The Idaho PERSI pension plan required increased contributions of \$238,641. Employer medical costs increased by \$541,779, driven by claims experience and overall health care system costs. The Board continues to work with our benefits administrators to modify our plans to deliver value while managing costs at an acceptable level.

Ongoing Activities and Future Projects

Before the COVID-19 pandemic took hold, the Board pledged to complete the 2020 wage study. Although there was no movement in the general pay plan, a 2% cost of living adjustment (COLA) was awarded. Sworn staff moved one step in their pay matrix and received a 1.8% COLA. Much of this funding was provided by several open positions at the Sheriff's office being frozen. To give immediate taxpayer relief, the Board opted for only adding new property growth and no new property taxes. Departments were allowed a 2% increase to operational budgets, but several cut budgets instead, reducing overall operating costs by \$2.4M from the prior year. Capital spending was slashed nearly \$6M over the prior year, focusing on key Solid Waste systems, IT infrastructure, and building maintenance. Funding for the new attorney center building (\$5M) was carried forward into the 2021 budget from 2020 with no increase.

To gain overall efficiency, the key IT project funded for 2021, On Base, will transform digital document management. The project will span three years as departments go live with the new solution that will integrate with disparate systems throughout the County. Additional functionality will provide a bridge to much-needed new systems in the future.

The jail is replacing outdated recording software to meet state standards. Law enforcement investments included radios, software, and year-2 patrol vehicles as part of a three-year agreement. Solid Waste systems focused on maintaining transfer stations and landfill operations as waste streams have increased substantially with area population growth.

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 \$2.9M was recognized in Fiscal Year 2020 and is reported on page 32 in the Government-Wide Statement of Activities. Earnings have slowed in the bond markets nationwide as a function of rising interest rates.

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

Long-Term Financial Planning

As of September 30, 2020, both the General Government operations and the Solid Waste operations continue to be debt free. It is anticipated that all future development of the landfill and collection facilities will be funded, to the greatest extent possible, from reserves established in the Enterprise Fund and will facilitate the long-term plan for these facilities. The County is the payer-of-last-resort for the debt of its component units. Currently the Kootenai County Emergency Medical Services System has two leases totaling \$843,862 for emergency vehicles. The North Idaho Fair & Rodeo has paid off its final lease and has no outstanding long-term obligations.

Financial Policies Impact

The current fund balance policy saves aside two months of personnel and operating expenses. This policy was amended in fiscal 2019 to follow the Government Finance Officer's Association (GFOA) best practices to assure appropriate reserves for cash flow for intermittent revenue streams. This policy had a significant impact during the COVID-19 shutdown period when courts were closed and employees were out on administrative leave. As some revenues slowed and others were reduced, the County was able to operate with minimal interruptions in service.

The Board of County Commissioners also responded quickly with earmarking assigned fund balance in March 2020 in case it was needed to cover costs for setting up employees to work from home. The Cares Act funding reimbursed the County in time for the funds to not be needed. Many employees were able to continue to provide services safely from home, keeping backlog to a minimum.

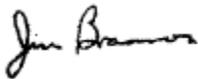
AWARDS & ACKNOWLEDGEMENTS

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, 2019. This Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

Sincerely,

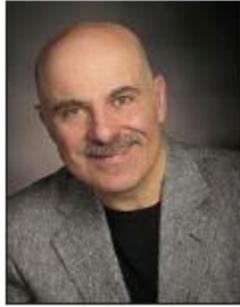


Jim Brannon
Kootenai County Auditor

Elected Officials and Judges in Fiscal Year 2020



Bill Brooks
Commissioner District #1



Chris Fillios
Commissioner District #2



Leslie Duncan
Commissioner District #3



Jim Bramon
County Clerk



Steve Matheson
County Treasurer



Bela Kovacs
County Assessor



Ben Wolfinger
County Sheriff



Barry McHugh
County Prosecutor



Warren Keene
County Coroner

District Judges:

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

Magistrate Judges:

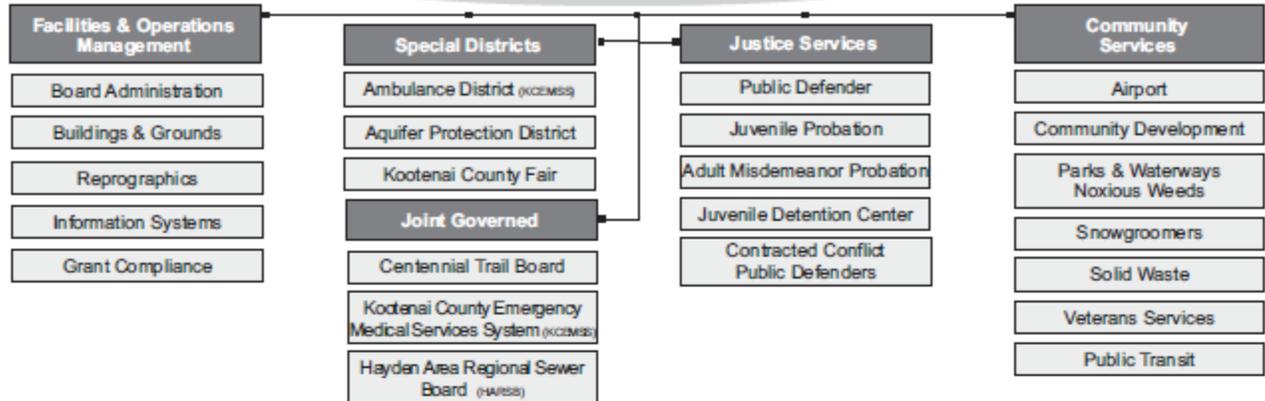
**Mayli Walsh
James D. Stowe
Clark A. Peterson
Anna M. Eckhart
Tim VanValin
James Combo
Robert Caldwell
John Cafferty**

**KOOTENAI COUNTY, IDAHO
ORGANIZATIONAL CHART**

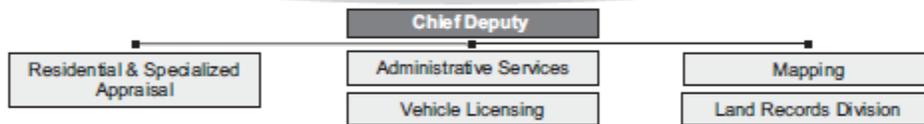
October 2020

CITIZENS

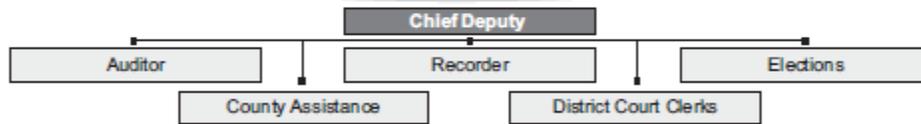
BOARD OF COUNTY COMMISSIONERS



ASSESSOR



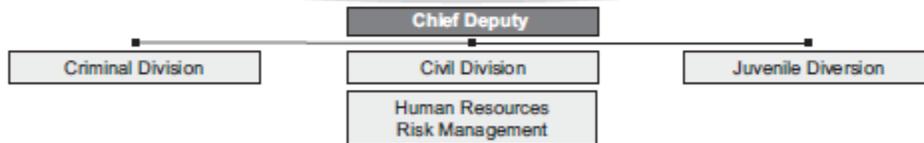
CLERK



CORONER

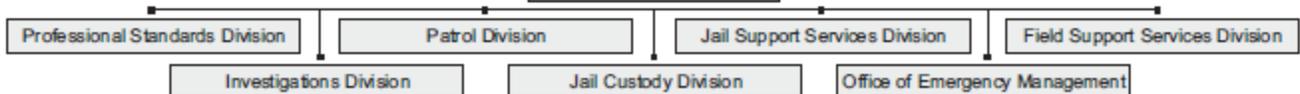
Chief Deputy

PROSECUTING ATTORNEY



SHERIFF

Undersheriff



TREASURER

Chief Deputy



Designed for the Kootenai County Comprehensive Annual Financial Report

Financial Section





CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, Kootenai County Emergency Medical Services System, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County) as of and for the year ended September 30, 2020, and North Idaho Fair & Rodeo, a discretely presented component unit as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of North Idaho Fair & Rodeo as of and for the year ended December 31, 2019, and Kootenai County Emergency Medical Services System as of and for the year ended September 30, 2020, 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.

What inspires you, inspires us. Let's talk. | eidebailly.com

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, 2020, and North Idaho Fair & Rodeo, a discretely presented component unit as of December 31, 2019, 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, 2019, and have issued our report thereon dated March 5, 2020, which expressed an unmodified opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements for the proprietary funds as of and for the year ended September 30, 2019, and for the fiduciary funds as of September 30, 2019, 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, statement of revenues, expenditures and changes in fund balances, budget and actual, general fund, notes to required supplementary information – basis of budgetary reporting, and the schedules of employer's share of the net pension liability and of employer's contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 8, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Boise, Idaho
March 8, 2021

Management's Discussion and Analysis



Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2020 (Unaudited)

As management of Kootenai County, Idaho (*the County*), we offer readers this narrative overview and analysis of the County's financial activities for the fiscal year ended **September 30, 2020**. 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 2020 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 \$8.9 million of existing fund balance to cover one-time capital projects. The Board opted for a 3% property tax increase and new growth to fund ongoing operations and used fund balance to make up the shortfall. Management continues to apply existing funds wherever appropriate while maintaining a modest reserve.

The County has no outstanding debt at Fiscal Year-end 2020.

The Board of County Commissioner's fund balance policy directed \$13.4 million of funds to be saved as assigned for future facility and infrastructure projects. Of that amount, Board assignments totaling \$7.9 million were set aside mid-year for countywide facilities and program costs to address growing service needs of citizens. Included in this figure is \$1.3 million applied to the 2021 budget for department capital purchases (\$0.4M), IT projects (\$0.8M), and detention security equipment (\$0.2M). This leaves approximately \$11.9 million in total assigned fund balance for future use at year-end.

The Board of County Commissioners implemented the first phase of a wage study conducted in the spring of 2019. Most positions at the County were determined to be 17-20% below their market equivalents based on multiple comparisons to similar local government entities in the area. Limited increases were applied in the second quarter of 2020, reducing immediate budgetary impact by \$0.5M. The completion of the study is included in the 2021 budget.

Although budgeted in 2020, preliminary funding of \$5M for a new justice/attorney center building was only partially spent. Final plans are now taking shape, and remaining funds were carried into the fiscal 2021 budget. A recent opportunity to purchase an existing structure presented itself in late 2020, and the Board allocated \$4.7M of the funds for the purchase. The County can take possession of the building in 2024 when the current tenants vacate. Meanwhile, the Board is evaluating funding options, including debt, to move forward with the final attorney center design.

Health care costs were slowed by COVID-19. Procedures were delayed and virus testing was covered with no deductibles. Medical costs for the year increased \$0.2M over the prior year. Recent trends average \$0.8M increase annually. As we roll out of the pandemic, it is likely that costs will resume regular levels.

The County was awarded approximately \$4.1 million of CARES Act funding in 2020 on a reimbursement basis. A cross-functional task force was created to evaluate requests by the departments to determine if funding was allowable under the US Treasury guidelines. The task force worked directly with the state's Coronavirus Financial Advisory Committee (CFAC) to acquire pre-approval on items not specifically identified in the federal guidance. Key costs were personal protective equipment and supplies, cleaning costs, equipment to promote social distancing, costs of holding a 100% mail-in election, temporary staffing, and overtime for primarily public safety employees.

The County has combined Governmental and Business activities ending net position of \$143.1 million. Of this amount, \$45.4 million is unrestricted, which is available for spending on citizen services as well as keeping the County in a debt-free position. The County does have an agreement to lease-to-own patrol vehicles under a three-year program, but is only obligated to continue based on annual appropriations. The agreement will conclude in 2022.

The County's unrestricted net position from governmental activities is \$17.2 million, down approximately \$1.6 million from last year. The County's investment income (\$2.9 million) partially offset increased costs.

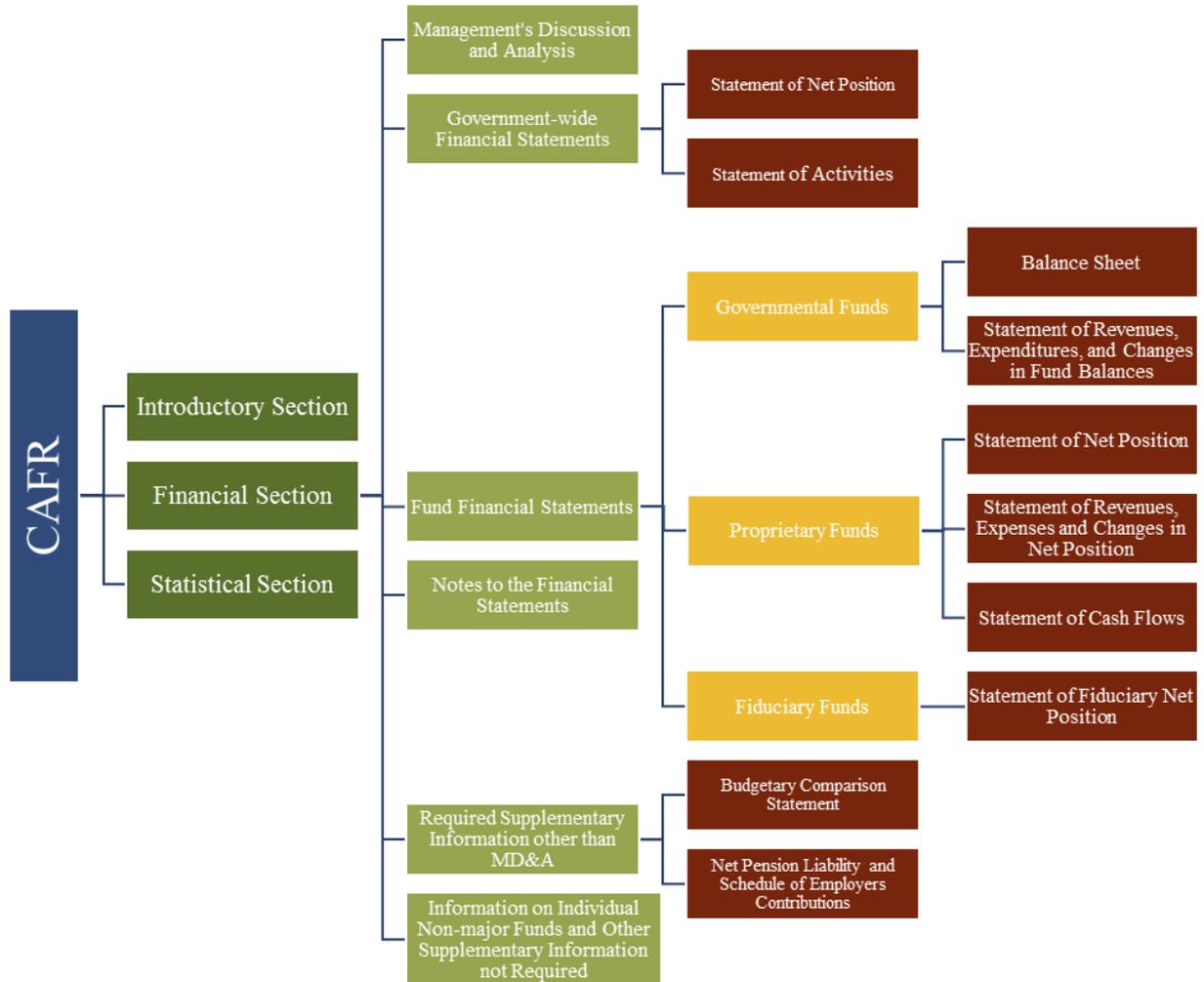
The Solid Waste Enterprise Fund gained over \$0.8 million in net position, a 1.4% increase over prior year. Revenues grew in most categories with the exception of residential and recycling. Key capital investments include equipment and construction of \$4.1 million.

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 2020

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



Kootenai County Comprehensive Annual Financial Report – FY 2020

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
Account types: asset, deferred outflow, liability and deferred inflow information	Includes all account type balances, both short-term and long-term in duration	Only current account balances that come due during the year or soon thereafter; excludes capital assets and long-term assets	Includes all account type balances, both short-term and long-term in duration	All assets held in a trustee or agency capacity for others and all liabilities
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 2020

Government-wide Financial Analysis

Table 1, summarizes Kootenai County’s Net Position for 2020 compared with 2019

	Kootenai County's Net Position (amounts in thousands)						Total % Change
	Governmental Activities		Business-type Activities		Total		
	2019	2020	2019	2020	2019	2020	
Current and other assets	\$ 106,445	\$ 118,209	\$ 38,726	\$ 39,955	\$ 145,171	\$ 158,164	9.0%
Capital assets	58,895	60,270	27,872	27,748	86,767	88,018	1.4%
Total Assets	165,340	178,479	66,598	67,703	231,938	246,182	6.1%
Deferred Outflows	3,552	6,927	202	425	3,754	7,352	95.8%
Other liabilities	25,832	45,780	11,217	12,099	37,049	57,879	56.2%
Total Liabilities	25,832	45,780	11,217	12,099	37,049	57,879	56.2%
Deferred Inflows	56,411	52,436	436	82	56,847	52,518	-7.6%
Net investment in capital assets	58,895	58,950	27,872	27,748	86,767	86,698	-0.1%
Restricted	10,258	11,034	4,690	-	14,948	11,034	-26.2%
Unrestricted	17,496	17,206	22,585	28,199	40,081	45,405	13.3%
Total Net Position	\$ 86,649	\$ 87,190	\$ 55,147	\$ 55,947	\$ 141,796	\$ 143,137	0.9%

Total County assets and deferred outflows exceeded liabilities and deferred inflows by \$143.1 million (\$87.2 million in Governmental activities and \$55.9 million in Business-Type activities). This compares to \$141.8 million in 2019, a \$1.3 million increase in net position that strengthens the County’s investment in infrastructure to serve citizens. Investment income (\$2.9 million) drove the overall increase, offset by unforeseen and unreimbursed pandemic expenses and loss of fee revenues from shutdowns.

Pension obligations cause significant variances in deferred outflows, deferred inflows, and other liabilities from year-to-year. Overall, the County’s portion of pension liability increased by \$14.3 million in 2020 due to changes in actuarial assumptions, and lower returns in the state portfolio of investments. The net pension obligation is not a liability owed by the County, but rather a snapshot of the County’s proportionate share of the overall unfunded liability of the State of Idaho retirement plan.

Investment in Capital Assets (land, buildings, improvements, machinery and equipment, vehicles and infrastructure) totals \$88 million, which represents 61% of the County’s net position. Investment in capital assets provides the infrastructure for services to citizens, but the assets are not available resources for future spending. Purchases for 2020 included \$8.0 million for General Government and \$4.1 million for Solid Waste.

All capital assets are wholly owned by the County with the exception of a 3-year agreement to lease-to-own patrol vehicles. The \$1.3 million capital lease agreement is subject to appropriation annually, and does not constitute long-term debt. The first of two payments is due February 2021, and the vehicles become wholly owned by the County upon the final payment in fiscal 2022.

\$11 million of the County’s Governmental Activities net position (12.7%) has restrictions on how the assets can be used. The \$17.2 million (18.2%) of Unrestricted Governmental Activities Net Position may be used to meet the County’s ongoing obligations.

Kootenai County Comprehensive Annual Financial Report – FY 2020

Table 2, shows the changes in net position for 2019 and 2020:

Changes in Kootenai County's Net Position for the Years Ended September 30, 2019 and 2020

(amounts in thousands)

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2019	2020	2019	2020	2019	2020	2019-2020
Revenues							
Program revenues							
Charges for services	\$ 26,085	\$ 28,581	\$ 14,258	\$ 14,576	\$ 40,343	\$ 43,157	7.0%
Operating Grants	4,536	5,181	-	22	4,536	5,203	14.7%
Capital Grants	706	1,907	-	-	706	1,907	170.1%
General revenues							
Property taxes	51,277	54,213	-	-	51,277	54,213	5.7%
Other	5,410	4,226	58	102	5,468	4,328	-20.8%
Total revenues	88,014	94,108	14,316	14,700	102,330	108,808	6.3%
Expenses							
General government	30,684	34,521	-	-	30,684	34,521	12.5%
Public works	3,088	2,988	-	-	3,088	2,988	-3.2%
Public safety	46,274	52,553	-	-	46,274	52,553	13.6%
Sanitation weed control	319	404	-	-	319	404	26.6%
Health and welfare	2,300	2,046	-	-	2,300	2,046	-11.0%
Culture and recreation	1,213	1,874	-	-	1,213	1,874	54.5%
Solid waste	-	-	11,832	13,148	11,832	13,148	11.1%
Total expenses	83,878	94,386	11,832	13,148	95,710	107,534	12.4%
Excess (deficiency) before special items and transfers	4,136	(278)	2,484	1,552	6,620	1,274	-80.8%
Gain on sale of assets	-	18	37	49	37	67	-81.1%
Transfers In (out)	577	801	(577)	(801)	-	-	0.0%
Increase (decrease) net position	\$ 4,713	\$ 541	\$ 1,944	\$ 800	\$ 6,657	\$ 1,341	79.9%
Beginning Net Position	\$ 81,936	\$ 86,649	\$ 53,203	\$ 55,147	\$ 135,139	\$ 141,796	4.9%
Ending Net Position	\$ 86,649	\$ 87,190	\$ 55,147	\$ 55,947	\$ 141,796	\$ 143,137	0.9%

Governmental Activities

Program revenues for governmental activities increased overall in fiscal 2020; with \$2.5 million increase in charges for services. Charges for services is the County's second largest source of revenue (behind property tax revenue), and it accounted for \$28.6 million (30.4%) of total governmental revenues. The sources providing charges for service revenue remained the same in both fiscal years for governmental activities. Operating grant revenues increased modestly over the prior year contributing \$0.6 million in revenue, while capital grant revenues increased to \$1.2 million in 2020.

Combined Charges for services and grant source revenue totaled \$35.7 million, (37.8%) of the County's governmental expenses in 2020. This compares to \$31.3 million (37.3%) in 2019. Increased demand and costs of services continue to grow. Capital grants were driven by federal funding provided during the pandemic to build airport and transit infrastructure.

Federal and State grant sources made up \$7.1 million (7.5%) of total governmental revenues; this is up substantially from 2019 at \$5.2 million (6.0%). Federal and state transit grants continue, with the 2020 total at \$2.2 million. The State of Idaho's Public Defense Commission awarded another \$1.2 million to elevate public defense standards. The Airport continues major projects with the help of another \$0.5 million in federal grants from CARES funding. The Parks Department is finishing up the Harrison Breakwater project with a combination of state and federal grants just over \$1 million. The County Fair received nearly \$0.5 million from the state to continue with an RV Park project to help grow revenues for self-sufficiency. The County continues its efforts to seek out awards in operational areas to ease the burden to taxpayers.

Kootenai County Comprehensive Annual Financial Report – FY 2020

This year, the County also facilitated the expansion of rural broadband services by administrating a state award to Intermax Networks for \$2.9 million to fund 17 individual projects. The Auditor and Resource Management Offices worked closely with the vendor and the state to ensure all projects were completed by the December 15, 2020 deadline and the necessary documentation was submitted.

Property tax revenues supporting Governmental activities were \$54.2 million (58%) of the \$94 million revenue total. Property tax revenue increased \$2.9 million (5.7%) from 2019, with the 3% tax increase and additional collections from new construction.

General government expenses are \$34.5 million, or 36.6% of total expense. This compares to \$30.7 million in 2019, an increase of \$3.8 million (12.5%). The largest factor contributing to the increase include personnel costs of approximately \$1.9 million in pension expense and \$1.5 million in salaries, wages, and benefits. Most operating expenses decreased. Capital purchases and projects (\$0.4M) drive the rest of the change.

Public safety expenses of \$52.6 million (55.7%) are the largest portion of the County’s total expenses of \$94.4 million. Compared to prior year, Public safety expenses increased \$6.3 million or 14%. About \$2 million of this increase is driven by greater costs in employee wages. KCSO Patrol (\$0.9 million), KCSO Professional Standards (\$0.5 million), Juvenile Justice (\$0.3 million) and District Court (\$0.1 million) make up the key components of the increase year over year in this category.

Health and welfare expenses of \$2 million decreased by \$0.3 million, or 11% from the prior year. A stronger economy with fewer indigent cases reduced demand of services resulting in lower spending.

Total Governmental Activity expenses were \$94.4 million in 2020, an increase of \$10.5 million (12.5%) from the prior year. Of this increase, leading drivers were pension expense of \$4.9 million, personnel increases of \$3.3 million, and new grants of \$1.8 million.

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, 2019 and 2020
(amounts in thousands)

	Total Cost of Services		Percentage Change	Net Cost of Service		Percentage Change
	2019	2020	2019-2020	2019	2020	2019-2020
General government	\$ 30,684	\$ 34,521	12.5%	\$ 14,787	\$ 17,962	21.5%
Public works	3,088	2,988	-3.2%	2,071	1,194	-42.3%
Public safety	46,274	52,553	13.6%	32,695	37,226	13.9%
Sanitation (Weed control)	319	404	26.6%	315	401	27.3%
Health and welfare	2,300	2,046	-11.0%	2,208	1,981	-10.3%
Culture and recreation	1,213	1,874	54.5%	474	(47)	-109.9%
Total	\$ 83,878	\$ 94,386	12.5%	\$ 52,550	\$ 58,717	11.7%

The County’s total cost of services increased by \$10.5 million (12.5%) over the prior year. Key drivers are in Public safety and General Government.

Public safety is both the largest portion (55.7%) of overall County expense at \$52.6 million, and the largest portion (63.4%) of net cost of service at \$37.2 million. Public safety net cost of service increased by \$4.5 million or 14% from the prior year driven Sheriff Patrol and justice services.

Kootenai County Comprehensive Annual Financial Report – FY 2020

General Government is the second largest portion (36.6%) of overall County expenses at \$34.5 million. Of those costs, General Government funds \$16.6 million (48%) of its costs with direct charges for services or grant revenue. The remaining \$18 million is predominantly supported by property tax, with fund balance making up the shortfall.

Net Cost of Service totaled \$58.7 million, an increase of approximately \$6.2 million (11.7%) in 2020. Public Safety required the greatest cost support increase (\$4.5 million), followed by General Government (\$3.2 million) in unrestricted net position or tax revenue as compared with 2019. Public Works decreased the greatest percentage (14.2%) with a total of \$0.9 million in decreased costs.

Figure 4: Property Tax Support-Primary Government

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

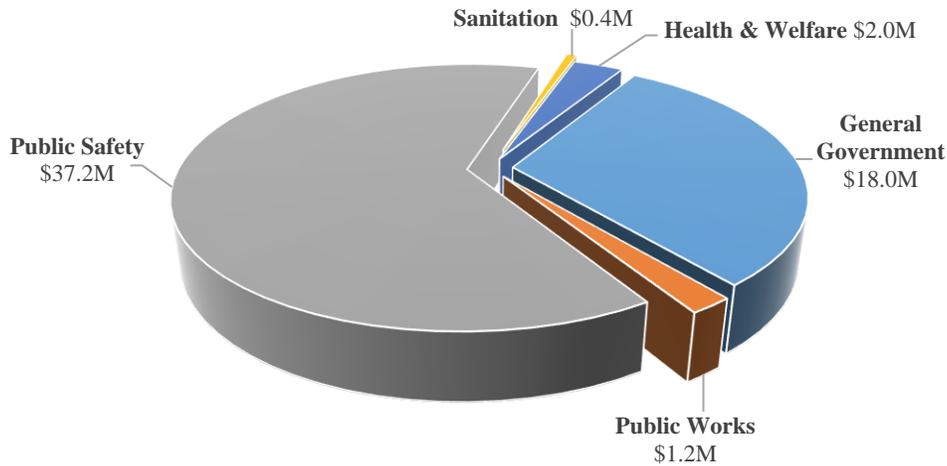
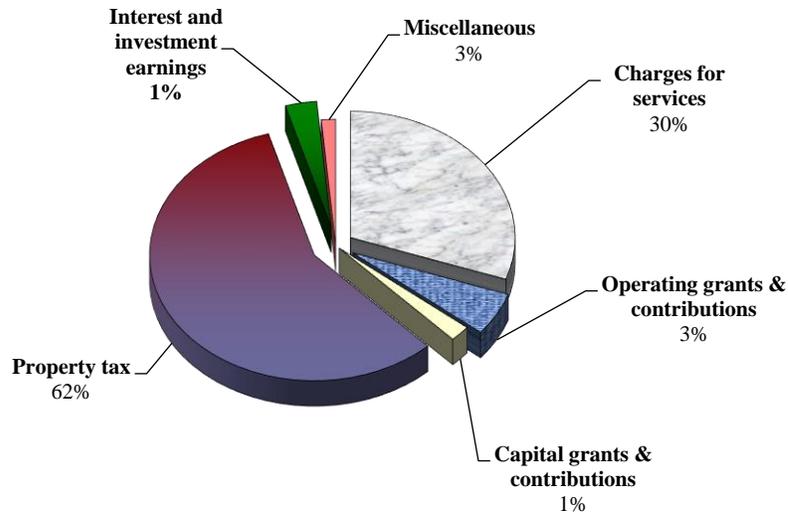


Figure 5: Revenues by Source-Government Activities

The figure below indicates County fiscal 2020 revenue by category and percent of the total revenue.



Business-Type Activities

Solid Waste, business-type, income for the year was \$1.6 million, with revenue of \$14.7 million and expenses of \$13.1 million, and transfers to General Government of \$0.8 million. As directed by Commissioner resolution from FY2015, all investment earnings for Solid Waste are recorded to the General Fund. This year, Solid Waste investment earnings were \$366,983. Landfill closure/post closure costs were \$0.5 million in 2020.

Figure 6: Program Revenues and Expenses-Business Type Activities

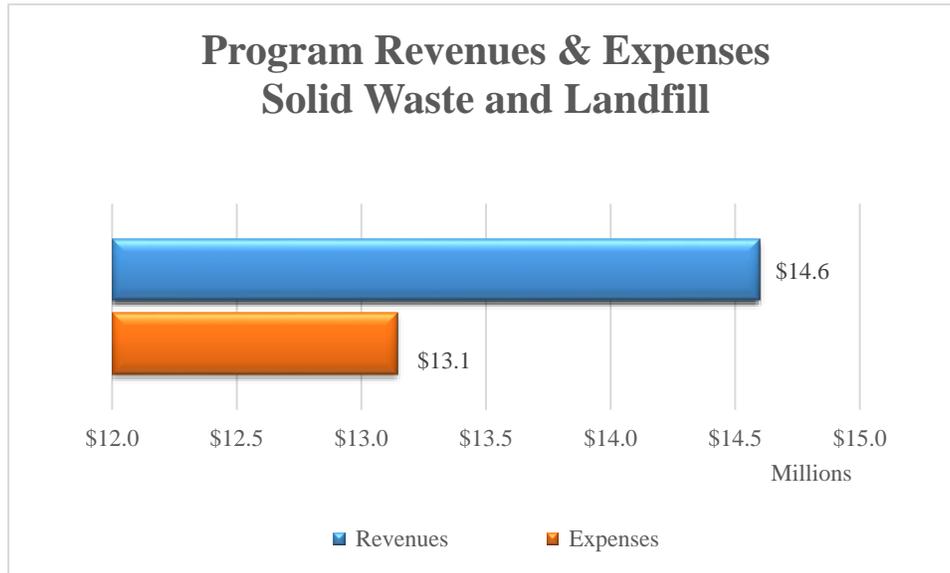
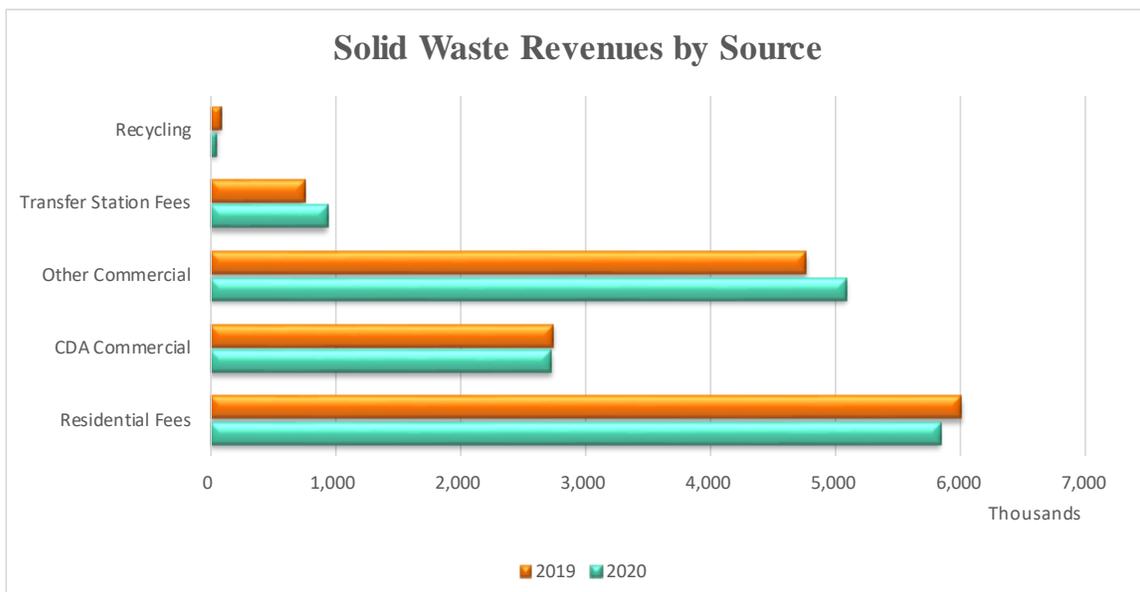


Figure 7: Revenues by Source - Business Type Activities - Solid Waste

Greatest overall growth in revenues was driven by other commercial accounts (\$0.3 million) which are billed to private businesses. Highest percentage growth was in the area of Transfer Station revenues (24.1%) for a year over year increase of \$180,716. Recycling revenues continue to diminish, decreasing by \$33,931 from 2019. Overall operating revenue increased \$0.3 million from the prior 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, 2020, the County's governmental funds had a combined ending fund balance of \$52.6 million, an increase of \$4.7 million over the prior year. Approximately \$20.3 million (39%) of this total is unassigned fund balance, available for spending at the County's discretion. The remaining \$32.3 million (61%) 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 statements.)

The General Fund is the County's primary operating fund. It includes Commissioner General Fund programs, and Justice Services such as Sheriff Patrol and Jail operations. The General Fund's fund balance increased by \$4.3 million (11%) during fiscal year 2020. This increase was primarily the result of less use of fund balance and budgeted contingency, as well as higher than expected state remittances and service fees.

A number of departments also returned unspent budget dollars at the end of the year. General Fund expenditures of \$69.3 million increased \$3.8 million (5.8%) over the prior year. Capital expenditures drove much of the increase (\$2.3 million). Key projects include \$1.1 million for the 911 center building and communications infrastructure, \$0.7 million for Airport design and engineering, and \$0.9 million for Sheriff vehicles. The remaining \$1.5 million is primarily the result of implementation of the wage study in January 2020.

As a liquidity measure, it is useful to compare both unassigned fund balance (\$20.3 million) and total fund balance (\$52.6 million) to total General Government expenditures (\$91.9 million). Therefore, unassigned fund balance represents 22% of total General Fund expenditures, and total fund balance represents 57.2% of total expenditures.

Fund balance of \$32,068 was transferred from general fund to support unanticipated expenditures for an elevator inspection and small remodel items at the Justice building and the Treasurer's office. Other fund balance appropriations of \$197,901 for repairs and maintenance came from restricted funds in Parks, Snowgroomers, and Sheriff Drug Seizure funds.

Enterprise Funds

The County's enterprise funds (Solid Waste) had unrestricted net position of \$28.2 million in 2020, up from \$22.6 million in fiscal 2019. As previously discussed, this increase is primarily from revenue growth year over year. Revenues continue to cover operating costs and provide long-term sustainability. Landfill Closure/Post Closure activities were \$0.5 million. Landfill expansion investments were \$1.1 million. Other construction projects include ongoing improvements at the Ramsey and Prairie transfer stations. Capital investments were also made to replace machinery and equipment at the landfill and transfer stations of \$1.5 million.

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 2020 was \$101,598,129 of which \$49,926,627 was funded by property tax. The full 3% allowable increase plus new development was added to the budget. The County's foregone property tax balance remained at \$9.1 million.

Kootenai County Comprehensive Annual Financial Report – FY 2020

Increases to expenditures included funding for design and preliminary work on a new administration building (\$5.0 million). Year one of a three-year plan for sheriff vehicles (\$0.7 million) was also approved. Other major increases include personnel (\$3.3 million), Solid Waste projects (\$2.6 million), and E911 infrastructure (\$1.4 million). Of the personnel increase, new positions (\$0.4 million), overtime, on-call, temporary positions and bonuses (\$0.5 million), increases associated with the wage study partial implementation (\$1.7 million), and benefit costs (\$0.7 million) highlight the Board’s priorities for the year.

The amended budget at fiscal year end was \$133,041,272, an increase of \$31.4 million from the adopted budget. This is greater than a typical year, primarily because of CARES act awards for transportation, (\$12.6 million) general government, (\$4.1 million), Office of Emergency Management (\$0.7 million) and rural broadband (\$2.9 million). Additional grant funding paid for staff with Public Defender (\$1.3 million) and the Harrison Breakwater construction project (\$1.8 million). Capital carryforwards for ongoing projects were \$4.9 million, primarily Solid Waste (\$2.7 million) and Facilities (\$1.3 million) as well as various smaller items and IT upgrades. Cooperative agreements for a School Resource Officer (SRO), Invasive Species Patrol and Sheriff Vehicles added another \$1.6 million. Fund balance appropriations were minimal and mainly restricted funds in Parks, Snowgroomers, and Vessel funds for maintenance and repairs on equipment (\$0.2M).

Key drivers in non-grant budget amendments were responses to deferred maintenance. This Board of County Commissioners, as well as prior Boards regularly ask that vehicles and equipment provide service beyond their useful lives. New equipment purchases during the budget process are minimized, leading to a greater probability of emergency repairs on existing items mid-year. As more long-term planning takes shape, the goal of the finance team and the fleet management group is to smooth out costs by a regular replacement schedule.

CAPITAL ASSETS

Kootenai County’s fiscal 2020 capital investments for its Governmental and Business Type activities totaled \$88 million, net of depreciation. These investments included land, buildings, improvements, machinery and equipment, and construction in progress. (See Figure 8) The net increase (including depreciation, additions and deductions) in the County’s investment in capital assets was \$1.3 million (a 2.3% increase for Governmental activities, and a 0.4% decrease for Business-Type activities).

Figure: 8

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

	Governmental		Business-type		Total		Total
	Activities		Activities				Percentage
	2019	2020	2019	2020	2019	2020	Change
Land	\$ 7,933	\$ 7,933	\$ 1,896	\$ 1,896	\$ 9,829	\$ 9,829	0.0%
Buildings	27,858	29,099	216	1,764	28,074	30,863	9.9%
Improvements other than Buildings	13,117	11,900	1,099	1,220	14,216	13,120	-7.7%
Machinery and Equipment	6,402	6,644	3,251	3,594	9,653	10,238	6.1%
Transfer Stations	-	-	9,488	7,409	9,488	7,409	-21.9%
Landfill	-	-	8,635	9,072	8,635	9,072	5.1%
Construction in Progress	3,585	4,694	3,287	2,793	6,872	7,487	8.9%
Total	\$ 58,895	\$ 60,270	\$ 27,872	\$ 27,748	\$ 86,767	\$ 88,018	1.44%

Kootenai County Comprehensive Annual Financial Report – FY 2020

Major capital asset activities during fiscal 2020 included:

- Kootenai County Sheriff's Office – 25 patrol vehicle lease (Outfitting in progress) - \$1,562,000
- Kootenai County Sheriff's Office - Communications Equipment and Upgrades - \$1,290,000
- Construction in Progress – Airport Projects and Improvements- \$740,000
- Construction in Progress – Harrison Breakwater Project - \$570,000
- Kootenai County Sheriff's Office – 911 Storage Building – \$523,000
- Parking Lots – Paving and Improvements - \$297,000
- Information Technology Infrastructure - \$195,000
- Solid Waste Department Improvements and Machinery & Equipment - \$3.0 million
- Fighting Creek Landfill Projects including the Access Road and Scales Project- \$1.1 million
- Disposals of obsolete equipment and improvements for General Government (\$9.2 million) and Solid Waste (\$99,000)
- Significant transfers – Completed Riverstone Transit Center for \$2,664,000, moved out of construction in progress.

Additional information on Kootenai County's capital assets can be found in Note 5 (Capital Assets) to the financial statements for fiscal year 2020.

ECONOMIC FACTORS

In Kootenai County, the housing market continues to grow at a record pace. Current inventories are low pushing demand for new construction and average home prices higher. According to local real estate brokerages, the median price for a home in Kootenai County is \$406,520 and in the City of Coeur d'Alene, that price is \$529,000.

New residential building permits, as reported by the County's Community Development department for properties outside the city limits, increased by 31% in 2020. Total permits were 432 valued at \$135 million. The housing market continues to grow at an extraordinary rate with vacancies approaching zero. New home development is struggling to keep up with demand. The commercial/industrial segment saw 35 permits filed in 2020 at a value of \$15.2 million, an increase of 44.3%.

According to the University of Idaho's Indicators research site, the County's preliminary seasonally adjusted unemployment rate as of November 2020 was 6.3%. This is nearly double from last year at 3.2%. The average rate for the entire state is 4.8%, up 2% from last year. Neighboring Washington and Montana have raised the minimum wage to \$13.50/hour and \$8.50/hour, respectively, while Idaho remains at \$7.25/hour. This disparity continues to put pressure on local employers to attract entry-level employees. However, since Idaho is more "open for business" during the pandemic, several businesses have relocated to Idaho from neighboring states. Wages will likely stay static until the economy recovers fully.

According to the Idaho Department of Labor's Occupational Employment and Wage Survey data, the average wage for all occupations in Idaho is \$44,890. Kootenai County's wage is 4.0% lower at \$43,150. 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 \$23.0 billion dollars this fiscal year. This is an astounding \$3 billion (15%) increase from 2019.

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 2020

**KOOTENAI COUNTY, IDAHO
Statement of Net Position
September 30, 2020**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	North Idaho	
				Fair & Rodeo Dec. 31, 2019	KCEMSS Sept. 30, 2020
ASSETS					
Cash and investments	\$ 59,584,326	\$ 29,416,964	\$ 89,001,290	\$ 582,390	\$ 2,999,118
Taxes receivable - current	51,314,811	-	51,314,811	-	-
Taxes receivable - delinquent	192,126	-	192,126	-	15,693
Accounts receivable, (net)	3,556,867	959,078	4,515,945	36,962	863,195
Grants receivable	3,313,008	-	3,313,008	-	-
Inventories and prepaid expenses	248,254	669	248,923	-	215,937
Restricted assets:					
Cash held for closure and postclosure	-	9,578,000	9,578,000	-	-
Capital Assets:					
Land	7,932,478	1,895,906	9,828,384	-	403,990
Depreciable assets, (net)	47,208,601	23,058,540	70,267,141	2,746,405	2,942,311
Non-Depreciable other assets	434,720	-	434,720	-	-
Construction in progress	4,693,706	2,793,493	7,487,199	-	-
Total Assets	178,478,897	67,702,650	246,181,547	3,365,757	7,440,244
Deferred Outflows of Resources					
Related to Pensions	6,927,224	425,454	7,352,678	48,870	98,095
Total Deferred Outflows of Resources	6,927,224	425,454	7,352,678	48,870	98,095
LIABILITIES					
Accounts payable	5,406,989	441,449	5,848,438	12,541	49,579
Payroll and related liabilities	3,209,045	-	3,209,045	23,318	77,300
Other accrued liabilities	-	-	-	-	14,433
Advanced revenues	3,421,714	-	3,421,714	-	-
Long-term liabilities					
Due within one year					
Compensated absences	814,518	25,815	840,333	-	-
Capital leases	653,727	-	653,727	-	438,948
Due in more than one year					
Compensated absences	5,281,820	335,969	5,617,789	27,668	-
Capital leases	666,274	-	666,274	-	404,924
Landfill closure liability	-	9,578,000	9,578,000	-	-
Net Pension Liability	26,326,575	1,717,256	28,043,831	122,110	318,759
Total Liabilities	45,780,662	12,098,489	57,879,151	185,637	1,303,943
DEFERRED INFLOWS OF RESOURCES					
Future year property tax	51,314,811	-	51,314,811	-	-
Related to Pensions	1,120,873	82,127	1,203,000	55,991	10,408
Deferred Inflows of Resources	52,435,684	82,127	52,517,811	55,991	10,408
NET POSITION					
Net investment in capital assets	58,949,504	27,747,939	86,697,443	2,746,405	2,502,429
Restricted:					
9-1-1 Enhanced system fee carryover	777,573	-	777,573	-	-
Court facilities	612,436	-	612,436	-	-
Juvenile justice services	219,142	-	219,142	-	-
Court interlock	128,126	-	128,126	-	-
Sheriff commissary	231,363	-	231,363	-	-
Sheriff drug forfeiture	201,596	-	201,596	-	-
Capital Appropriations	270,575	-	270,575	-	-
Operating Appropriations	8,593,323	-	8,593,323	-	-
Unrestricted:					
Governmental activities	17,206,137	-	17,206,137	-	-
Business-type activities	-	28,199,549	28,199,549	426,594	3,721,559
Total Net Position	\$ 87,189,775	\$ 55,947,488	\$ 143,137,263	\$ 3,172,999	\$ 6,223,988

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Statement of Activities For the Year Ended September 30, 2020

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Primary government:				
Governmental activities:				
General government	\$ 34,520,928	\$ 12,794,916	\$ 3,605,634	\$ 157,925
Public works	2,988,408	991,754	-	802,972
Public safety	52,552,846	13,677,271	1,560,228	89,810
Sanitation	403,603	141	2,500	-
Health and welfare	2,045,890	64,604	-	-
Culture and recreation	1,874,211	1,051,917	13,000	856,420
Total governmental activities	94,385,886	28,580,603	5,181,362	1,907,127
Business-type activities:				
Solid waste and landfill	13,148,340	14,575,605	22,616	-
Total business-type activities	13,148,340	14,575,605	22,616	-
Total primary government	\$ 107,534,226	\$ 43,156,208	\$ 5,203,978	\$ 1,907,127
Component units:				
North Idaho Fair and Rodeo	\$ 1,816,682	\$ 1,911,987	-	-
KCEMSS	8,417,992	5,224,796	-	360,139
Total component units	\$ 10,234,674	\$ 7,136,783	\$ -	\$ 360,139

General revenues:

Taxes:

Property taxes, levied for general purposes

Miscellaneous

Interest and investment earnings

Gain on sale of assets/property

Transfers

Total general revenues and transfers

Change in net position

Net position--beginning

Net position--ending

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Statement of Activities For the Year Ended September 30, 2020

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total	Component Units	
			North Idaho Fair & Rodeo	KCEMSS
\$ (17,962,453)	\$ -	\$ (17,962,453)		
(1,193,682)	-	(1,193,682)		
(37,225,537)	-	(37,225,537)		
(400,962)	-	(400,962)		
(1,981,286)	-	(1,981,286)		
47,126	-	47,126		
<u>(58,716,794)</u>	<u>-</u>	<u>(58,716,794)</u>		
-	1,449,881	1,449,881		
-	1,449,881	1,449,881		
<u>(58,716,794)</u>	<u>1,449,881</u>	<u>(57,266,913)</u>		
			\$ 95,305	\$ -
			<u>-</u>	<u>(2,833,057)</u>
			<u>95,305</u>	<u>(2,833,057)</u>
54,213,180	-	54,213,180	76,250	3,020,867
1,311,470	101,770	1,413,240	125,082	12,540
2,914,402	-	2,914,402	1,223	15,347
17,808	49,450	67,258	-	-
800,517	(800,517)	-	-	-
<u>59,257,377</u>	<u>(649,297)</u>	<u>58,608,080</u>	<u>202,555</u>	<u>3,048,754</u>
540,583	800,584	1,341,167	297,860	215,697
86,649,192	55,146,904	141,796,096	2,875,139	6,008,291
<u>\$ 87,189,775</u>	<u>\$ 55,947,488</u>	<u>\$ 143,137,263</u>	<u>\$ 3,172,999</u>	<u>\$ 6,223,988</u>

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Balance Sheet Governmental Funds September 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash in bank and investments	\$ 47,698,953	\$ 8,891,435	\$ 56,590,388
Taxes receivable - current	51,314,811	-	51,314,811
Taxes receivable - delinquent	151,280	40,847	192,127
Accounts receivable (net)	3,180,803	407,305	3,588,108
Grants receivable	289,515	3,023,493	3,313,008
Prepays	227,199	21,054	248,253
Due from other funds	321,710	-	321,710
Total Assets	\$ 103,184,271	\$ 12,384,134	\$ 115,568,405
Liabilities			
Accounts payable	\$ 2,210,840	\$ 2,336,251	\$ 4,547,091
Payroll and related liabilities	3,209,045	-	3,209,045
Due to other funds	-	321,710	321,710
Advanced revenue-other	892,520	276,763	1,169,283
Advanced revenue-grants	1,616,827	634,559	2,251,386
Total Liabilities	7,929,232	3,569,283	11,498,515
Deferred Inflows of Resources			
Unavailable property taxes	84,646	26,688	111,334
Future year property taxes	51,314,811	-	51,314,811
Total Deferred Inflows of Resources	51,399,457	26,688	51,426,145
Fund Balances			
Nonspendable	227,199	21,054	248,253
Restricted	2,267,025	8,769,020	11,036,045
Committed	7,786,330	-	7,786,330
Assigned	13,275,344	-	13,275,344
Unassigned	20,299,684	(1,911)	20,297,773
Total Fund Balances	43,855,582	8,788,163	52,643,745
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 103,184,271	\$ 12,384,134	\$ 115,568,405

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities September 30, 2020

Total governmental fund balances (page 33)	\$ 52,643,745
<i>Amounts reported for governmental activities in the statement of net position (page 32) are different because:</i>	
The County's delinquent property tax revenue will be collected after year-end but is not available soon enough to pay for the current period's expenditures and therefore is deferred in the funds.	111,335
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	60,269,505
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.	2,101,753
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, capital leases payable, and net pension liability	(33,742,914)
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 Deferred inflows of resources related to pensions	6,927,224 (1,120,873)
Total Net Position of Governmental Activities as shown on the Statement of Net Position	\$ 87,189,775

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended September 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 44,992,748	\$ 9,560,277	\$ 54,553,025
Licenses and permits	1,316,888	124,196	1,441,084
Intergovernmental	15,474,194	5,913,927	21,388,121
Interest	2,913,989	414	2,914,403
Fines and forfeitures	415,875	774,312	1,190,187
Charges for services	9,150,172	1,696,007	10,846,179
Miscellaneous	847,543	1,376,401	2,223,944
Total Revenues	75,111,409	19,445,534	94,556,943
Expenditures			
Current:			
General government	24,141,907	7,630,132	31,772,039
Public works	-	1,174,538	1,174,538
Public safety	39,667,619	7,385,222	47,052,841
Sanitation	-	328,095	328,095
Health & welfare	339,284	1,699,889	2,039,173
Culture and recreation	-	1,622,890	1,622,890
Capital Outlay:			
Capital expenditures	4,571,886	1,129,683	5,701,569
Construction in progress	541,651	1,679,987	2,221,638
Total Expenditures	69,262,347	22,650,436	91,912,783
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,849,062	(3,204,902)	2,644,160
Other Financing Sources (Uses)			
Capital lease acquisitions	1,320,000	-	1,320,000
Transfers in	792,016	3,754,795	4,546,811
Transfers (out)	(3,710,242)	(36,050)	(3,746,292)
Total Other Financing Sources (Uses)	(1,598,226)	3,718,745	2,120,519
Net Change in Fund Balances	4,250,836	513,843	4,764,679
Fund Balances Beginning of Year	39,604,746	8,274,320	47,879,066
Fund Balances End of Year	\$ 43,855,582	\$ 8,788,163	\$ 52,643,745

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

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, 2020

Net change in fund balances - total governmental funds (pg 35)	\$ 4,764,679
<i>Amounts reported for governmental activities in the statement of activities (pages 31 & 32) are different because:</i>	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, such as earned but unavailable property tax revenue.	(339,842)
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 outlay expense exceeded depreciation in the current period. (\$7,923,207 - \$6,560,107)	1,363,100
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.	11,285
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.	(6,229,922)
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>971,283</u>
<i>Total Change in Net Position of Governmental Activities as shown on the Statement of Activities</i>	<u><u>\$ 540,583</u></u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Statement of Net Position Proprietary Funds

September 30, 2020 with Comparative Information for September 30, 2019

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
Assets	2020	2019	2020	2019
Current Assets:				
Cash and investments	\$ 29,416,964	\$ 28,712,714	\$ 2,993,936	\$ 2,273,145
Accounts receivable, (net)	959,078	979,054	-	-
Prepays	669	2,434	-	-
Total Current Assets	30,376,711	29,694,202	2,993,936	2,273,145
Noncurrent Assets:				
Restricted Assets:				
Cash held for closure and post closure	9,578,000	9,032,000	-	-
Capital Assets:				
Land	1,895,906	1,895,906	-	-
Depreciable assets, (net)	23,058,540	22,688,332	-	-
Construction in progress	2,793,493	3,287,579	-	-
Total Noncurrent Assets	37,325,939	36,903,817	-	-
Total Assets	67,702,650	66,598,019	2,993,936	2,273,145
Deferred Outflows of Resources				
Deferred pension outflows	425,454	202,341	-	-
Total Deferred Outflows	425,454	202,341	-	-
Liabilities				
Current Liabilities:				
Accounts payable	441,449	1,039,175	186,897	476,389
Payroll and other related liabilities	-	-	673,000	634,000
Other accrued liabilities	-	-	32,286	32,286
Compensated absences	25,815	21,010	-	-
Total Current Liabilities	467,264	1,060,185	892,183	1,142,675
Non-Current Liabilities:				
Compensated absences	335,969	291,181	-	-
Landfill closure liability	9,578,000	9,032,000	-	-
Net pension liability	1,717,256	833,476	-	-
Total Long-Term Liabilities	11,631,225	10,156,657	-	-
Total Liabilities	12,098,489	11,216,842	892,183	1,142,675
Deferred Inflows of Resources				
Deferred pension inflows	82,127	436,614	-	-
Total Deferred Inflows	82,127	436,614	-	-
Net Position				
Investment in capital assets	27,747,939	27,871,817	-	-
Restricted for:				
Capital projects	-	4,690,186	-	-
Unrestricted	28,199,549	22,584,901	2,101,753	1,130,470
Total Net Position	\$ 55,947,488	\$ 55,146,904	\$ 2,101,753	\$ 1,130,470

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

For the Year Ended September 30, 2020 with Comparative Information for September 30, 2019

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Int'l Service Fund
	2020	2019	2020	2019
Operating Revenues				
Charges for services	\$ 14,575,605	\$ 14,258,461	\$ 11,239,096	\$ 10,261,861
Miscellaneous	101,770	57,649	176,559	67,668
Total Operating Revenues	14,677,375	14,316,110	11,415,655	10,329,529
Operating Expenses				
Personnel services	4,471,366	3,960,678	7,253	5,708
Professional services	2,362,096	2,257,741	10,397,384	10,259,209
Utilities	127,362	144,118	-	-
Materials and supplies	853,742	931,584	33,347	-
Maintenance and repairs	425,341	276,230	-	-
Other services and expenses	144,101	130,874	6,388	6,766
Depreciation and landfill depletion	4,218,332	3,625,081	-	-
Landfill closure and post closure expense	546,000	505,000	-	-
Total Operating Expenses	13,148,340	11,831,306	10,444,372	10,271,683
Operating Income (Loss)	1,529,035	2,484,804	971,283	57,846
Non-Operating Revenues (Expenses)				
Gain on sale of assets	49,450	37,192	-	-
Grant revenue	22,616	-	-	-
Total Non-Operating Revenues (Expenses)	72,066	37,192	-	-
Income (Loss) before Transfers	1,601,101	2,521,996	971,283	57,846
Transfers in	443	186,598	-	314,092
Transfers out	(800,960)	(764,050)	-	(692,647)
Change in Net Position	800,584	1,944,544	971,283	(320,709)
Net Position Beginning of Year	55,146,904	53,202,360	1,130,470	1,451,179
Net Position End of Year	\$ 55,947,488	\$ 55,146,904	\$ 2,101,753	\$ 1,130,470

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

For the Year Ended September 30, 2020 with Comparative Information for September 30, 2019

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2020	2019	2020	2019
Cash Flows from Operating Activities				
Cash received from customers	\$ 14,595,581	\$ 14,320,038	\$ 11,239,095	\$ 10,261,861
Other cash receipts	101,770	57,649	176,559	67,668
Cash payments to employees	(4,115,593)	(3,913,012)	-	-
Cash payments to suppliers	(4,002,373)	(3,836,228)	(10,694,863)	(10,085,105)
Net cash provided (used) by operating activities	6,579,385	6,628,447	720,791	244,424
Cash Flows from Noncapital Financing Activities				
Grant receipts from other governments	22,617	-	-	-
Transfer in from other funds	443	186,598	-	314,092
Transfer out to other funds	(800,860)	(764,050)	-	(692,647)
Net cash (used) by noncapital financing activities	(777,800)	(577,452)	-	(378,555)
Cash Flows from Capital and Related Financing Activities				
Payments for capital acquisitions	(4,600,785)	(3,305,231)	-	-
Proceeds from disposal of capital assets	49,450	37,192	-	-
Net cash (used) by capital and related financing activities	(4,551,335)	(3,268,039)	-	-
Net increase (decrease) in Cash and Cash Equivalents	1,250,250	2,782,956	720,791	(134,131)
Cash and Cash Equivalents Beginning of Year	37,744,714	34,961,758	2,273,145	2,407,276
Cash and Cash Equivalents End of Year	\$ 38,994,964	\$ 37,744,714	\$ 2,993,936	\$ 2,273,145
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 1,529,035	\$ 2,484,804	\$ 971,283	\$ 57,846
<i>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</i>				
Depreciation and depletion	4,218,332	3,625,081	-	-
Pension expense	306,180	1,089	-	-
<i>(Increase) Decrease in Assets:</i>				
Accounts receivable	19,976	61,577	-	-
Inventories and prepaid expenses	1,765	(2,434)	-	-
<i>Increase (Decrease) in Liabilities and Deferred Inflows</i>				
Accounts payable	(91,496)	(93,247)	(289,492)	182,874
Payroll and other related liabilities	-	-	39,000	(152)
Advanced revenue	-	-	-	3,856
Compensated absences payable and other accrued liabilities	49,593	46,577	-	-
Landfill closure/postclosure liability	546,000	505,000	-	-
Net Cash Provided (Used) by Operating Activities	\$ 6,579,385	\$ 6,628,447	\$ 720,791	\$ 244,424
Supplemental Disclosure of Noncash Activity				
Capital assets acquired from accounts payable	\$ 98,497	\$ 711,686	\$ -	\$ -
Reconciliation of Cash, Restricted Cash and Cash Equivalent				
Cash and cash equivalents	\$ 29,416,964	\$ 28,712,714	\$ 2,993,936	\$ 2,273,145
Restricted cash and cash equivalents	9,578,000	9,032,000	-	-
Total cash and cash equivalents, and restricted cash	\$ 38,994,964	\$ 37,744,714	\$ 2,993,936	\$ 2,273,145

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Statement of Fiduciary Net Position Fiduciary Funds September 30, 2020

	Agency Funds
Assets	
Cash and investments	\$ 9,220,476
Receivables:	
Taxes delinquent	1,208,975
Accounts receivable, (net)	54,162
	<hr/>
Total Assets	10,483,613
	<hr/>
Liabilities	
Accounts payable	36,950
Advanced property taxes due to other governments	612,647
Due to other individuals	5,474,484
Due to other governments	4,359,532
	<hr/>
Total Liabilities	10,483,613
	<hr/>
Net Position	
Held in trust for other purposes	\$ -
	<hr/> <hr/>

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

Notes to the Financial Statements



NOTES TO THE FINANCIAL STATEMENTS

Contents

Note 1:	Summary of Significant Accounting Policies	44
Note 2:	Reconciliation of Government-wide and Fund Financial Statements.....	53
Note 3:	Deposits and Investments	55
Note 4:	Receivables	57
Note 5:	Capital Assets	58
Note 6:	Leases.....	61
Note 7:	General Long-term Obligations	62
Note 8:	Landfill Closure and Post-Closure Care Costs	62
Note 9:	Risk Management	63
Note 10:	Pension Plan.....	64
Note 11:	Classification of Funds	68
Note 12:	Jointly Governed Organizations	68
Note 13:	Contingent Liabilities.....	68
Note 14:	Internal Balances and Interfund Transfers	68
Note 15:	Fund Equity.....	70

KOOTENAI COUNTY, IDAHO
Notes to the Financial Statements
September 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Kootenai County, Idaho (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting and reporting standards are defined below.

A. Financial Reporting Entity

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

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

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

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

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

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

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

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

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

The North Idaho Fair & Rodeo fiscal year runs from January 1 through December 31, and reported an increase in net position of \$297,860 for the fiscal year ending December 31, 2019. KCEMSS fiscal year runs from October 1 through September 30, and reported an increase in net position of \$215,697 for their fiscal year ending September 30, 2020.

Basis of Presentation

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

B. Government-wide and Fund Financial Statements

Government-Wide Statements

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

Statement of Net Position

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

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

Restricted Net Position results when constraints placed on net position use are imposed by third parties through constitutional provisions or enabling legislation. Expense allocation decisions are made on a program-by-program basis when both restricted and unrestricted net position is available. Restricted net position balance will fluctuate as related accounting transactions occur.

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

Statement of Activities

The Statement of Activities demonstrates the degree to which the direct expenses of governmental functions, business-type activities, and component units are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific governmental function, business-type activity, or component unit. Direct expenses of internal services are reported in the functional expense categories on the Statement of Activity. Indirect expense of internal services is allocated proportionately to functional categories based on direct internal service expense. Other interfund services provided and used by the government are not eliminated in consolidation of the government-wide financial statements.

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

Fund Statement

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

Separate financial statements are presented for the governmental, proprietary, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. The emphasis in the fund statements is on *major funds*. Major governmental and business-type funds are reported as separate columns in the fund statement. The remaining governmental and business-type funds are considered to be *nonmajor funds* and are consolidated in a nonmajor funds column (on the combined fund statements). The nonmajor funds are displayed individually in combining financial statements and schedules located in the Supplementary Information section.

The County reports the following major governmental fund:

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

The County reports the following major proprietary fund:

The Solid Waste fund accounts for the operation and maintenance of the County's solid waste disposal and landfill.

Additionally, the County reports the following fund types:

Governmental Fund Types:

Governmental funds account for the County's general activities, including current expendable financial resources (except for those accounted for in proprietary funds), and are those through which most governmental functions of the County are financed. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities plus deferred inflows is reported as fund balance.

The following are the County's governmental fund types:

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

Proprietary Fund Types:

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

1. Enterprise Funds – Enterprise funds account for operations that meet one of two criteria. (1) The activity runs in a manner similar to private business enterprises. Moreover, the intent of the governing body is that the ongoing operating costs (including depreciation) of providing goods or services to the public are financed or recovered primarily through user charges. (2) Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

Fiduciary Fund Types:

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include intergovernmental revenues (including state and federal grants) and charges for current services. Other revenues including licenses, permits, fines, forfeitures, and miscellaneous are not measurable until received; therefore, recognition occurs upon collection. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to debt service, compensated absences, claims and judgments, are recorded when payment is due. Principal and interest on general long-term debt are recognized as fund liabilities when due, or when amounts have been accumulated (if appropriate) in a debt service fund for payments to be made in the following year.

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

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

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 year ending September 30. Unavailable revenue includes the balance of delinquent taxes, which are those not collected within the sixty-day period.

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

D-1. Deposits and Investments

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

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

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

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

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

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

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

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

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

D-2. Receivables and Payables

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

In the governmental fund financial statements, receivables are recorded when they are both measurable and available. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Due from/to other funds consist of receivables and offsetting payables for activities between funds of the County. See **Note 14** for interfund activity schedule.

D-3. Prepayments

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

D-4. Capital Assets

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

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:

Description	Estimated Life
Building and Structures	15-30 years
Machinery and Equipment	5-7 years
Vehicles	5 years

D-5. Deferred Outflows/Inflows of Resources

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

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

D-6. Compensated Absences

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

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

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

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

D-7. Advanced Revenues

Advanced revenue is recorded when the County has received money during the year from various sources that does not allow them to recognize the revenue until the next year. 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 a positive unassigned fund balance. Other governmental fund types may report a negative unassigned fund balance if expenditures exceed restricted, committed, or assigned fund balance for that purpose.

D-14. Interfund Transactions

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

Reciprocal interfund activity

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

Nonreciprocal interfund activity

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

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

D-15. Comparative Data

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, these financials should be read in conjunction with the County's financial statements for the year ended September 30, 2019, from which the summarized information was derived.

Kootenai County Comprehensive Annual Financial Report – FY 2020

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.

Certain 2019 amounts have been reclassified on the Statement of Cash Flow to conform to the 2020 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 76 for the details of capital improvement carry forwards.

D-17. Accounting Estimates

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

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

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

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

The governmental fund balance includes reconciliations between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. An element of the reconciliation states the “Internal service funds are used by management to charge the cost of certain activities, such as health insurance costs to the individual funds.” The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The details of the difference are as follows:

Beginning net position-internal service fund	\$ 1,130,470
Change in fund net position	<u>971,283</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ 2,101,753</u></u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

Another element of the reconciliation explains that “both current and long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of the difference are as follows:

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

Deferred outflows of resources related to pensions:	
Differences between expected and actual experience	\$ 2,064,300
Changes of assumptions	446,830
Net difference between projected and actual investment earnings on pension plan investments	3,028,367
Change in proportionate share	215,712
Contributions made subsequent to measurement date	1,172,015
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 6,927,224</u></u>
Deferred inflows of resources related to pensions:	
Differences between expected and actual experience	\$ (853,180)
Change in proportionate share	(267,693)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (1,120,873)</u></u>

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

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

Delinquent Property Tax-unavailable	\$ 111,335
Less: Prior year delinquent property tax-unavailable	(451,177)
Net adjustment to decrease fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (339,842)</u></u>

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	\$ 7,923,207
Depreciation Expense	(6,560,107)
Net adjustment to increase fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 1,363,100</u></u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

Gains and donations of capital assets	\$ 15,500
Losses from disposal of capital assets	<u>(4,215)</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 11,285</u></u>

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

Compensated absences	\$ (277,716)
Capital lease proceeds	(1,320,000)
Pension credit expense	<u>(4,632,206)</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (6,229,922)</u></u>

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

Charges for Services	\$ 11,239,096
Miscellaneous	<u>176,559</u>
Total Revenues	\$ 11,415,655
Less expenditures:	<u>(10,444,372)</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 971,283</u></u>

NOTE 3: DEPOSITS AND INVESTMENTS

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

Cash and Cash Equivalents	Financial Statement Value 9/30/2020	Valuation Method
Deposits with FDIC Institutions	\$ 15,197,547	Cost
Total Cash and Cash Equivalents	\$ 15,197,547	

Kootenai County Comprehensive Annual Financial Report – FY 2020

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, 2020:

Investments	Fair Value at 9/30/2020	Fair Value Measurements Using			Valuation Method
		Level 1	Level 2	Level 3	
<i>Other Investments:</i>					
State of Idaho Diversified Bond Fund	\$ 43,305,030				Net Asset Value
Local Gov't Investment Pool					
Idaho State Treasurer's Office	49,283,280				Net Asset Value
Total Other Investments	92,588,310				
Total Investments at Fair Value	\$ 92,588,310	\$ -	\$ -	\$ -	

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				
Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Diversified Bond Fund	\$ 43,305,030	None	Monthly	5-25 days
Local Gov't Investment Pool	49,283,280	None	Daily	1-3 days

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

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

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

The County’s fair value of its position in the pool closely approximates the same as the per share value of total Investment Pool. However, the LGIP Pool had an insignificant unrealized loss. The County’s unrecorded portion of the loss totaled \$130,315. The State of Idaho’s reported weighted average maturity of investments for short-term LGIP funds is 158 days, and DBF is 2.88 years, at September 30, 2020.

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. The County does not have a specific investment policy managing its exposure to interest rate risk.

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

Concentration of credit risk - Kootenai County has no limitations for concentration risk of any one issuer nor participation maximums in the investment pools provided by the STO. As of September 30, 2020, investments comprising greater than 5% of overall portfolio value were as follows:

Investment Institution	Portfolio %
State of Idaho Diversified Bond Fund	46.8%
State of Idaho Local Government Investment Pool	53.2%

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.

Custodial Credit Risk, deposits—component units: As of the same date, the Kootenai County Emergency Medical Services System (KCEMSS) had no exposure to custodial credit risk because all of KCEMSS’ cash and investment balances of \$2,925,490 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, had limited exposure to custodial credit risk because \$481,078 of North Idaho Fair & Rodeo’s bank balance of \$582,390 was insured or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the North Idaho Fair & Rodeo’s name.

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

NOTE 4: RECEIVABLES

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

	General	Other Governmental Funds	Proprietary Funds	Total
Accounts Receivable:				
Taxes	\$ 51,466,091	\$ 40,847	\$ -	\$ 51,506,938
General accounts	3,180,803	417,305	994,078	4,592,186
Grants	289,515	3,023,493	-	3,313,008
Gross Accounts Receivable	54,936,409	3,481,645	994,078	59,412,132
Less: allowance for doubtful accounts	-	(10,000)	(35,000)	(45,000)
Net Total Accounts Receivables	\$ 54,936,409	\$ 3,471,645	\$ 959,078	\$ 59,367,132

Kootenai County Comprehensive Annual Financial Report – FY 2020

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	\$ 51,314,811	\$ -
Delinquent property taxes receivable (general fund)	84,646	-
Delinquent property taxes receivable (other governmental funds)	26,688	-
Advanced Revenue:		
Intergovernmental services not yet performed (general fund)	-	892,520
Special Revenue services not yet performed (other governmental funds)	-	276,763
Grant draw downs prior to meeting all eligibility requirements	-	2,251,386
Total unavailable and advanced revenue for governmental funds	\$ 51,426,145	\$ 3,420,669

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 (in thousands) is as follows:

	Balance 9/30/19	Additions	Deletions	Transfers	Balance 9/30/20
Governmental Activities					
Capital assets, not being depreciated:					
Other Assets	\$ 435	\$ -	\$ -	\$ -	\$ 435
Land	7,933	-	-	-	7,933
Construction in progress	3,585	5,834	-	(4,725)	4,694
Total capital assets, not being depreciated	11,953	5,834	-	(4,725)	13,062
Capital assets, being depreciated:					
Buildings	57,331	106	(1)	3,052	60,488
Improvements other than buildings	49,058	112	(8,583)	1,107	41,694
Machinery and equipment	32,635	1,943	(572)	566	34,572
Total capital assets, being depreciated	139,024	2,161	(9,156)	4,725	136,754
Less accumulated depreciation for:					
Buildings	(29,473)	(1,917)	1	-	(31,389)
Improvements other than buildings	(36,376)	(2,395)	8,542	-	(30,229)
Machinery and equipment	(26,233)	(2,248)	553	-	(27,928)
Total accumulated depreciation	(92,082)	(6,560)	9,096	-	(89,546)
Total capital assets, being depreciated, net:	46,942	(4,399)	(60)	4,725	47,208
Government activity capital assets, net:	\$ 58,895	\$ 1,435	\$ (60)	\$ -	\$ 60,270

Kootenai County Comprehensive Annual Financial Report – FY 2020

Business-type Activities	Balance 9/30/19	Additions	Deletions	Transfers	Balance 9/30/20
Capital assets, not being depreciated:					
Land	\$ 1,896	\$ -	\$ -	\$ -	\$ 1,896
Construction in progress	3,287	1,383	-	(1,877)	2,793
Total capital assets, not being depreciated	<u>5,183</u>	<u>1,383</u>	<u>-</u>	<u>(1,877)</u>	<u>4,689</u>
Capital assets, being depreciated:					
Buildings	917	20	-	1,544	2,481
Improvements other than buildings	3,530	40	-	333	3,903
Machinery and equipment	14,853	1,541	(99)	-	16,295
Transfer Stations	20,058	-	-	-	20,058
Landfill	26,580	1,111	-	-	27,691
Total capital assets, being depreciated	<u>65,938</u>	<u>2,712</u>	<u>(99)</u>	<u>1,877</u>	<u>70,428</u>
Less accumulated depreciation for:					
Buildings	(701)	(16)	-	-	(717)
Improvements other than buildings	(2,431)	(252)	-	-	(2,683)
Machinery and equipment	(11,602)	(1,198)	99	-	(12,701)
Transfer Stations	(10,570)	(2,079)	-	-	(12,649)
Landfill	(17,945)	(674)	-	-	(18,619)
Total accumulated depreciation	<u>(43,249)</u>	<u>(4,219)</u>	<u>99</u>	<u>-</u>	<u>(47,369)</u>
Total capital assets, being depreciated, net:	<u>22,689</u>	<u>(1,507)</u>	<u>-</u>	<u>1,877</u>	<u>23,059</u>
Business-type activities capital assets, net:	<u>\$ 27,872</u>	<u>\$ (124)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,748</u>

Depreciation expense charged by function of the primary government during fiscal year 2020:

Governmental Activities:	
General Government	\$ 1,586,530
Public Works	1,774,831
Public Safety	2,832,676
Sanitation Weeds	5,347
Culture and Recreation	360,723
Total governmental activities current year depreciation expense	<u>\$ 6,560,107</u>
Business-Type Activity:	
Solid Waste	\$ 4,218,332
Total business-type activities current year depreciation expense	<u>\$ 4,218,332</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

Discretely presented component unit Capital Asset Activity:

Activity for the Kootenai County Emergency Medical Services System for the year ended September 30, 2020, was as follows:

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
KCEMSS Component Unit Activity				
Capital assets, not being depreciated:				
Land	\$ 403,990	\$ -	\$ -	\$ 403,990
Total capital assets, not being depreciated	403,990	-	-	403,990
Capital assets, being depreciated:				
Building	1,294,996	-	-	1,294,996
Machinery and equipment	1,239,180	295,767	-	1,534,947
Vehicles	3,424,727	-	-	3,424,727
Total capital assets, being depreciated	5,958,903	295,767	-	6,254,670
Less accumulated depreciation for:				
Building	(314,773)	(57,747)	-	(372,520)
Machinery and equipment	(718,984)	(139,680)	-	(858,664)
Vehicles	(1,648,488)	(432,687)	-	(2,081,175)
Total accumulated depreciation	(2,682,245)	(630,114)	-	(3,312,359)
Total capital assets, being depreciated, net	3,276,658	(334,347)	-	2,942,311
KCEMSS activity capital assets, net	\$ 3,680,648	\$ (334,347)	\$ -	\$ 3,346,301

Activity for the North Idaho Fair and Rodeo for the year ended December 31, 2019 was as follows:

	Balance 12/31/2018	Additions	Deletions	Transfers	Balance 12/31/2019
North Idaho Fair Component Unit Activity					
Capital assets not being depreciated:					
Construction in Progress	\$ 860,131	\$ -	\$ -	\$ (860,131)	\$ -
Total capital assets, not being depreciated	\$ 860,131	\$ -	\$ -	\$ (860,131)	\$ -
Capital assets, being depreciated:					
Machinery and Equipment	\$ 407,494	\$ 56,851	\$ -	\$ -	\$ 464,345
Buildings	3,303,637	175,446	-	860,131	4,339,214
Total capital assets, being depreciated	3,711,131	232,297	-	860,131	4,803,559
Less accumulated depreciation for:					
Machinery and Equipment	(337,530)	(16,233)	-	-	(353,763)
Buildings	(1,589,569)	(113,822)	-	-	(1,703,391)
Total accumulated depreciation	(1,927,099)	(130,055)	-	-	(2,057,154)
Total capital assets, being depreciated, net	1,784,032	102,242	-	860,131	2,746,405
North Idaho Fair activity capital assets, net	\$ 2,644,163	\$ 102,242	\$ -	\$ -	\$ 2,746,405

Kootenai County Comprehensive Annual Financial Report – FY 2020

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, 2020.

Fiscal Year Ending Ending September 30,	Governmental Activities
2021	\$ 250,343
2022	73,925
2023	52,277
2024	13,069
Total Minimum Payments Required	\$ 389,614

The total expenditure for operating leases during the fiscal year ending September 30, 2020, approximated \$255,000. Approximate values of future minimum lease obligations include:

- County department building leases, \$120,000.
- Printing services commercial copier equipment, \$171,000.
- 9-1-1 emergency service repeater tower and equipment, \$61,000.
- Sheriff's boat moorage leases, \$38,000.

Capital Leases:

In fiscal 2020, the County entered into a lease for 24 Sheriff Patrol vehicles with principal payments totaling \$1,320,000 for Sheriff Patrol vehicles which will be paid from Justice General Fund and accounted for in the General Long-Term Debt Fund. The lease term is two (2) years with two (2) annual payments subject to annual appropriation of funds by the County, with an interest rate of 2.070%. The first lease payment is due in February 2021. Ownership of the patrol vehicles will transfer to the County upon the payment of the outstanding lease obligation, on or before February 2022. The historical cost of the leased vehicles is \$1,592,477 at year end and is reported as Construction-in-Progress until assets are placed into service.

The following is a summary of minimum lease payments exclusive of insurance, maintenance and repairs:

Sheriff Patrol Vehicle Lease			
Year Ending Sept. 30	Principal	Interest	Total Lease Payment
2021	\$ 653,727	\$ 26,338	\$ 680,065
2022	666,273	13,792	680,065
	\$ 1,320,000	\$ 40,130	
Total minimum lease payments			1,360,130
Less: Amount Representing interest			40,130
Present value of net minimum lease payments			\$ 1,320,000

Kootenai County Comprehensive Annual Financial Report – FY 2020

Component Unit Capital Leases: For the year ended December 31, 2019, North Idaho Fair & Rodeo paid off a lease agreement for equipment of \$2,077. The Fair has no other lease obligations as of December 31, 2019. KCEMSS had 3 outstanding capital leases payable totaling \$843,872 for the year ending September 30, 2020, with amounts due within one year of \$438,948.

NOTE 7: GENERAL LONG-TERM OBLIGATIONS

Changes in Long-term Obligations:

During the year ending September 30, 2020, the following changes occurred with liabilities reported in the general long-term obligations:

	Balance 10/1/2019	Additions	Reductions	Balance 9/30/2020	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
<i>Other Liabilities:</i>					
Compensated Absences	\$ 5,818,621	\$ 546,577	\$ 268,860	\$ 6,096,338	\$ 814,518
Governmental non-current liabilities	\$ 5,818,621	\$ 546,577	\$ 268,860	\$ 6,096,338	\$ 814,518
BUSINESS-TYPE ACTIVITIES					
Compensated Absences	\$ 312,191	\$ 50,788	\$ 1,195	\$ 361,784	\$ 25,815
Business-type non-current liabilities	\$ 312,191	\$ 50,788	\$ 1,195	\$ 361,784	\$ 25,815

At September 30, 2020, Countywide compensated absences payable total \$6,458,122. Of this liability, \$6,096,338 is governmental activity obligation, and \$361,784 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 \$268,860 for Governmental Fund employees, and \$1,195 for Business-type fund employees.

NOTE 8: LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

Federal and State regulations guiding landfill closure requires the County to implement a final closure plan at Fighting Creek that includes proper ventilation, landfill monitoring systems, and permanent cover and landscaping. After closure, the County is required to maintain and monitor the landfill site for thirty years. The County accounts for the future closure and post closure obligation by maintaining a closure liability based on the relative amount of waste received during the period. Restricted cash and investment assets equal to the liability are reserved to meet this future obligation. The amount recognized each year is based on the landfill capacity used as of the balance sheet date relative to the final capacity of the landfill. Based upon actual utilization and closure costs incurred, for the Fighting Creek Landfill through 2019-2020, closure/post-closure expenses of \$546,000 were recognized for the year ending September 30, 2020.

A total of \$9,578,000 has been recognized for closure and post-closure liability as of the statement of net position date. The current liability balance is based on 74% utilization of the total landfill estimated capacity of 4,706,700 tons and net estimated closure and post-closure costs of \$12,933,671. This amount totals \$13,100,400, less a reduction for actual closure expenses incurred of \$166,729. The remainder of the estimated closure/post-closure costs of \$3,355,671 will be recognized, on a pro-rata basis, as the remaining usable landfill space in the current cell is filled. The original cell at Fighting Creek Landfill is expected to reach interim close level sometime in 2029. However, the final closure of the original cell will be performed when the adjacent cells in development reach capacity projected to occur after 2040.

Funds totaling \$9,578,000 have been reserved in the Solid Waste Enterprise Fund to meet the funding requirements for closure and post-closure costs. These restricted assets are invested in the Idaho State Investment Pool and other similar investment vehicles as a way to have funds available to pay future closure costs.

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

NOTE 9: RISK MANAGEMENT

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

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

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

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 2019-2020 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. ICRMP pays the first \$750,000 of any liability claim out of its own pool of funds. GENESIS reinsurance pays any amounts above \$750,000 up to \$3,000,000. Additionally ICRMP provides \$2,000,000 in defense costs not reinsured.

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 of \$250,000 up to the limit of \$200,000,000 per occurrence are reinsured by Counties Reinsurance Limited. 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: non hazard property Flood and/or Earthquake losses are covered up to \$62,500,000; and high hazard flood property coverage is \$12,500,000, after meeting applicable deductibles.

On December 31, 2020, the County had multiple outstanding claims, none of which had more than remote possibility of adverse judgment against the County. For all pending claims, the County's legal staff maintains the position that the County bears little or no loss liability, based upon the strength of the claims and prior experience. Settlements paid did not exceed the County's reserves set aside for self-insurance. Accordingly, no liability for losses has been reported on the balance sheet, as was the case in the prior year.

The County provides employees health benefits through a self-funded health insurance plan. Health costs are charged internally through the bi-weekly payroll process; and charges to County departments and employees are based on actual participation. As of September 30, 2020, 9 past employees have elected to pay the full premium cost to remain on the County's health insurance plan.

Kootenai County Comprehensive Annual Financial Report – FY 2020

The County’s self-funded health plan is administered on a contract basis by a third party administrator. Claims are paid by the administrator and are reimbursed by the County. Reinsurance for both specific and annual aggregate stop-loss coverage limits the County’s liability against catastrophic claims. Specific stop-loss covers individual claims in excess of \$175,000 after exceeding a single aggregate claim amount of \$100,000. The current attachment point for annual aggregate stop-loss coverage has been set at \$10,659,451. Stop-loss claims received during FY20 totaled \$329,686, compared to FY19 Stop-loss claims of \$328,669. The Health Insurance Net Position at September 30, 2020 was \$2,101,753. Estimated claims outstanding (incurred but not received – “IBNR”), as of fiscal year end was \$673,000 based on health plan consultant’s actuarial estimate.

Fiscal Year	Beginning IBNR	Claims Incurred	Payments on claims	Ending IBNR
2020	\$ 634,000	9,739,258	9,700,258	\$ 673,000
2019	\$ 634,000	8,701,862	8,701,862	\$ 634,000

NOTE 10: 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 (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2% (2.3% for police) of the average monthly salary for the highest consecutive 42 months.

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

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police. The PERSI Retirement Board increased the required contribution rates for payroll periods after July 1, 2020. The new rates for employee contributions are 7.16% for general plan employees and 8.81% for police employees. The new employer contribution rates as a percent of covered payroll are 11.94% for general employees and 12.28% for police. Kootenai County contributions were \$5,237,797 for the year ended September 30, 2020.

Kootenai County Comprehensive Annual Financial Report – FY 2020

Employer PERSI Contributions

7/1/2018 to 6/30/2019	\$ 5,134,667
Less: PY Contributions from 7/1/2019 to 9/30/2019	(1,140,868)
Contributions from 7/1/2020 to 9/30/2020	1,243,998
Total Contributions 10/1/2019 to 9/30/2020	\$ 5,237,797

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions – At September 30, 2020, Kootenai County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Kootenai County’s proportion of the net pension liability was based on Kootenai County’s share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. Kootenai County’s proportion as of June 30 for the prior 3 years: 1.2076759% for 2020, 1.2080283% for 2019, and 1.2014523% for 2018.

For the year ended September 30, 2020, Kootenai County recognized pension expense of \$4,938,386. At September 30, 2020, 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	\$ 2,191,084	\$ 915,691
Changes in Assumptions or other inputs	474,273	-
Net difference between projected and actual earnings on pension plan investments	3,214,362	-
Employer change in proportionate share	228,961	287,309
Employer contributions subsequent to the measurement date	1,243,998	-
Total	\$ 7,352,678	\$ 1,203,000

Kootenai County reported \$1,243,998 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending September 30, 2021.

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, 2019 the beginning of the measurement period ended June 30, 2020 is 4.7 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:	
2021	\$ (77,872)
2022	\$ 1,276,958
2023	\$ 1,618,564
2024	\$ 2,088,026

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.

Kootenai County Comprehensive Annual Financial Report – FY 2020

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

An experience study was performed for the period 2013 through 2017 for the PERSI Base Plan, which reviewed all economic and demographic assumptions. The Total Pension Liability as of June 30, 2020 is based on the results of an actuarial valuation date July 1, 2020.

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

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

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:

Capital Market Assumptions	Target Allocation	Long-Term Expected Nominal Rate of (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Asset Class			
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			7.05%

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

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

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's net pension (asset) liability	\$ 57,510,215	\$ 28,043,831	\$ 3,679,934

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.

Payables to the Pension Plan - At September 30, 2020, Kootenai County had no reported payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Kootenai County Comprehensive Annual Financial Report – FY 2020

NOTE 11: 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 12: JOINTLY GOVERNED ORGANIZATIONS

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

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

Kootenai County 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 year ending September 30, 2020.

NOTE 13: 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 14: INTERNAL BALANCES AND INTERFUND TRANSFERS

The internal balances between funds as of September 30, 2020 are as follows:

Receivable Fund	(Payable) Funds
<i>Major Fund:</i>	
General Fund	\$ 321,710
<i>Other Governmental Funds:</i>	
FTA Public Transportation	\$ (167,054)
Capital Projects	(154,656)
Total	\$ -

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

Interfund transfers:

		Transfer in		
		General Fund	Other	
			Governmental Funds	Enterprise Fund
Transfer Out	General Fund	\$ (3,710,242)	\$ 3,709,799	\$ 443
	Other Governmental Funds	36,050	(36,050)	-
	Enterprise Funds	755,964	44,996	(800,960)
	Total	<u>\$ (2,918,228)</u>	<u>\$ 3,718,745</u>	<u>\$ (800,517)</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:

- General fund transfers of \$3,408,329 to other government funds combining all District Court operations into a single fund.
- General fund transfers of \$254,716 to other governmental funds to cover Wage Adjustments.
- General Fund transfer to support other governmental fund programs (Centennial Trail – \$10,000).
- General fund transfers to other governmental funds of \$21,754 and to Solid Waste of \$443 to provide sick leave termination.
- General fund transfer to other governmental funds of \$15,000 to provide contingency support for emergency costs.
- Aquifer Protection Fund transfer of \$36,050 to General Fund to provide administrative services.
- Solid Waste transfer to general government of \$755,964 and Health District of \$44,996, to provide administrative and overhead costs.

Kootenai County Comprehensive Annual Financial Report – FY 2020

NOTE 15: FUND EQUITY

Fund Equity Balances:

At September 30, 2020, the details of fund equity balances are as follows:

Fund Balances:	General	Non-Major Other Govt	Total
Nonspendable:			
Prepays	\$ 227,199	\$ 21,054	\$ 248,253
Total Nonspendable	<u>227,199</u>	<u>21,054</u>	<u>248,253</u>
Restricted			
Juvenile justice services	219,142	-	219,142
Enhanced 9-1-1 Services	777,573	-	777,573
Court facility construction	612,436	-	612,436
Sheriff Commissary	231,363	-	231,363
Sheriff Drug Seizure & Donations	200,025	-	200,025
Court interlock devices	-	128,127	128,127
Appropriated for Operations	226,486	8,408,708	8,635,194
Appropriated for Capital Projects	-	232,185	232,185
Total Restricted	<u>2,267,025</u>	<u>8,769,020</u>	<u>11,036,045</u>
Committed:			
Justice Center Building	4,792,533	-	4,792,533
Facilities Projects	593,601	-	593,601
Info Systems Projects	286,104	-	286,104
Other Capital Projects	581,454	-	581,454
Appropriated for Operations	1,532,638	-	1,532,638
Total Committed	<u>7,786,330</u>	<u>-</u>	<u>7,786,330</u>
Assigned			
Capital Project Reserve-Facilities Master Plan	6,322,595	-	6,322,595
Capital Project Reserve-Info System Infrastructure	1,000,000	-	1,000,000
Health Care	1,504,296	-	1,504,296
General Fund and Grant Match Reserves	4,448,453	-	4,448,453
Total Assigned	<u>13,275,344</u>	<u>-</u>	<u>13,275,344</u>
Unassigned	20,299,684	(1,911)	20,297,773
Total fund balances	<u><u>\$ 43,855,582</u></u>	<u><u>\$ 8,788,163</u></u>	<u><u>\$ 52,643,745</u></u>

Required Supplementary Information



Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 44,204,258	\$ 44,204,258	\$ 44,992,748	\$ 788,490
Licenses and permits	1,448,153	1,448,153	1,316,888	(131,265)
Intergovernmental	12,788,514	19,288,997	15,474,194	(3,814,803)
Interest	1,260,000	1,260,000	2,913,989	1,653,989
Fines and forfeitures	389,100	389,100	415,875	26,775
Charges for services	8,114,017	8,400,889	9,150,172	749,283
Miscellaneous	6,494,148	8,779,991	847,543	(7,932,448)
<i>Total Revenues</i>	<u>74,698,190</u>	<u>83,771,388</u>	<u>75,111,409</u>	<u>(8,659,979)</u>
<u>Expenditures</u>				
Current:				
General government				
Assessor	1,954,919	2,022,843	1,871,575	151,268
Building & grounds	607,458	629,774	650,459	(20,685)
County auto shop	226,613	240,300	238,375	1,925
County clerk	5,848,300	2,573,847	2,438,059	135,788
County commissioner	651,365	1,006,234	922,277	83,957
County grant writer	232,787	239,635	230,934	8,701
General accounts	4,066,294	4,573,421	1,804,849	2,768,572
Office of emergency management	266,008	846,560	583,378	263,182
Human resources	460,114	476,062	429,659	46,403
Information services	2,509,376	2,569,567	2,246,947	322,620
Liability insurance	810,701	810,701	811,850	(1,149)
Community development	2,174,118	2,228,511	2,192,887	35,624
Prosecuting attorney	4,161,712	4,377,661	4,429,874	(52,213)
Public defender	3,578,651	4,871,967	4,195,391	676,576
Reprographics/mail room	274,504	279,659	267,763	11,896
Treasurer	837,268	873,845	703,490	170,355
Veterans services	117,375	125,229	124,140	1,089

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<i>(Continued)</i>				
Public safety				
9-1-1	3,912,674	4,068,767	3,722,102	346,665
Adult misdemeanor probation	880,574	949,065	904,662	44,403
Coroner	451,196	470,591	438,720	31,871
Justice - general accounts	1,998,406	2,306,411	2,116,691	189,720
Juvenile detention center	2,767,455	2,922,393	2,782,890	139,503
Juvenile diversion	327,402	341,694	322,527	19,167
Juvenile probation	1,276,049	1,478,589	1,277,711	200,878
Sheriff	26,833,064	28,001,406	28,102,316	(100,910)
Health & welfare				
County assistance	441,330	441,330	339,284	102,046
Capital outlay:				
Capital expenditures	2,735,490	6,275,440	4,571,886	1,703,554
Construction in progress	5,079,000	6,152,657	541,651	5,611,006
Total Expenditures	<u>75,480,203</u>	<u>82,154,159</u>	<u>69,262,347</u>	<u>12,891,812</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(782,013)</u>	<u>1,617,229</u>	<u>5,849,062</u>	<u>4,231,833</u>
Other Financing Sources (Uses)				
Capital Lease Acquisition	-	1,320,000	1,320,000	-
Transfers In	874,321	2,734,889	792,016	(1,942,873)
Transfers (out)	(92,308)	(5,672,118)	(3,710,242)	1,961,876
Total Other Financing Sources (Uses)	<u>782,013</u>	<u>(1,617,229)</u>	<u>(1,598,226)</u>	<u>19,003</u>
Revenues and Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>4,250,836</u>	
Fund Balances Beginning of Year			<u>39,604,746</u>	
Fund Balances End of Year			<u>\$ 43,855,582</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, 2020

Basis of Budgetary Accounting

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

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

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

Stewardship, Compliance, and Accountability

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

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

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

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

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

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

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

The level of budgetary control at which expenditures may not exceed appropriations is the elected official level. Budgeted expenditures are considered in total by elected officials across all County funds (general fund, special revenue funds, and enterprise funds). No elected official group exceeded final amended budget for Fiscal year 2020. Explanations of overspending at the fund level include the following:

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

Kootenai County Board of County Commissioners approved multiple unexpended capital projects totaling \$7,795,182 to be carried forward from the prior fiscal year budget as allowed by Idaho Code Section 31, Chapter 16. The following schedule details the in-process projects carried over from prior year:

	Carryforward Balance 10/1/2019	Appropriation FY 2020	Expenditures FY 2020	Carryforward Balance 9/30/2020
Landfill Capital Improvement Projects	\$ 1,275,566	\$ 249,998	\$ 1,131,289	\$ 394,275
Landfill Closure / Post Closure Project	357,412	100,000	42,283	415,129
HazMat Facility Remodel	430,381	(430,381)	-	-
Reader Board	55,122	(47,622)	-	7,500
Prairie Vehicles	407,164	1,290,972	1,527,382	170,754
Landfill Vehicles	1,179	(1,179)	-	-
Prairie Facility Improvements	130,251	75,000	101,616	103,635
Rural Systems Improvements	91,723	80,000	6,180	165,543
Video Surveillance	22,017	-	7,938	14,079
SH Evidence Storage Remodel	26,167	-	835	25,332
IT Software Projects	1,721	-	-	1,721
Access Control Project/Spillman, Bomgar	47,300	69,305	43,948	72,657
911- Pole Barn/Radio Room Reconfiguration	79,667	(30,293)	32,366	17,008
911 - Pole Barn/Radio Room/Trunking Gateway/MCU/Pro QA	727,978	818,629	1,156,046	390,561
Capital Archiving Project	93,350	(18,000)	-	75,350
Elections Remodel	-	7,500	-	7,500
Computer Hardware Projects	3,678	-	-	3,678
Network	46,272	293,621	194,552	145,341
Delayed IT Projects (COVID delay)	-	62,707	-	62,707
Facilities Improvement Projects	29,117	4,770,883	7,468	4,792,532
Jail Expansion (Underground Storage Tank)	309,906	(70,883)	146,636	92,387
Facilities Building Repair & Maintenance 5YP	131,943	232,897	334,618	30,222
Parking Projects (complete)	318,148	(318,148)	-	-
Coroner's Office Project (complete)	13,057	(13,057)	-	-
HR-Recruiting Project	3,667	37,500	3,077	38,090
SH-Recruiting - retention funds	22,500	(22,500)	-	-
Jail Body Scanner	78,327	50,463	5,735	123,055
SH Safety Equipment (COVID delay)	-	11,269	-	11,269
SH-Patrol Vehicles	-	1,985,043	1,632,951	352,092
SH-Pro Standards Work Release Center Remodel	-	12,188	-	12,188
Centennial Trail Signage Project	13,555	(13,555)	-	-
Mobile Assessor Software Project	-	136,283	55,520	80,763
Phantom Drive Paving Project	39,603	-	-	39,603
Airport Utilities	30,000	-	-	30,000
Marine Storage Building CIP - Architect Fees	95,877	(12,424)	1,632	81,821
Ongoing District Court Judges Project	5,613	-	-	5,613
District Court Clerks Software Setup (COVID delay)	-	8,416	-	8,416
Ongoing District Court Clerks Construction Project	-	24,361	-	24,361
Total Carryforward	\$ 4,888,261	\$ 9,338,993	\$ 6,432,072	\$ 7,795,182

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Schedule of Employer’s Share of Net Pension Liability - PERSI For the Year Ended September 30, 2020

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

	2015 ⁽²⁾	2016 ⁽²⁾	2017 ⁽²⁾	2018 ⁽²⁾	2019 ⁽²⁾	2020 ⁽²⁾
Proportion of the net pension liability	1.2024%	1.2650%	1.1721%	1.2015%	1.2080%	1.2077%
Proportionate share of the net pension liability	\$ 15,833	\$ 25,645	\$ 18,423	\$ 17,722	\$ 13,789	\$ 28,044
Covered payroll	\$ 33,347	\$ 36,726	\$ 36,210	\$ 38,420	\$ 37,681	\$ 42,633
Proportionate share of the net pension liability as a percentage of its covered payroll	47.48%	69.83%	50.88%	46.13%	36.59%	65.78%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%

(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 2020

KOOTENAI COUNTY, IDAHO Schedule of Employer’s Contributions For the Year Ended September 30, 2020

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

	2015 ⁽²⁾	2016 ⁽²⁾	2017 ⁽²⁾	2018 ⁽²⁾	2019 ⁽²⁾	2020 ⁽²⁾
Contractually required contributions	\$ 3,881	\$ 4,059	\$ 4,173	\$ 4,447	\$ 4,735	\$ 4,645
Contributions in relation to the contractually required contributions	(3,881)	(4,059)	(4,173)	(4,447)	(4,735)	(4,645)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 34,023	\$ 35,591	\$ 36,489	\$ 39,061	\$ 41,077	\$ 43,404
Contributions as a percentage of covered payroll	11.41%	11.40%	11.44%	11.38%	11.53%	10.70%

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

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

Supplementary Information



Non-major Governmental Funds Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Combining Financial Statements



Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Governmental Funds September 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
Assets			
Cash in bank and investments	\$ 8,891,435	\$ -	\$ 8,891,435
Taxes delinquent-receivable	40,847	-	40,847
Accounts receivable (net)	407,305	-	407,305
Grants receivable	1,174,248	1,849,245	3,023,493
Prepays	21,054	-	21,054
Total Assets	\$ 10,534,889	\$ 1,849,245	\$ 12,384,134
Liabilities			
Accounts payable	\$ 641,662	\$ 1,694,589	\$ 2,336,251
Advanced revenues-other	276,763	-	276,763
Advanced revenues-grants	634,559	-	634,559
Due to other funds	167,054	154,656	321,710
Total Liabilities	1,720,038	1,849,245	3,569,283
Deferred Inflows of Resources			
Unavailable property taxes	26,688	-	26,688
Total Deferred Inflows of Resources	26,688	-	26,688
Fund Balances:			
Nonspendable	21,054	-	21,054
Restricted	8,769,020	-	8,769,020
Committed	-	-	-
Assigned	-	-	-
Unassigned	(1,911)	-	(1,911)
Total Fund Balances	8,788,163	-	8,788,163
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,534,889	\$ 1,849,245	\$ 12,384,134

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2020

	Centennial Trail	Tourism Promotion	Airport	County Fair	Noxious Weeds
Assets					
Cash in bank and investments	\$ 150,115	\$ 978	\$ 1,251,708	\$ 17,057	\$ 48,023
Taxes delinquent-receivable	-	-	1,060	254	998
Accounts receivable (net)	-	360	-	-	-
Grants receivable	-	-	-	259,555	-
Prepays	-	-	950	-	-
Total Assets	\$ 150,115	\$ 1,338	\$ 1,253,718	\$ 276,866	\$ 49,021
Liabilities					
Accounts payable	\$ -	\$ -	\$ 36,172	\$ 273,895	\$ 2,491
Advanced revenues	-	-	73,924	-	2,000
Advanced grant revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	110,096	273,895	4,491
Deferred Inflows of Resources					
Unavailable property taxes	-	-	599	127	511
Total deferred inflows of resources	-	-	599	127	511
Fund Balances:					
Nonspendable	-	-	950	-	-
Restricted	150,115	1,338	1,142,073	2,844	44,019
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	150,115	1,338	1,143,023	2,844	44,019
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 150,115	\$ 1,338	\$ 1,253,718	\$ 276,866	\$ 49,021

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2020

	Health District		Historical Society		Parks		Snowmobile		County Vessel	
Assets										
Cash in bank and investments	\$	179,806	\$	2,224	\$	297,236	\$	125,126	\$	212,063
Taxes delinquent-receivable		2,261		87		1,006		-		-
Accounts receivable (net)		-		-		-		-		278,527
Grants receivable		-		13,000		-		-		-
Prepays		-		-		3,523		-		14,175
Total Assets		\$ 182,067		\$ 15,311		\$ 301,765		\$ 125,126		\$ 504,765
Liabilities:										
Accounts payable	\$	-	\$	9,099	\$	6,477	\$	10,163	\$	13,887
Advanced revenues		-		-		31,320		-		-
Advanced grant revenues		-		-		-		-		-
Due to other funds		-		-		-		-		-
Total Liabilities		-		9,099		37,797		10,163		13,887
Deferred Inflows of Resources										
Unavailable property taxes		1,137		55		504		-		-
Total deferred inflows of resources		1,137		55		504		-		-
Fund Balances:										
Nonspendable		-		-		3,523		-		14,175
Restricted		180,930		6,157		259,941		114,963		476,703
Committed		-		-		-		-		-
Assigned		-		-		-		-		-
Unassigned		-		-		-		-		-
Total Fund Balances		180,930		6,157		263,464		114,963		490,878
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	182,067	\$	15,311	\$	301,765	\$	125,126	\$	504,765

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2020

	Public Access	Indigent	FTA Public Transit	District Court
Assets				
Cash in bank and investments	\$ 11,489	\$ 3,593,543	\$ -	\$ 1,231,152
Taxes delinquent-receivable	-	-	-	5,316
Accounts receivable (net)	-	-	-	96,508
Grants receivable	-	-	901,693	-
Prepays	-	-	1,911	-
Total Assets	\$ 11,489	\$ 3,593,543	\$ 903,604	\$ 1,332,976
Liabilities:				
Accounts payable	\$ -	\$ 55,683	\$ 97,541	\$ 58,183
Advanced revenues	-	3,122	4,450	161,947
Advanced grant revenues	-	-	634,559	-
Due to other funds	-	-	167,054	-
Total Liabilities	-	58,805	903,604	220,130
Deferred Inflows of Resources				
Unavailable property taxes	-	(140)	-	2,790
Total deferred inflows of resources	-	(140)	-	2,790
Fund Balances:				
Nonspendable	-	-	1,911	-
Restricted	11,489	3,534,878	-	1,110,056
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(1,911)	-
Total Fund Balances	11,489	3,534,878	-	1,110,056
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,489	\$ 3,593,543	\$ 903,604	\$ 1,332,976

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2020

	Revaluation	KCEMSS	Aquifer Protections	Total Nonmajor Special Revenue Funds
Assets				
Cash in bank and investments	\$ 807,947	\$ 19,991	\$ 942,977	\$ 8,891,435
Taxes delinquent-receivable	7,536	9,059	13,270	40,847
Accounts receivable (net)	-	31,910	-	407,305
Grants receivable	-	-	-	1,174,248
Prepays	495	-	-	21,054
Total Assets	\$ 815,978	\$ 60,960	\$ 956,247	\$ 10,534,889
Liabilities:				
Accounts payable	\$ 1,540	\$ 15,692	\$ 60,839	\$ 641,662
Advanced revenues	-	-	-	276,763
Advanced grant revenues	-	-	-	634,559
Due to other funds	-	-	-	167,054
Total Liabilities	1,540	15,692	60,839	1,720,038
Deferred Inflows of Resources				
Unavailable property taxes	3,782	5,042	12,281	26,688
Total deferred inflows of resources	3,782	5,042	12,281	26,688
Fund Balances:				
Nonspendable	495	-	-	21,054
Restricted	810,161	40,226	883,127	8,769,020
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(1,911)
Total Fund Balances	810,656	40,226	883,127	8,788,163
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 815,978	\$ 60,960	\$ 956,247	\$ 10,534,889

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Capital Projects Funds For the Year Ended September 30, 2020

	General Construction Capital Projects	Total Nonmajor Capital Project Fund
Assets		
Cash in bank and investments	\$ -	\$ -
Grants receivable	1,849,245	1,849,245
Prepays	-	-
<i>Total Assets</i>	\$ 1,849,245	\$ 1,849,245
 Liabilities		
Accounts payable	\$ 1,694,589	\$ 1,694,589
Advanced grant revenues	-	-
Due to other funds	154,656	154,656
<i>Total Liabilities</i>	1,849,245	1,849,245
 Fund Balances		
Unassigned	-	-
<i>Total Fund Balances</i>	-	-
 <i>Total Liabilities and Fund Balances</i>	 \$ 1,849,245	 \$ 1,849,245

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the Year Ended September 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 9,560,277	\$ -	\$ 9,560,277
Licenses and permits	124,196	-	124,196
Intergovernmental	3,463,092	2,450,835	5,913,927
Interest	414	-	414
Fines and forfeitures	774,312	-	774,312
Charges for services	1,696,007	-	1,696,007
Miscellaneous	765,337	611,064	1,376,401
<i>Total Revenues</i>	<u>16,383,635</u>	<u>3,061,899</u>	<u>19,445,534</u>
Expenditures			
Current:			
General government	7,630,132	-	7,630,132
Public works	1,099,995	74,543	1,174,538
Public safety	6,160,738	1,224,484	7,385,222
Sanitation	328,095	-	328,095
Health & welfare	1,699,889	-	1,699,889
Culture and recreation	1,159,306	463,584	1,622,890
Capital Outlay:			
Capital expenditures	1,129,683	-	1,129,683
Construction in progress	380,699	1,299,288	1,679,987
<i>Total Expenditures</i>	<u>19,588,537</u>	<u>3,061,899</u>	<u>22,650,436</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(3,204,902)</u>	<u>-</u>	<u>(3,204,902)</u>
Other Financing Sources (Uses)			
Transfers In	3,754,795	-	3,754,795
Transfers (out)	(36,050)	-	(36,050)
<i>Total Other Financing Sources (Uses)</i>	<u>3,718,745</u>	<u>-</u>	<u>3,718,745</u>
<i>Net Change in Fund Balances</i>	513,843	-	513,843
<i>Fund Balances Beginning of Year</i>	<u>8,274,320</u>	<u>-</u>	<u>8,274,320</u>
<i>Fund Balances End of Year</i>	<u>\$ 8,788,163</u>	<u>\$ -</u>	<u>\$ 8,788,163</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2020

	Centennial Trail	Tourism Promotion	Airport	County Fair	Noxious Weed
Revenues					
Taxes	\$ -	\$ -	\$ 328,973	\$ 82,061	\$ 342,949
Licenses and permits	-	-	-	-	-
Intergovernmental	-	1,151	4,452	428,590	2,500
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	20,000	-	991,754	-	141
Miscellaneous	-	-	59,467	45,000	-
<i>Total Revenues</i>	<u>20,000</u>	<u>1,151</u>	<u>1,384,646</u>	<u>555,651</u>	<u>345,590</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	1,099,995	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	328,095
Health & welfare	-	-	-	-	-
Culture and recreation	7,176	791	-	92,833	-
Capital outlay:					
Capital expenditures	-	-	147,290	224,709	4,215
Construction in progress	-	-	11,291	247,724	45,000
<i>Total Expenditures</i>	<u>7,176</u>	<u>791</u>	<u>1,258,576</u>	<u>565,266</u>	<u>377,310</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>12,824</u>	<u>360</u>	<u>126,070</u>	<u>(9,615)</u>	<u>(31,720)</u>
Other Financing Sources (Uses)					
Transfers in	10,000	-	18,538	-	6,472
Transfers (out)	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>10,000</u>	<u>-</u>	<u>18,538</u>	<u>-</u>	<u>6,472</u>
<i>Net Change in Fund Balances</i>	<u>22,824</u>	<u>360</u>	<u>144,608</u>	<u>(9,615)</u>	<u>(25,248)</u>
<i>Fund Balances Beginning of Year</i>	<u>127,291</u>	<u>978</u>	<u>998,415</u>	<u>12,459</u>	<u>69,267</u>
<i>Fund Balances End of Year</i>	<u>\$ 150,115</u>	<u>\$ 1,338</u>	<u>\$ 1,143,023</u>	<u>\$ 2,844</u>	<u>\$ 44,019</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2020

	Health District	Historical Society	Parks	Snowmobile	County Vessel
Revenues					
Taxes	\$ 773,710	\$ 26,162	\$ 348,127	\$ -	\$ -
Licenses and permits	-	-	-	78,311	-
Intergovernmental	-	13,000	-	-	784,954
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	400
Charges for services	-	-	129,577	-	-
Miscellaneous	-	13,000	4,320	31,999	600
<i>Total Revenues</i>	<u>773,710</u>	<u>52,162</u>	<u>482,024</u>	<u>110,310</u>	<u>785,954</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	-	-	-	6,107	329,446
Sanitation	-	-	-	-	-
Health & welfare	804,127	-	-	-	-
Culture and recreation	-	47,000	430,839	184,709	376,533
Capital outlay:					
Capital expenditures	-	-	46,426	6,433	172,776
Construction in progress	-	-	45,000	-	-
<i>Total Expenditures</i>	<u>804,127</u>	<u>47,000</u>	<u>522,265</u>	<u>197,249</u>	<u>878,755</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(30,417)</u>	<u>5,162</u>	<u>(40,241)</u>	<u>(86,939)</u>	<u>(92,801)</u>
Other Financing Sources (Uses)					
Transfers in	44,996	-	7,500	65	7,309
Transfers (out)	-	-	-	-	-
<i>Total Other Financing Sources</i>	<u>44,996</u>	<u>-</u>	<u>7,500</u>	<u>65</u>	<u>7,309</u>
<i>Net Change in Fund Balances</i>	14,579	5,162	(32,741)	(86,874)	(85,492)
<i>Fund Balances Beginning of Year</i>	<u>166,351</u>	<u>995</u>	<u>296,205</u>	<u>201,837</u>	<u>576,370</u>
<i>Fund Balances End of Year</i>	<u>\$ 180,930</u>	<u>\$ 6,157</u>	<u>\$ 263,464</u>	<u>\$ 114,963</u>	<u>\$ 490,878</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2020

	Public Access	Indigent	FTA Public Transportation	District Court
Revenues				
Taxes	\$ -	\$ 6,780	\$ -	\$ 1,818,970
Licenses and permits	-	-	-	300
Intergovernmental	6,916	-	1,676,759	408,774
Interest	414	-	-	-
Fines and forfeitures	-	-	-	773,912
Charges for services	-	-	418,166	136,369
Miscellaneous	-	421,739	88,379	833
<i>Total Revenues</i>	<u>7,330</u>	<u>428,519</u>	<u>2,183,304</u>	<u>3,139,158</u>
Expenditures				
Current:				
General government	-	-	1,722,321	3,389,916
Public works	-	-	-	-
Public safety	-	-	-	2,804,319
Sanitation	-	-	-	-
Health & welfare	-	620,623	-	-
Culture and recreation	19,425	-	-	-
Capital outlay:				
Capital expenditures	-	-	429,299	-
Construction in progress	-	-	31,684	-
<i>Total Expenditures</i>	<u>19,425</u>	<u>620,623</u>	<u>2,183,304</u>	<u>6,194,235</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(12,095)</u>	<u>(192,104)</u>	<u>-</u>	<u>(3,055,077)</u>
Other Financing Sources (Uses)				
Transfers in	-	27,586	-	3,547,636
Transfers (out)	-	-	-	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>27,586</u>	<u>-</u>	<u>3,547,636</u>
<i>Net Change in Fund Balances</i>	<u>(12,095)</u>	<u>(164,518)</u>	<u>-</u>	<u>492,559</u>
<i>Fund Balances Beginning of Year</i>	<u>23,584</u>	<u>3,699,396</u>	<u>-</u>	<u>617,497</u>
<i>Fund Balances End of Year</i>	<u>\$ 11,489</u>	<u>\$ 3,534,878</u>	<u>\$ -</u>	<u>\$ 1,110,056</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2020

	Revaluation	Kootenai Emergency Management	Aquifer Protection District	Total Non-Major
Revenues				
Taxes	\$ 2,581,971	\$ 2,840,468	\$ 410,106	\$ 9,560,277
Licenses and permits	-	45,585	-	124,196
Intergovernmental	-	135,996	-	3,463,092
Interest	-	-	-	414
Fines and forfeitures	-	-	-	774,312
Charges for services	-	-	-	1,696,007
Miscellaneous	-	-	100,000	765,337
<i>Total Revenues</i>	<u>2,581,971</u>	<u>3,022,049</u>	<u>510,106</u>	<u>16,383,635</u>
Expenditures				
Current:				
General government	2,517,895	-	-	7,630,132
Public works	-	-	-	1,099,995
Public safety	-	3,020,866	-	6,160,738
Sanitation	-	-	-	328,095
Health & welfare	-	-	275,139	1,699,889
Culture and recreation	-	-	-	1,159,306
Capital outlay:				
Capital expenditures	98,535	-	-	1,129,683
Construction in progress	-	-	-	380,699
<i>Total Expenditures</i>	<u>2,616,430</u>	<u>3,020,866</u>	<u>275,139</u>	<u>19,588,537</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(34,459)</u>	<u>1,183</u>	<u>234,967</u>	<u>(3,204,902)</u>
Other Financing Sources (Uses)				
Transfers in	84,693	-	-	3,754,795
Transfers (out)	-	-	(36,050)	(36,050)
<i>Total Other Financing Sources (Uses)</i>	<u>84,693</u>	<u>-</u>	<u>(36,050)</u>	<u>3,718,745</u>
<i>Net Change in Fund Balances</i>	50,234	1,183	198,917	513,843
<i>Fund Balances Beginning of Year</i>	<u>760,422</u>	<u>39,043</u>	<u>684,210</u>	<u>8,274,320</u>
<i>Fund Balances End of Year</i>	<u>\$ 810,656</u>	<u>\$ 40,226</u>	<u>\$ 883,127</u>	<u>\$ 8,788,163</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Capital Projects Funds For the Year Ended September 30, 2020

	General Construction Capital Projects	Total Nonmajor Capital Project Fund
Revenues		
Intergovernmental	\$ 2,450,835	\$ 2,450,835
Miscellaneous	611,064	611,064
<i>Total Revenues</i>	3,061,899	3,061,899
Expenditures		
Current:		
General government	-	-
Public works	74,543	74,543
Public safety	1,224,484	1,224,484
Culture and recreation	463,584	463,584
Capital outlay:		
Capital expenditures	-	-
Construction in progress	1,299,288	1,299,288
<i>Total Expenditures</i>	3,061,899	3,061,899
<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>	\$ -	\$ -

Kootenai County Comprehensive Annual Financial Report – FY 2020

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, 2020

	Centennial Trail			Tourism Promotion		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,151	\$ 151
Charges for services	20,000	20,000	-	-	-	-
Miscellaneous	13,555	-	(13,555)	-	-	-
<i>Total Revenues</i>	<u>33,555</u>	<u>20,000</u>	<u>(13,555)</u>	<u>1,000</u>	<u>1,151</u>	<u>151</u>
Expenditures						
Current:						
Culture and recreation	43,555	7,176	36,379	1,000	791	209
<i>Total Expenditures</i>	<u>43,555</u>	<u>7,176</u>	<u>36,379</u>	<u>1,000</u>	<u>791</u>	<u>209</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(10,000)</u>	<u>12,824</u>	<u>22,824</u>	<u>-</u>	<u>360</u>	<u>360</u>
Other Financing Sources						
Transfers In	10,000	10,000	-	-	-	-
<i>Total Other Financing Sources</i>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>22,824</u>	<u>22,824</u>	<u>-</u>	<u>360</u>	<u>360</u>
<i>Fund Balances Beginning of Year</i>	<u>127,291</u>	<u>127,291</u>	<u>-</u>	<u>978</u>	<u>978</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 127,291</u>	<u>\$ 150,115</u>	<u>\$ 22,824</u>	<u>\$ 978</u>	<u>\$ 1,338</u>	<u>\$ 360</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

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, 2020

	Airport			County Fair		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Taxes	\$ 323,137	\$ 328,973	\$ 5,836	\$ 80,000	\$ 82,061	\$ 2,061
Intergovernmental	-	4,452	4,452	486,915	428,590	(58,325)
Charges for services	832,000	991,754	159,754	-	-	-
Miscellaneous	233,294	59,467	(173,827)	45,000	45,000	-
<i>Total Revenues</i>	1,388,431	1,384,646	(3,785)	611,915	555,651	(56,264)
Expenditures						
Current:						
Public works	1,187,366	1,099,995	87,371	-	-	-
Culture and recreation	-	-	-	80,000	92,833	(12,833)
Capital outlay:						
Capital expenditures	189,603	147,290	42,313	-	224,709	(224,709)
Construction in progress	30,000	11,291	18,709	531,915	247,724	284,191
<i>Total Expenditures</i>	1,406,969	1,258,576	148,393	611,915	565,266	46,649
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(18,538)	126,070	144,608	-	(9,615)	(9,615)
Other Financing Sources						
Transfer in	18,538	18,538	-	-	-	-
<i>Total Other Financing Sources</i>	18,538	18,538	-	-	-	-
<i>Net Change in Fund Balances</i>	-	144,608	144,608	-	(9,615)	(9,615)
<i>Fund Balances Beginning of Year</i>	998,415	998,415	-	12,459	12,459	-
<i>Fund Balances End of Year</i>	\$ 998,415	\$ 1,143,023	\$ 144,608	\$ 12,459	\$ 2,844	\$ (9,615)

Kootenai County Comprehensive Annual Financial Report – FY 2020

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, 2020

	Noxious Weeds			Health District		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Taxes	\$ 336,940	\$ 342,949	\$ 6,009	\$ 759,130	\$ 773,710	\$ 14,580
Intergovernmental	-	2,500	2,500	-	-	-
Charges for services	200	141	(59)	-	-	-
Miscellaneous	45,000	-	(45,000)	-	-	-
<i>Total Revenues</i>	<u>382,140</u>	<u>345,590</u>	<u>(36,550)</u>	<u>759,130</u>	<u>773,710</u>	<u>14,580</u>
Expenditures						
Current:						
Sanitation	338,962	328,095	10,867	-	-	-
Health & welfare	-	-	-	804,126	804,127	(1)
Capital outlay:						
Capital expenditures	4,650	4,215	435	-	-	-
Construction in progress	45,000	45,000	-	-	-	-
<i>Total Expenditures</i>	<u>388,612</u>	<u>377,310</u>	<u>11,302</u>	<u>804,126</u>	<u>804,127</u>	<u>(1)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(6,472)</u>	<u>(31,720)</u>	<u>(25,248)</u>	<u>(44,996)</u>	<u>(30,417)</u>	<u>14,579</u>
Other Financing Sources						
Transfers In	6,472	6,472	-	44,996	44,996	-
<i>Total Other Financing Sources</i>	<u>6,472</u>	<u>6,472</u>	<u>-</u>	<u>44,996</u>	<u>44,996</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	-	(25,248)	(25,248)	-	14,579	14,579
<i>Fund Balances Beginning of Year</i>	<u>69,267</u>	<u>69,267</u>	<u>-</u>	<u>166,351</u>	<u>166,351</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 69,267</u>	<u>\$ 44,019</u>	<u>\$ (25,248)</u>	<u>\$ 166,351</u>	<u>\$ 180,930</u>	<u>\$ 14,579</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

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, 2020

	Historical Society			Parks Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Taxes	\$ 25,885	\$ 26,162	\$ 277	\$ 341,867	\$ 348,127	\$ 6,260
Intergovernmental	13,000	13,000	-	-	-	-
Charges for services	-	-	-	103,000	129,577	26,577
Miscellaneous	13,000	13,000	-	36,146	4,320	(31,826)
<i>Total Revenues</i>	<u>51,885</u>	<u>52,162</u>	<u>277</u>	<u>481,013</u>	<u>482,024</u>	<u>1,011</u>
Expenditures						
Current:						
Culture and recreation	51,885	47,000	4,885	403,902	430,839	(26,937)
Capital outlay:						
Capital expenditures	-	-	-	39,611	46,426	(6,815)
Construction in Progress	-	-	-	45,000	45,000	-
<i>Total Expenditures</i>	<u>51,885</u>	<u>47,000</u>	<u>4,885</u>	<u>488,513</u>	<u>522,265</u>	<u>(33,752)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>5,162</u>	<u>5,162</u>	<u>(7,500)</u>	<u>(40,241)</u>	<u>(32,741)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	7,500	7,500	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>5,162</u>	<u>5,162</u>	<u>-</u>	<u>(32,741)</u>	<u>(32,741)</u>
<i>Fund Balances Beginning of Year</i>	<u>995</u>	<u>995</u>	<u>-</u>	<u>296,205</u>	<u>296,205</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 995</u>	<u>\$ 6,157</u>	<u>\$ 5,162</u>	<u>\$ 296,205</u>	<u>\$ 263,464</u>	<u>\$ (32,741)</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

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, 2020

	Snowmobile			County Vessel		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Licenses and permits	\$ 80,050	\$ 78,311	\$ (1,739)	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	838,821	784,954	(53,867)
Fines and forfeitures	-	-	-	-	400	400
Miscellaneous	99,607	31,999	(67,608)	229,817	600	(229,217)
<i>Total Revenues</i>	<u>179,657</u>	<u>110,310</u>	<u>(69,347)</u>	<u>1,068,638</u>	<u>785,954</u>	<u>(282,684)</u>
Expenditures						
Current:						
Public safety	14,925	6,107	8,818	531,483	329,446	202,037
Culture and recreation	164,797	184,709	(19,912)	323,645	376,533	(52,888)
Capital outlay:						
Capital expenditures	-	6,433	(6,433)	210,819	172,776	38,043
Construction in progress	-	-	-	10,000	-	10,000
<i>Total Expenditures</i>	<u>179,722</u>	<u>197,249</u>	<u>(17,527)</u>	<u>1,075,947</u>	<u>878,755</u>	<u>197,192</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(65)</u>	<u>(86,939)</u>	<u>(86,874)</u>	<u>(7,309)</u>	<u>(92,801)</u>	<u>(85,492)</u>
Other Financing Sources						
Transfer in	65	65	-	7,309	7,309	-
<i>Total Other Financing Sources</i>	<u>65</u>	<u>65</u>	<u>-</u>	<u>7,309</u>	<u>7,309</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	-	(86,874)	(86,874)	-	(85,492)	(85,492)
<i>Fund Balances Beginning of Year</i>	<u>201,837</u>	<u>201,837</u>	<u>-</u>	<u>576,370</u>	<u>576,370</u>	<u>-</u>
<i>Fund Balances End of Year (deficit)</i>	<u>\$ 201,837</u>	<u>\$ 114,963</u>	<u>\$ (86,874)</u>	<u>\$ 576,370</u>	<u>\$ 490,878</u>	<u>\$ (85,492)</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

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, 2020

	Public Access			Indigent		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,780	\$ 6,780
Intergovernmental	6,970	6,916	(54)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest	-	414	414	-	-	-
Miscellaneous	-	-	-	1,155,566	421,739	(733,827)
<i>Total Revenues</i>	<u>6,970</u>	<u>7,330</u>	<u>360</u>	<u>1,155,566</u>	<u>428,519</u>	<u>(727,047)</u>
Expenditures						
Current:						
Health & welfare	-	-	-	1,183,152	620,623	562,529
Culture and recreation	6,970	19,425	(12,455)	-	-	-
Capital outlay:						
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>6,970</u>	<u>19,425</u>	<u>(12,455)</u>	<u>1,183,152</u>	<u>620,623</u>	<u>562,529</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(12,095)</u>	<u>(12,095)</u>	<u>(27,586)</u>	<u>(192,104)</u>	<u>(164,518)</u>
Other Financing Sources						
Transfer in	-	-	-	27,586	27,586	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,586</u>	<u>27,586</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>(12,095)</u>	<u>(12,095)</u>	<u>-</u>	<u>(164,518)</u>	<u>(164,518)</u>
<i>Fund Balances Beginning of Year</i>	<u>23,584</u>	<u>23,584</u>	<u>-</u>	<u>3,699,396</u>	<u>3,699,396</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 23,584</u>	<u>\$ 11,489</u>	<u>\$ (12,095)</u>	<u>\$ 3,699,396</u>	<u>\$ 3,534,878</u>	<u>\$ (164,518)</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Public Transportation Special Revenue Funds For the Year Ended September 30, 2020

	FTA Public Transportation		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues			
Intergovernmental	\$ 8,423,435	\$ 1,676,759	\$ (6,746,676)
Charges for services	1,522,626	418,166	(1,104,460)
Miscellaneous	343,535	88,379	(255,156)
<i>Total Revenues</i>	10,289,596	2,183,304	(8,106,292)
Expenditures			
Current:			
General government	8,708,307	1,722,321	6,985,986
Capital outlay:			
Capital expenditures	1,126,793	429,299	697,494
Construction in progress	454,496	31,684	422,812
<i>Total Expenditures</i>	10,289,596	2,183,304	8,106,292
<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>	\$ -	\$ -	\$ -

Kootenai County Comprehensive Annual Financial Report – FY 2020

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, 2020

	District Court			Revaluation		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Taxes	\$ 1,789,353	\$ 1,818,970	\$ 29,617	\$ 2,533,557	\$ 2,581,971	\$ 48,414
Licenses and permits	-	300	300	-	-	-
Intergovernmental	194,890	408,774	213,884	-	-	-
Fines and forfeitures	868,971	773,912	(95,059)	-	-	-
Charges for services	119,057	136,369	17,312	-	-	-
Miscellaneous	7,819	833	(6,986)	289,713	-	(289,713)
<i>Total Revenues</i>	<u>2,980,090</u>	<u>3,139,158</u>	<u>159,068</u>	<u>2,823,270</u>	<u>2,581,971</u>	<u>(241,299)</u>
Expenditures						
Current:						
General government	3,519,462	3,389,916	129,546	2,721,128	2,517,895	203,233
Public safety	3,002,651	2,804,319	198,332	-	-	-
Capital outlay:						
Capital expenditures	5,613	-	5,613	186,835	98,535	88,300
Construction in progress	19,000	-	19,000	-	-	-
<i>Total Expenditures</i>	<u>6,546,726</u>	<u>6,194,235</u>	<u>352,491</u>	<u>2,907,963</u>	<u>2,616,430</u>	<u>291,533</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(3,566,636)</u>	<u>(3,055,077)</u>	<u>511,559</u>	<u>(84,693)</u>	<u>(34,459)</u>	<u>50,234</u>
Other Financing Sources (Uses)						
Transfer in	3,566,636	3,547,636	(19,000)	84,693	84,693	-
<i>Total Other Financing Sources</i>	<u>3,566,636</u>	<u>3,547,636</u>	<u>(19,000)</u>	<u>84,693</u>	<u>84,693</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	-	492,559	492,559	-	50,234	50,234
<i>Fund Balances Beginning of Year</i>	<u>617,497</u>	<u>617,497</u>	<u>-</u>	<u>760,422</u>	<u>760,422</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 617,497</u>	<u>\$ 1,110,056</u>	<u>\$ 492,559</u>	<u>\$ 760,422</u>	<u>\$ 810,656</u>	<u>\$ 50,234</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

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, 2020

	Kootenai Emergency Management			Aquifer Protection District		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Taxes	\$ 2,797,637	\$ 2,840,468	\$ 42,831	\$ 396,060	\$ 410,106	\$ 14,046
Licenses and permits	42,000	45,585	3,585	-	-	-
Intergovernmental	101,316	135,996	34,680	-	-	-
Miscellaneous	-	-	-	194,849	100,000	(94,849)
<i>Total Revenues</i>	2,940,953	3,022,049	81,096	590,909	510,106	(80,803)
Expenditures						
Current:						
Public safety	2,940,953	3,020,866	(79,913)	-	-	-
Health & welfare	-	-	-	554,859	275,139	279,720
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
<i>Total Expenditures</i>	2,940,953	3,020,866	(79,913)	554,859	275,139	279,720
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	1,183	1,183	36,050	234,967	198,917
Other Financing (Uses)						
Transfer out	-	-	-	(36,050)	(36,050)	-
<i>Total Other Financing (Uses)</i>	-	-	-	(36,050)	(36,050)	-
<i>Net Change in Fund Balances</i>	-	1,183	1,183	-	198,917	198,917
<i>Fund Balances Beginning of Year</i>	39,043	39,043	-	684,210	684,210	-
<i>Fund Balances End of Year</i>	\$ 39,043	\$ 40,226	\$ 1,183	\$ 684,210	\$ 883,127	\$ 198,917

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Construction Funds For the Year Ended September 30, 2020

	General Construction Capital Projects Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues			
Intergovernmental	\$ 6,718,846	\$ 2,450,835	\$ (4,268,011)
Miscellaneous	684,927	611,064	(73,863)
<i>Total Revenues</i>	7,403,773	3,061,899	(4,341,874)
Expenditures			
Current:			
General government	-	-	-
Public works	72,545	74,543	(1,998)
Public safety	2,930,569	1,224,484	1,706,085
Culture and recreation	514,217	463,584	50,633
Capital outlay:			
Capital expenditures	586,000	-	586,000
Construction in progress	3,300,442	1,299,288	2,001,154
<i>Total Expenditures</i>	7,403,773	3,061,899	4,341,874
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<i>Fund Balances End of Year</i>	\$ -	\$ -	\$ -

Fiduciary Funds

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

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

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

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 2020

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2020
With Comparative Totals for September 30, 2019

	Agency Funds			
	State of Idaho	Cities	Highway Districts	School Districts
Assets				
Cash in bank and investments	\$ 2,447,865	\$ 126,043	\$ 49,788	\$ 215,635
Receivables:				
Taxes delinquent	68,729	89,220	124,883	310,656
Total Assets	\$ 2,516,594	\$ 215,263	\$ 174,671	\$ 526,291
Liabilities				
Due to agency activity	2,516,594	215,263	174,671	526,291
Total Liabilities	2,516,594	215,263	174,671	526,291
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2020
With Comparative Totals for September 30, 2019

	Agency Funds			
	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
Assets				
Cash in bank and investments	\$ 82,100	\$ 25,222	\$ 2,800	\$ 68,884
Receivables:				
Taxes delinquent	140,578	22,807	18,221	52,151
Total Assets	\$ 222,678	\$ 48,029	\$ 21,021	\$ 121,035
Liabilities				
Due to agency activity	222,678	48,029	21,021	121,035
Total Liabilities	222,678	48,029	21,021	121,035
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2020
With Comparative Totals for September 30, 2019

	Agency Funds		Totals	
	Urban Renewal Districts	Unapportioned Agencies	2020	2019
Assets				
Cash in bank and investments	\$ 60,171	\$ 6,141,968	\$ 9,220,476	\$ 7,111,944
Receivables:				
Taxes delinquent	345,512	36,218	1,208,975	1,854,496
Accounts receivable, (net)	-	54,162	54,162	39,186
Total Assets	\$ 405,683	\$ 6,232,348	\$ 10,483,613	\$ 9,005,626
Liabilities				
Accounts payable	-	36,950	36,950	553,101
Due to agency activity	405,683	108,267	4,359,532	4,326,358
Advanced property tax	-	612,647	612,647	636,719
Due to other individuals	-	5,474,484	5,474,484	3,489,448
Total Liabilities	405,683	6,232,348	10,483,613	9,005,626
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Assets and Liabilities Fiduciary Funds September 30, 2020

<u>State of Idaho</u>	Agency Funds			<u>Balance 9/30/20</u>
	<u>Balance 10/1/19</u>	<u>Additions</u>	<u>Deductions</u>	
Assets				
Cash in bank and investments	\$ 2,002,071	\$ 29,880,301	\$ 29,434,507	\$ 2,447,865
Receivables:				
Taxes delinquent	79,259	1,306,004	1,316,534	68,729
Total Assets	<u>\$ 2,081,330</u>	<u>\$ 31,186,305</u>	<u>\$ 30,751,041</u>	<u>\$ 2,516,594</u>
Liabilities				
Due to agency activity	2,081,330	27,807,899	27,372,635	2,516,594
Total Liabilities	<u>\$ 2,081,330</u>	<u>\$ 27,807,899</u>	<u>\$ 27,372,635</u>	<u>\$ 2,516,594</u>
 Cities				
Assets				
Cash in bank and investments	\$ 102,239	\$ 46,134,093	\$ 46,110,289	\$ 126,043
Receivables:				
Taxes delinquent	226,004	41,094,674	41,231,458	89,220
Total Assets	<u>\$ 328,243</u>	<u>\$ 87,228,767</u>	<u>\$ 87,341,747</u>	<u>\$ 215,263</u>
Liabilities				
Due to agency activity	328,243	87,226,754	87,339,734	215,263
Total Liabilities	<u>\$ 328,243</u>	<u>\$ 87,226,754</u>	<u>\$ 87,339,734</u>	<u>\$ 215,263</u>
 Highway Districts				
Assets				
Cash in bank and investments	\$ 29,274	\$ 11,380,356	\$ 11,359,842	\$ 49,788
Receivables:				
Taxes delinquent	182,482	11,709,257	11,766,856	124,883
Total Assets	<u>\$ 211,756</u>	<u>\$ 23,089,613</u>	<u>\$ 23,126,698</u>	<u>\$ 174,671</u>
Liabilities				
Due to agency activity	211,756	23,089,613	23,126,698	174,671
Total Liabilities	<u>\$ 211,756</u>	<u>\$ 23,089,613</u>	<u>\$ 23,126,698</u>	<u>\$ 174,671</u>
 School Districts				
Assets				
Cash in bank and investments	\$ 134,194	\$ 50,104,056	\$ 50,022,615	\$ 215,635
Receivables:				
Taxes delinquent	513,700	48,593,580	48,796,624	310,656
Total Assets	<u>\$ 647,894</u>	<u>\$ 98,697,636</u>	<u>\$ 98,819,239</u>	<u>\$ 526,291</u>
Liabilities				
Due to agency activity	647,894	98,689,095	98,810,698	526,291
Total Liabilities	<u>\$ 647,894</u>	<u>\$ 98,689,095</u>	<u>\$ 98,810,698</u>	<u>\$ 526,291</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Assets and Liabilities Fiduciary Funds September 30, 2020

	Agency Funds			Balance 9/30/20
	Balance 10/1/19	Additions	Deductions	
<i>Fire Districts</i>				
Assets				
Cash in bank and investments	\$ 54,036	\$ 19,647,617	\$ 19,619,553	\$ 82,100
Receivables:				
Taxes delinquent	218,084	18,357,160	18,434,666	140,578
Total Assets	\$ 272,120	\$ 38,004,777	\$ 38,054,219	\$ 222,678
Liabilities				
Due to agency activity	272,120	38,039,728	38,089,170	222,678
Total Liabilities	\$ 272,120	\$ 38,039,728	\$ 38,089,170	\$ 222,678
 <i>Public Library</i>				
Assets				
Cash in bank and investments	\$ 14,317	\$ 5,070,111	\$ 5,059,206	\$ 25,222
Receivables:				
Taxes delinquent	44,031	4,737,755	4,758,979	22,807
Total Assets	\$ 58,348	\$ 9,807,866	\$ 9,818,185	\$ 48,029
Liabilities				
Due to agency activity	58,348	9,807,866	9,818,185	48,029
Total Liabilities	\$ 58,348	\$ 9,807,866	\$ 9,818,185	\$ 48,029
 <i>Water & Sewer Districts</i>				
Assets				
Cash in bank and investments	\$ 3,336	\$ 510,336	\$ 510,872	\$ 2,800
Receivables:				
Taxes delinquent	18,739	409,156	409,674	18,221
Total Assets	\$ 22,075	\$ 919,492	\$ 920,546	\$ 21,021
Liabilities				
Due to agency activity	22,075	919,455	920,509	21,021
Total Liabilities	\$ 22,075	\$ 919,455	\$ 920,509	\$ 21,021
 <i>North Idaho College</i>				
Assets				
Cash in bank and investments	\$ 42,383	\$ 17,296,333	\$ 17,269,832	\$ 68,884
Receivables:				
Taxes delinquent	127,799	15,991,606	16,067,254	52,151
Total Assets	\$ 170,182	\$ 33,287,939	\$ 33,337,086	\$ 121,035
Liabilities				
Due to agency activity	170,182	33,287,939	33,337,086	121,035
Total Liabilities	\$ 170,182	\$ 33,287,939	\$ 33,337,086	\$ 121,035

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Assets and Liabilities Fiduciary Funds September 30, 2020

Agency Funds

	Balance 10/1/19	Additions	Deductions	Balance 9/30/20
<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	\$ 22,472	\$ 13,206,858	\$ 13,169,159	\$ 60,171
Receivables:				
Taxes delinquent	405,607	12,613,381	12,673,476	345,512
Total Assets	\$ 428,079	\$ 25,820,239	\$ 25,842,635	\$ 405,683
Liabilities				
Due to agency activity	428,079	25,801,424	25,823,820	405,683
Total Liabilities	\$ 428,079	\$ 25,801,424	\$ 25,823,820	\$ 405,683
<i>Unapportioned Agency Funds</i>				
Assets				
Cash in bank and investments	\$ 4,707,622	\$ 261,513,747	\$ 260,079,401	\$ 6,141,968
Receivables:				
Accounts receivable	77,977	3,274,999	3,262,596	90,380
Total Assets	\$ 4,785,599	\$ 264,788,746	\$ 263,341,997	\$ 6,232,348
Liabilities				
Accounts payable	\$ 553,101	\$ 8,214,879	\$ 8,731,030	\$ 36,950
Unavailable property taxes	636,719	239,196,966	239,221,038	612,647
Due to individuals	3,489,448	20,157,119	18,172,083	5,474,484
Due to other governments	106,331	2,365,080	2,363,144	108,267
Total Liabilities	\$ 4,785,599	\$ 269,934,044	\$ 268,487,295	\$ 6,232,348
<i>Total Agency Activity</i>				
Total Assets	\$ 9,005,626			\$ 10,483,613
Total Liabilities	\$ 9,005,626			\$ 10,483,613

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	117
<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	120
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.</i>	
Debt Capacity	132
<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	134
<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	138
<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 2020

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 51,342	\$ 54,424	\$ 53,954	\$ 52,716	\$ 50,379	\$ 48,152	\$ 49,060	\$ 59,959	\$ 58,895	\$ 60,270
Restricted	3,587	4,178	5,120	5,443	7,228	9,236	10,669	10,496	10,258	11,034
Unrestricted	27,311	28,196	29,856	31,379	20,165	21,672	21,145	11,481	17,496	15,886
Total governmental activities net position	\$ 82,240	\$ 86,798	\$ 88,930	\$ 89,538	\$ 77,772	\$ 79,060	\$ 80,874	\$ 81,936	\$ 86,649	\$ 87,190
Business-type activities										
Net investment in capital assets	\$ 26,800	\$ 25,796	\$ 28,810	\$ 28,752	\$ 28,059	\$ 26,765	\$ 27,405	\$ 27,857	\$ 27,872	\$ 27,748
Restricted	1,800	8,775	5,589	1,777	1,468	2,955	4,410	5,803	4,690	-
Unrestricted	16,137	12,079	14,854	21,074	17,461	18,994	18,875	19,542	22,585	28,199
Total business-type activities net position	\$ 44,737	\$ 46,650	\$ 49,253	\$ 51,603	\$ 46,988	\$ 48,714	\$ 50,690	\$ 53,202	\$ 55,147	\$ 55,947
Primary government										
Net investment in capital assets	\$ 78,142	\$ 80,220	\$ 82,764	\$ 81,468	\$ 78,438	\$ 74,917	\$ 76,465	\$ 87,816	\$ 86,767	\$ 88,018
Restricted	5,387	12,953	10,709	7,220	8,696	12,191	15,079	16,299	14,948	11,034
Unrestricted	43,448	40,275	44,710	52,453	37,626	40,666	40,020	31,023	40,081	44,085
Total primary government net position	\$126,977	\$133,448	\$138,183	\$141,141	\$124,760	\$127,774	\$131,564	\$135,138	\$141,796	\$143,137

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

Expenses	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 22,126	\$ 23,479	\$ 23,043	\$ 24,614	\$ 27,129	\$ 27,344	\$ 26,963	\$ 29,821	\$ 30,684	\$ 34,521
Public works	2,131	1,947	3,204	2,814	2,564	2,629	3,073	3,466	3,088	2,988
Public safety	34,056	33,654	36,439	36,578	37,411	39,748	41,509	44,378	46,274	52,553
Sanitation weed control	429	301	342	303	321	335	356	345	319	404
Health and welfare	4,020	4,549	3,808	3,834	3,127	2,761	2,419	2,610	2,300	2,046
Culture and recreation	950	818	727	1,040	1,049	1,285	1,247	1,355	1,213	1,874
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	63,712	64,748	67,563	69,183	71,601	74,102	75,567	81,975	83,878	94,386
Business-type activities:										
Solid waste and landfill	9,439	9,038	8,396	8,852	9,027	10,134	10,336	10,706	11,831	13,148
Total business-type activities expenses	9,439	9,038	8,396	8,852	9,027	10,134	10,336	10,706	11,831	13,148
Total primary government expenses	\$ 73,151	\$ 73,786	\$ 75,959	\$ 78,035	\$ 80,628	\$ 84,236	\$ 85,903	\$ 92,681	\$ 95,709	\$ 107,534
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 6,747	\$ 7,426	\$ 8,166	\$ 8,401	\$ 8,627	\$ 10,274	\$ 10,833	\$ 11,776	\$ 11,345	\$ 12,795
Public safety	10,371	10,774	12,012	11,480	11,539	10,903	11,476	11,564	13,107	13,677
Culture and recreation	451	469	421	448	447	409	490	505	640	1,052
Other activities	70	108	768	821	879	862	851	1,707	994	1,057
Operating grants and contributions	2,012	2,819	2,602	2,814	2,789	2,000	2,322	2,889	4,536	5,181
Capital grants and contributions	2,414	3,848	2,224	1,549	1,372	1,666	646	2,465	706	1,907
Total governmental activities program revenues	22,065	25,444	26,193	25,513	25,653	26,114	26,618	30,906	31,328	35,669
Business-type activities:										
Charges for services:										
Solid waste and landfill	10,597	10,722	10,962	11,451	12,021	12,604	12,907	13,630	14,258	14,576
Operating grants and contributions	-	-	-	-	-	-	73	113	-	22
Capital grants and contributions	-	170	-	-	-	-	-	-	-	-
Total business-type activities program revenues	10,597	10,892	10,962	11,451	12,021	12,604	12,980	13,743	14,258	14,598
Total primary government program revenues	\$ 32,662	\$ 36,336	\$ 37,155	\$ 36,964	\$ 37,674	\$ 38,718	\$ 39,598	\$ 44,649	\$ 45,586	\$ 50,267

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (expense)/revenue										
Governmental activities	\$ (41,647)	\$ (39,304)	\$ (41,370)	\$ (43,670)	\$ (45,948)	\$ (47,988)	\$ (48,949)	\$ (51,069)	\$ (52,550)	\$ (58,717)
Business-type activities	1,158	1,854	2,566	2,599	2,994	2,470	2,644	3,037	2,427	1,450
Total primary government net (expense)/revenue	\$ (40,489)	\$ (37,450)	\$ (38,804)	\$ (41,071)	\$ (42,954)	\$ (45,518)	\$ (46,305)	\$ (48,032)	\$ (50,123)	\$ (57,267)
General Revenues and other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 40,537	\$ 42,015	\$ 42,290	\$ 43,357	\$ 44,076	\$ 45,283	\$ 47,659	\$ 49,371	\$ 51,277	\$ 54,213
Miscellaneous	927	927	425	344	559	2,110	1,748	1,656	1,337	1,312
Interest and investment earnings	240	401	416	81	773	1,086	487	334	4,073	2,914
Gain (Loss) on sale of assets/property	(41)	(6)	(236)	(47)	110	38	135	12	-	18
Transfers	816	526	608	543	6,507	759	734	757	577	801
Total governmental activities	\$ 42,479	\$ 43,863	\$ 43,503	\$ 44,278	\$ 52,025	\$ 49,276	\$ 50,763	\$ 52,130	\$ 57,264	\$ 59,258
Business-type activities:										
Miscellaneous	431	346	319	357	-	-	227	213	58	102
Interest and investment earnings	95	234	277	71	-	-	-	-	-	-
Gain (Loss) on sale of assets/property	17	4	50	(135)	99	14	(161)	20	37	49
Transfers	(816)	(526)	(608)	(543)	(6,507)	(759)	(734)	(757)	(577)	(801)
Total business-type activities	(273)	58	38	(250)	(6,408)	(745)	(668)	(524)	(482)	(650)
Total primary government	\$ 42,206	\$ 43,921	\$ 43,541	\$ 44,028	\$ 45,617	\$ 48,531	\$ 50,095	\$ 51,606	\$ 56,782	\$ 58,608
Change in Net Position										
Governmental activities	\$ 832	\$ 4,559	\$ 2,133	\$ 608	\$ 6,077	\$ 1,288	\$ 1,814	\$ 1,061	\$ 4,714	\$ 541
Business-type activities	885	1,912	2,604	2,349	(3,414)	1,725	1,976	2,513	1,945	800
Total primary government	\$ 1,717	\$ 6,471	\$ 4,737	\$ 2,957	\$ 2,663	\$ 3,013	\$ 3,790	\$ 3,574	\$ 6,659	\$ 1,341

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

<u>Fiscal Year</u>	<u>Property Tax</u>
2011	40,537
2012	42,015
2013	42,290
2014	43,357
2015	44,075
2016	45,283
2017	47,659
2018	49,371
2019	51,277
2020	54,213

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

	2011 ^a	2012	2013	2014	2015	2016 ^b	2017	2018	2019	2020
General fund										
Nonspendable	\$ 18	\$ 12	\$ 274	\$ 146	\$ 99	\$ 499	\$ 489	\$ 56	\$ 55	\$ 227
Restricted	1,087	1,623	3,083	3,613	3,874	4,210	4,307	4,628	3,606	2,267
Committed	7,079	7,119	15,813	13,796	20,082	26,115	14,777	3,839	8,096	7,786
Assigned	-	526	555	655	-	-	12,569	13,247	7,115	13,275
Unassigned	20,150	21,335	13,223	16,378	18,987	15,511	12,607	12,333	20,732	20,301
Total general fund	\$28,334	\$30,615	\$32,948	\$34,588	\$43,042	\$46,335	\$44,749	\$34,103	\$39,604	\$43,856
All other governmental funds										
Nonspendable	\$ 1	\$ 27	\$ 4	\$ 14	\$ 1	\$ 1	\$ 11	\$ 2	\$ 13	\$ 21
Restricted	2,499	2,555	2,037	1,830	3,353	5,026	6,363	6,560	6,652	8,769
Committed	1,322	880	1,487	1,726	1,077	888	287	965	1,609	-
Assigned	-	-	106	115	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(8)	-	(2)
Total all other governmental	\$ 3,822	\$ 3,462	\$ 3,634	\$ 3,685	\$ 4,431	\$ 5,915	\$ 6,661	\$ 7,519	\$ 8,274	\$ 8,788

Notes:

a) 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.

b) In 2016, certain Committed fund balance amounts were reclassified as Assigned for future planned project not appropriated in the next fiscal year. The Board of County Commissioners meets annually to determine Assignments as part of their Fund Balance Policy.

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$41,169	\$42,406	\$ 42,644	\$43,496	\$44,236	\$45,252	\$47,625	\$49,517	\$51,196	\$54,553
Licenses and permits	1,443	1,490	1,468	1,462	1,518	1,573	1,571	1,580	1,633	1,441
Intergovernmental	12,128	14,545	13,555	13,792	13,729	14,357	14,490	16,938	18,375	21,389
Interest	240	401	416	81	773	1,086	487	334	4,073	2,914
Fines and forfeitures	1,276	1,278	2,284	1,369	1,351	1,318	1,264	1,733	1,331	1,190
Charges for services	6,533	7,377	7,220	7,814	8,532	8,635	8,928	10,270	9,669	10,846
Miscellaneous	1,600	1,659	1,702	1,516	1,615	1,678	1,632	2,142	1,650	2,224
Total revenues	64,389	69,156	69,289	69,530	71,754	73,899	75,997	82,514	87,927	94,557
Expenditures										
General government	21,283	21,958	22,012	23,325	24,644	24,866	26,580	28,335	29,104	31,772
Public works	737	725	810	800	863	916	1,036	1,628	1,199	1,175
Public safety	32,096	32,117	33,762	34,136	34,734	36,675	39,474	42,026	43,333	47,053
Sanitation	418	290	289	304	315	326	351	348	305	328
Health & welfare	4,021	4,539	3,807	3,836	3,143	2,764	2,422	2,610	2,303	2,039
Culture and recreation	759	643	625	764	694	911	851	1,114	855	1,623
Debt Service:										
Principal retirement	508	-	-	-	-	-	-	-	-	-
Interest expense	23	-	-	-	-	-	-	-	-	-
Capital Outlay:										
Capital expenditures	2,760	2,618	3,461	2,860	2,914	2,007	3,413	3,492	2,537	5,701
Construction in progress	2,202	4,893	2,652	2,372	1,284	1,165	3,445	13,507	2,990	2,222
Total expenditures	64,807	67,783	67,418	68,397	68,591	69,630	77,572	93,060	82,626	91,913
<i>Excess of revenues over (under) expenditures</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>	<i>(10,546)</i>	<i>5,301</i>	<i>2,644</i>
Other financing sources (uses)										
Proceeds capital leases	-	-	-	-	-	-	-	-	-	1,320
Proceeds on asset disposal	-	-	-	-	-	-	-	-	-	-
Proceeds insurance	42	23	26	14	-	-	-	-	-	-
Transfers in	1,885	2,992	1,299	844	7,703	1,608	1,162	1,109	1,701	4,547
Transfers out	(1,069)	(2,466)	(691)	(301)	(1,666)	(1,099)	(427)	(352)	(745)	(3,746)
Total other financing sources (uses)	858	549	634	557	6,037	509	735	757	956	2,121
Net change in fund balances	\$ 440	\$ 1,922	\$ 2,505	\$ 1,690	\$ 9,200	\$ 4,778	\$ (840)	\$ (9,789)	\$ 6,257	\$ 4,765
Debt service and capital outlay as a percentage of noncapital expenditures	9.3%	12.5%	10.0%	8.3%	6.5%	4.8%	9.7%	22.3%	7.2%	9.4%

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
2011	41,169
2012	42,406
2013	42,644
2014	43,496
2015	44,236
2016	45,252
2017	47,625
2018	49,517
2019	51,196
2020	54,553

Kootenai County Comprehensive Annual Financial Report – FY 2020

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	
2010	15,850,875,155	2,864,229,504	12,986,645,651	(1,802,948,731)	-12.19%	2.94
2011	14,849,948,100	2,692,289,417	12,157,658,683	(828,986,968)	-6.38%	3.20
2012	13,734,843,490	2,459,392,651	11,275,450,839	(882,207,844)	-7.26%	3.48
2013	14,025,313,586	2,489,942,844	11,535,370,742	259,919,903	2.31%	3.51
2014	15,151,795,597	2,716,861,499	12,434,934,098	899,563,356	7.80%	3.28
2015	16,095,591,743	2,972,809,230	13,122,782,513	687,848,415	5.53%	3.18
2016	17,269,402,857	3,243,314,553	14,026,088,304	903,305,791	6.88%	3.13
2017	18,949,571,071	3,609,413,391	15,340,157,680	1,314,069,376	9.37%	2.97
2018	21,193,383,834	3,883,558,094	17,309,825,740	1,969,668,060	12.84%	2.74
2019	24,253,976,649	4,145,337,116	20,108,639,533	2,798,813,793	16.17%	2.49

Notes:

Values based on 2019 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 2020

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ^(b)
County Direct Rates										
Current Expense	0.76	0.87	0.97	0.82	0.70	0.78	0.72	0.54	0.57	0.30
Liability Insurance	0.05	0.01	0.07	0.05	0.05	0.05	0.02	0.04	0.03	0.03
Airport Fund	0.03	0.03	0.01	0.03	0.02	0.02	0.03	0.02	0.02	0.01
Indigent Fund	0.24	0.24	0.18	0.06	0.09	0.02	0.06	0.00	0.00	0.00
District Court Fund	0.04	0.04	0.08	0.09	0.11	0.10	0.09	0.09	0.09	0.26
County Fair	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00
Health District Fund	0.05	0.06	0.06	0.05	0.06	0.05	0.05	0.04	0.04	0.03
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	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Parks Fund	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Revaluation Fund	0.17	0.20	0.13	0.18	0.18	0.17	0.16	0.16	0.13	0.12
Justice Fund	1.82	1.98	1.96	1.95	1.92	1.89	1.79	1.81	1.57	1.48
County Direct Rate	3.19	3.48	3.51	3.28	3.18	3.13	2.97	2.74	2.49	2.27
City Rates										
Athol	3.51	3.57	3.23	3.63	3.57	3.54	3.46	3.40	3.01	2.68
Coeur d'Alene	6.28	6.77	6.74	6.46	6.09	5.90	5.51	4.97	4.46	3.11
Dalton Gardens	0.54	0.60	0.56	0.52	0.54	0.49	0.48	0.45	0.40	0.38
Fernan	1.37	1.51	1.42	1.36	1.35	1.19	1.17	1.63	1.34	1.28
Harrison	2.95	3.66	3.66	4.03	3.76	3.89	3.84	3.74	3.39	3.29
Hauser Lake	0.52	0.54	0.52	0.58	0.57	0.57	0.54	0.48	0.44	0.39
Hayden	1.23	1.36	1.35	1.29	1.30	1.28	1.23	1.15	1.02	0.94
Hayden Lake	0.64	0.72	0.75	0.75	0.74	0.75	0.66	0.63	0.59	0.56
Huetter	5.42	5.71	5.63	5.93	5.52	5.35	4.97	4.52	4.30	4.07
Post Falls	5.71	6.00	5.79	5.55	5.45	5.59	5.25	4.83	4.26	3.91
Rathdrum	5.04	5.83	5.83	5.67	5.69	5.77	5.52	5.22	4.49	3.23
Spirit Lake	5.70	6.70	6.93	6.65	6.94	6.48	5.93	5.33	4.42	4.09
Worley	4.07	4.61	4.71	4.74	4.34	5.05	5.07	4.65	3.81	3.47
School District Rates										
Coeur d'Alene # 271	2.17	2.32	2.51	2.11	2.38	2.31	2.31	2.23	1.96	1.79
Lakeland Joint #272	3.78	3.56	3.41	3.31	3.19	3.44	4.53	4.12	3.48	2.72
Post Falls # 273	2.83	3.15	3.16	3.08	2.82	2.63	2.44	2.08	2.07	1.70
Kootenai # 274	1.82	1.73	2.79	2.20	2.13	1.61	1.75	1.58	1.45	1.30
Kellogg Joint #391	6.62	6.26	6.26	6.73	6.92	6.76	6.26	6.29	5.32	5.25
Plummer-Worley Joint #44 ^(a)	1.43	1.49	2.74	2.68	2.72	2.70	2.80	2.54	2.86	2.35
Highway District Rates										
Post Falls # 1	0.49	0.68	0.69	0.67	0.65	0.61	0.57	0.51	0.45	0.40
Lakes # 2	0.72	0.79	0.80	0.78	0.76	0.74	0.69	0.63	0.58	0.51
East Side # 3	0.56	0.64	0.68	0.66	0.65	0.64	0.63	0.58	0.54	0.50
Worley # 4	1.00	1.18	1.28	1.26	1.25	1.24	1.21	1.16	1.09	1.04

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ^(b)
Fire District Rates										
East Side	0.73	0.84	0.91	0.89	0.89	0.89	0.91	0.86	0.83	0.77
Hauser Lake	1.32	1.47	1.42	1.38	1.39	1.39	1.28	1.14	1.00	0.92
Northern Lakes	1.31	1.46	1.48	1.42	1.41	1.40	1.33	1.25	1.13	1.06
KC Fire & Rescue	1.99	1.98	2.01	1.92	1.93	1.89	1.89	1.88	1.70	1.59
Mica Kidd Island	0.56	0.64	0.68	0.65	0.64	0.64	0.63	0.61	0.57	0.56
Shoshone County #2	1.77	1.90	2.01	2.08	2.09	2.15	2.15	2.54	2.21	1.57
Spirit Lake	1.04	1.21	1.22	1.24	1.27	1.27	1.21	1.07	0.98	0.92
St. Maries	0.82	0.97	1.00	1.01	1.01	1.05	1.03	0.95	0.92	0.92
Timberlake	1.21	1.34	1.38	1.33	1.34	1.31	1.25	1.15	1.05	0.98
Worley	0.76	0.95	1.04	1.02	1.02	1.02	1.01	0.97	0.92	0.89
Water/Sewer District Rates										
Cataldo Water	0.48	0.53	0.54	0.53	0.52	0.51	0.51	0.52	0.47	0.42
Cleland Bay Sewer	0.31	0.40	0.43	0.43	0.42	0.42	0.41	0.39	0.39	0.41
Hayden Lake Sewer	0.05	0.06	0.06	0.06	0.06	0.06	0.05	0.05	0.05	0.04
Kidd Island Bay Sewer	0.50	0.71	0.71	0.66	0.69	0.68	0.66	0.65	0.62	0.61
Kingston-Cataldo Sewer	0.58	0.67	0.69	0.70	0.71	0.70	0.71	0.72	0.63	0.58
Kootenai Water #1	1.53	1.81	2.01	2.00	1.78	1.59	1.47	1.38	1.20	1.14
Other Special District Rates										
Community Library Network	0.36	0.41	0.42	0.41	0.40	0.40	0.38	0.36	0.32	0.29
KCEMSS	0.16	0.17	0.18	0.17	0.17	0.17	0.16	0.15	0.14	0.13
North Idaho College	1.10	1.22	1.20	1.12	1.10	1.04	0.98	0.89	0.80	0.75
Flood Control #17	0.45	0.45	0.40	0.20	0.19	0.18	0.17	0.14	0.14	0.12
Hayden Lake Watershed Improvement	0.00	0.00	0.00	0.13	0.12	0.12	0.11	0.10	0.09	0.08

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.

^(b) In 2020, there was a Governor's Public Safety Grant Initiative for Cities and Counties for Public safety whose services are substantially dedicated to mitigating and responding to the COVID pandemic. If a district chose to opt in to the grant initiative, it was prohibited to take budget increases of 3% and increases of new development growth, as a tax relief to taxpayers; although they could reserve these budget increases as foregone for the next budget year.

Many of the districts who were not eligible for these grant funds, chose to keep their budgets low as a way to give tax relief for taxpayers during this pandemic, thus the property tax rates per \$1,000 of assessed value decreased.

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

Cumulative levy totals for all agencies within each classification

Tax Year	County	Cities	Highways	Schools	Fire Districts	Water and Sewer Districts	Other Districts
2011	0.003195029	0.043042145	0.002783659	0.018686644	0.011562790	0.003485345	0.138552530
2012	0.003478006	0.047635446	0.003310129	0.018549900	0.012811468	0.004212173	0.145968269
2013	0.003507607	0.047135525	0.003444384	0.020873900	0.013137037	0.004437574	0.145870150
2014	0.003283784	0.047154592	0.003358059	0.020112143	0.012947053	0.004378301	0.139119572
2015	0.003178062	0.045863086	0.003305299	0.020160875	0.012996882	0.004164335	0.134979701
2016	0.003128520	0.045865262	0.003230770	0.019463275	0.013015654	0.003950021	0.122326472
2017	0.002970344	0.043635763	0.003100654	0.020099903	0.012697494	0.003805762	0.115832517
2018	0.002737167	0.040992691	0.002882903	0.018834746	0.012415637	0.003713929	0.093264408
2019	0.002488493	0.035930178	0.002627921	0.017139170	0.011298161	0.003354613	0.101956939
2020	0.002267729	0.031403796	0.002459463	0.015106570	0.010175341	0.003194037	0.083652741
Tax Year 2020		Cities	Highways	Schools	Fire	Water & Sewer	Other
Number of taxing districts		13	4	6	10	6	17
Average tax rate per distri		0.002415677	0.000614866	0.002517762	0.001017534	0.000532340	0.004920749
Minimum levy rate		0.000383271	0.000403487	0.001301904	0.000556382	0.000042650	0.000078138
Maximum levy rate		0.004086344	0.001042739	0.005248389	0.001591843	0.001136278	0.009337706

Notes:

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

Other Districts include Libraries, North Idaho College, Kootenai EMS, Flood Control, Hayden Lake Watershed Improvement and (12) URDs. Kootenai Health's (hospital) last levy was 1996.

The number of URDs may change from year to year. TY2019 (2) New URDs: CDA Atlas & Post Falls Tech. TY2020 Post Falls Seltice closed and (2) new URDs CDA Health Corridor & West Rathdrum.

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

2020 levy rates as of 9/30/20.

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Principal Property Taxpayers, Current Year and Nine Years Ago September 30, 2020

Taxpayer	FY 2020 ¹			FY 2011 ²		
	Net	Percentage of		Net	Percentage of	
	Taxes Due	Rank	Total Net Taxes Due	Taxes Due	Rank	Total Net Taxes Due
Avista Corporation	\$ 2,550,029	1	1.26%	\$ 2,023,666	1	5.25%
Hagadone Hospitality Co., Hagadone Holdings, LLP	1,334,138	2	0.66%	1,371,754	3	3.56%
Rathdrum Power, LLC	928,403	3	0.46%	1,488,323	2	3.86%
Burlington No & Santa Fe RR/BNFS Railway Co.	621,276	4	0.31%	270,214	15	0.70%
Wal-Mart Real Estate Business & Trust, Wal-Mart Stores Inc.	513,648	5	0.25%	547,688	5	1.42%
Post Falls Retirement Real Estate Investors, LLC	491,595	6	0.24%	498,721	8	1.29%
Gas Transmission Northwest	434,478	7	0.22%	500,545	7	1.30%
Idaho Forest Group	430,477	8	0.21%	507,053	6	1.32%
North Idaho Surgical Hospital Bldg LLC	406,668	9	0.20%	303,093	11	0.79%
Glacier 1919 Lincoln Way LLC, 400 Wilbur LLC, 600 LLC, 700	396,982	10	0.20%	-		-
Fieldstone Apartments	373,142	11	0.18%	-		-
Union Pacific Railroad Co.	368,685	12	0.18%	-		-
Horowitz Limited Partnership VII	361,492	13	0.18%	-		-
Biopole Laboratory	313,811	14	0.16%	-		-
Riverview Venture, LLC	310,165	15	0.15%	-		-
Frontier Communications / formerly Verizon	-		-	714,234	4	1.85%
Kimball Furniture Group /Kimball International Market	-		-	418,747	9	1.09%
DBH Properties	-		-	327,914	10	0.85%
Silverwood Inc.	-		-	298,854	12	0.78%
CDA Courthouse LLC C/o JDL Enterprises LLC	-		-	282,592	13	0.73%
Stephen F Meyer, ETUX	-		-	277,927	14	0.72%
Sub Total	<u>9,834,989</u>		4.86%	<u>9,831,325</u>		25.51%
All Other Taxpayers	<u>192,230,981</u>		95.14%	<u>18,860,347</u>		74.49%
Total Net Taxes For All Taxing Districts in Kootenai County	<u>\$ 202,065,970</u>		<u>100.00%</u>	<u>\$ 28,691,672</u>		<u>100.00%</u>
Total Net Taxes Due to Kootenai County	<u>\$ 51,314,811</u>			<u>\$ 38,522,997</u>		

Notes:

¹ Based on 2019 Net Taxes billed in FY 2020.

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 2020

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

Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	38,012,979	36,799,874	96.81%	1,213,105	38,012,979	100.00%
2012	38,522,997	37,321,699	96.88%	1,201,299	38,522,998	100.00%
2013	38,955,671	38,235,796	98.15%	719,875	38,955,671	100.00%
2014	40,239,694	39,208,624	97.44%	1,031,070	40,239,694	100.00%
2015	40,587,506	40,140,395	98.90%	447,111	40,587,506	100.00%
2016	41,594,122	41,054,462	98.70%	539,660	41,594,122	100.00%
2017	43,843,913	43,262,208	98.67%	581,705	43,843,913	100.00%
2018	45,435,436	45,168,727	99.41%	266,709	45,435,436	100.00%
2019	47,299,287	46,901,227	99.16%	398,060	47,299,287	100.00%
2020	49,926,627	49,778,049	99.70%	49,738	49,827,787	99.80%

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

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)
2011	13,010,643	338,341	448,973	1,785,737	12,012,220	3.19
2012	12,153,910	382,298	440,487	1,793,655	11,183,040	3.48
2013	12,433,334	350,489	452,752	1,861,665	11,374,910	3.51
2014	13,479,812	325,041	460,932	1,916,353	12,349,432	3.28
2015	14,266,156	281,525	471,392	1,948,409	13,070,664	3.18
2016	15,201,408	258,831	480,106	2,008,886	13,931,459	3.13
2017	16,560,772	256,242	522,114	2,103,454	15,235,674	2.97
2018	18,629,320	275,095	563,729	2,247,066	17,221,078	2.74
2019	21,685,131	271,132	578,977	2,525,850	20,009,390	2.49
2020	24,347,117	300,718	644,413	2,715,444	22,576,804	2.27

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 2020

KOOTENAI COUNTY, IDAHO Schedule of Foregone Amounts as of the 2020 Tax Year

<u>District</u>	<u>Foregone Amount</u>
Kootenai County	\$ 10,603,737
City of Athol	-
City of Coeur d'Alene	6,355,882
City of Dalton Gardens	2,046
City of Harrison	11,857
City of Hauser Lake	1,999
City of Hayden	38
City of Hayden Lake	614
City of Huetter	3,329
City of Post Falls	2,860,807
City of Rathdrum	516,130
City of Spirit Lake	47,947
KC Emergency Medical Services System	180,647
East Side Fire	126,267
Hauser Lake	1,109
Kootenai County Fire & Rescue	342,638
Northern Lakes Fire	153
Shoshone Fire #2	103
St. Maries Fire	-
Timberlake Fire	6
Twin Lakes-Rathdrum Flood Control #17	26,664
Lakes Highway # 2	1,506,918
Post Falls Highway # 1	913,537
Worley Highway # 4	12,301
Kootenai Hospital	61,391
North Idaho College	3,341,527
Community Library Network	160,720
Cataldo Water	1,279
Cleland Bay Sewer	345
Hayden Lake Sewer	16,165
Kidd Island Bay Sewer	1,262
Kingston Cataldo Sewer	252
Kootenai County Water #1	12,397
Hayden Lake Watershed	27,220

Note: Foregone 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, provided that a reserve resolution was passed, published, and presented at a public hearing if required per district.

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

Legal Debt Margin Calculation For Fiscal Year 2020

Assessed Valuations:

Assessed Value	\$ 27,611,882,242
Add Back Homestead Exemptions	\$ 4,296,391,202
Total Assessed Value ¹	\$31,908,273,444

Legal Debt Margin

Debt Limitation*: 2% of assessed market value	\$638,165,469
Less: Debt applicable to limitation	-
Legal Debt Margin	\$638,165,469

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$323,594,507	\$296,253,149	\$302,545,434	\$329,958,607	\$390,188,661	\$413,970,564	\$451,644,044	\$504,241,245	\$577,357,454	\$638,165,469
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$323,594,507	\$296,253,149	\$302,545,434	\$329,958,607	\$390,188,661	\$413,970,564	\$451,644,044	\$504,241,245	\$577,357,454	\$638,165,469
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 2020 for Tax Year 2020

*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, IDAHO
SCHEDULE OF DIRECT AND OVERLAPPING DEBT
September 30, 2020

Number of Issues	Jurisdiction	Net Debt		Earliest	Oldest	Estimated	Estimated
		Outstanding		Issue Date	Maturity Date	Percentage	Share of
				(Month/Year)	(Month/Year)	Applicable ⁽¹⁾	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	\$	4,130,896	July/15	Sep/25	100.00%	\$ 4,130,896
2	Coeur d'Alene SD #271		41,100,000	Nov/12	Sep/31	100.00%	41,100,000
2	Lakeland SD #272		5,130,000	June/12	Aug/25	99.54%	5,106,402
2	Post Falls SD #273		31,425,000	May/15	Sept/39	100.00%	31,425,000
1	Kootenai Joint SD #274		445,000	Feb/13	Aug/22	99.46%	442,597
1	Kellogg Joint SD #391		5,823,050	Nov/05	Sep/26	17.67%	1,028,933
1	Plummer Worley #44 ⁽²⁾		2,953,846	Sep/10	Sep/30	69.79%	2,061,489
1	St. Maries Fire District		195,000	Feb/12	Sep/27	26.16%	51,012
1	Community Library Network		1,210,000	Oct/05	Aug/25	97.97%	1,185,437
1	Bayview Water/Sewer District		270,352	Nov/04	Nov/22	N/A	N/A ^{(3) (4)}
1	Shoshone Fire #2		2,900,000	May/18	May/48	19.62%	568,980
Subtotal, Overlapping Debt			<u>95,583,144</u>				<u>87,100,746</u>
Total Overlapping & Underlying Debt		\$	<u>95,583,144</u>				<u>\$ 87,100,746</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⁾ Bayview Water and Sewer District is a non-levying district, therefore there is no ability to calculate overlapping debt

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

Population ^(a)					
Year	Kootenai County	Change from prior year ¹	State of Idaho	Change from prior year ¹	
2011	140,881	1.7%	1,583,828	0.8%	
2012	142,071	0.8%	1,595,441	0.7%	
2013	143,887	1.3%	1,611,530	1.0%	
2014	146,556	1.9%	1,631,479	1.2%	
2015	149,414	2.0%	1,651,523	1.2%	
2016	153,144	2.5%	1,682,930	1.9%	
2017	157,637	2.9%	1,718,904	2.1%	
2018	161,505	2.5%	1,754,208	2.1%	
2019	165,697	2.6%	1,787,065	1.9%	
2020	170,185 ¹	2.7%	1,823,590	2.0%	

Per Capita Personal Income ^(b)					
Year	Kootenai County	State of Idaho	Kootenai Co. as a % of State of Idaho	Personal Income (thousands of dollars)	Annual Average Unemployment Rate ⁵
2011	33,714	33,503	100.6%	4,646,516	9.8%
2012	35,502	35,187	100.9%	4,933,536	8.4%
2013	36,413	36,167	100.7%	5,262,500	7.4%
2014	38,416	37,896	101.4%	5,400,382	5.8%
2015	40,453	39,857	101.5%	5,804,150	5.2%
2016	41,370	40,670	101.7%	6,335,567	4.7%
2017	43,304	42,094	102.9%	6,656,049	3.9%
2018	45,409	43,901	103.4%	7,265,573	3.5%
2019	46,645	45,968	101.5%	7,728,980	3.6%
2020	N/A	N/A	N/A	N/A	6.3%

Regular High School Diplomas ^{(c)4}			Median Age		
Year	School Enrollment ^{(c)3}	Diplomas ^{(c)4}	Year	Kootenai County (a)	State of Idaho (a)
2011	22,870	1,563	2011	39.0	35.0
2012	22,645	1,467	2012	39.4	35.2
2013	23,185	1,695	2013	39.8	35.4
2014	22,367	1,496	2014	39.8	35.6
2015	22,575	1,388	2015	40.1	35.9
2016	23,187	1,441	2016	39.7	36.1
2017	23,466	1,485	2017	41.4	36.3
2018	23,639	1,424	2018	39.7	35.9
2019	23,245	1,469	2019	40.2	36.4
2020	23,585	1,503	2020	N/A	N/A

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

(a) US Census Bureau and worldpopulationreview.com - estimates

(b) US Department of Commerce

(c) Idaho Dept of Education: sde.idaho.gov/assessment/accountability

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.

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 2020

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

Employer	2020			2011		
	Range of Employees	Rank	Percentage of Total County Employment	Range of Employees	Rank	Percentage of Total County Employment
Kootenai Health	3,000+	1	4.1% +	1,800 - 1,899	1	3.43 - 3.62%
Silverwood Theme Park	1,000 - 2,000	2	1.4% - 2.7%			
Kootenai County	800 - 899	3	1.1% - 1.2%	700 - 799	7	1.33 - 1.52%
Coeur d'Alene Casino (Tribe)	800 - 899	4	1.1% - 1.2%	800 - 899	5	1.53 - 1.71%
North Idaho College	800 - 899	5	1.1% - 1.2%	800 - 899	6	1.53 - 1.71%
Wal-Mart	600 - 699	6	0.8% - 1.0%	700 - 799	8	1.33 - 1.52%
US Bank	600 - 699	7	0.8% - 1.0%			
Qualfon Data	400 - 499	8	0.5% - 0.7%			
City of Coeur d'Alene	400 - 499	9	0.5% - 0.7%			
Northwest Speciality Hospital	300 -399	10	0.4% - 0.5%			
Center Partners (CDA)				1,500 -1,999	2	2.86 - 3.81%
CDA School District				1,000 - 1,499	3	1.91 - 2.86%
CDA Resort				900 - 999	4	1.72 - 1.90%
Post Falls School District				600 - 699	9	1.14 - 1.32%
Lakeland School District				500 - 599	10	0.95 - 1.13%
Average employment size of the 10 largest employers	882			1,020		
Kootenai County Non-Farm Payroll Employment Total ¹	72,965			52,456		

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.

Kootenai County Comprehensive Annual Financial Report – FY 2020

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<i>(1) Data as of June 30th</i>												
Commercial Banks	53	-	4,387	3,391	3,315	3,261	2,764	2,182	2,018	1,861	1,817	1,740
FDIC Savings Banks	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal FDIC- Insured Institutions	53	-	4,387	\$ 3,391	\$ 3,315	\$ 3,261	\$ 2,764	\$ 2,182	\$ 2,018	\$ 1,861	\$ 1,817	\$ 1,740
<i>(2) Data as of December 31st</i>												
Credit Unions	-	-	14	13	17	9	9	9	9	9	9	8
Total	53	-	4,387	\$ 3,391	\$ 3,315	\$ 3,261	\$ 2,764	\$ 2,182	\$ 2,018	\$ 1,861	\$ 1,817	\$ 1,740

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

- (1) Source: Federal Deposit Insurance Corporation
 (2) Source: Local Credit Union listing online research

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Assessor	66.0	66.0	61.0	61.0	59.0	61.0	63.0	63.0	66.0	65.0
Clerk	¹ 75.5	77.5	77.5	78.5	84.8	84.5	84.5	86.5	83.4	85.5
Commissioners	¹ 105.9	100.4	99.4	99.5	106.5	108.7	108.7	110.3	112.9	110.8
Prosecuting Attorney	35.5	36.5	38.5	43.5	44.2	41.2	41.2	50.0	50.0	55.5
Sheriff	4.0	4.0	4.0	3.8	4.0	4.0	3.0	3.0	3.0	13.5
Treasurer	¹ 7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	7.0	8.0
Public Safety										
Commissioners	78.1	69.1	64.6	64.9	64.9	63.5	64.5	67.4	72.5	72.0
Coroner	2.3	2.3	2.0	2.0	3.0	2.5	2.5	3.0	3.1	3.1
Sheriff	¹ 156.4	163.4	162.7	162.3	165.8	170.3	174.6	174.5	177.3	172.4
Jail (Sheriff)	120.4	122.4	122.4	126.4	121.0	119.5	119.5	129.5	134.5	133.5
Prosecuting Attorney	-	-	-	-	-	4.0	4.0	4.6	7.6	4.6
District Court Judges	34.0	34.0	35.0	34.0	32.0	33.0	33.0	34.0	34.0	35.5
Culture and Recreation										
Commissioners	7.5	7.5	7.5	6.3	7.8	7.8	8.0	7.8	7.8	7.8
Public Works										
Commissioners	7.6	7.6	7.6	7.6	9.8	7.6	7.6	9.6	9.6	9.6
Health and Welfare										
Clerk	7.0	8.0	7.0	7.0	6.0	6.0	6.0	6.0	5.6	5.6
Sanitation										
Commissioners	2.6	1.6	1.9	1.9	4.9	2.8	2.8	2.6	3.2	3.2
Solid Waste										
Commissioners	61.0	59.0	59.0	58.0	58.0	59.0	60.0	60.0	62.0	62.0
Total	770.8	766.3	757.1	763.7	778.7	782.4	790.9	819.8	839.5	847.6

Source: Kootenai County Adopted Budget Documents and Payroll Data

¹ Temporary & Seasonal employees in these departments total 18 countywide

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Physical arrests	8,291	7,824	7,830	6,983	7,936	8,423	8,055	8,542	7,998	6,120
District Court Caseload										
Felonies	1,957	920	1,101	1,114	1,091	1,325	1,415			
Misdemeanors	10,217	7,077	7,226	6,893	8,397	7,488	7,778			
Infractions ¹	17,400	14,613	16,473	16,489	16,246	17,542	15,901	12,770	14,191	13,478
Criminal ¹								8,916	7,490	7,177
Civil ¹								9,910	9,316	8,295
Refuse Collection										
Landfilled refuse ²	122	123	128	133	137	155	162	174	181	196
Refuse collected ²	144	142	153	159	168	188	191	203	212	224
Recyclables collected ²	14	15	15	15	17	24	16	19	19	21
Parks and Waterways										
Improved facilities	24	24	24	24	24	24	24	24	24	24
Airport										
Buildings ³	95	95	95	95	95	99	103	106	108	110

Sources: Various County Departments

¹ The Idaho Supreme Court changed case management systems in April 2018. The new system combines certain types of cases for reporting and will be measured by new court classifications. Additionally, case counts do not account for the complexity and length of certain types of cases.

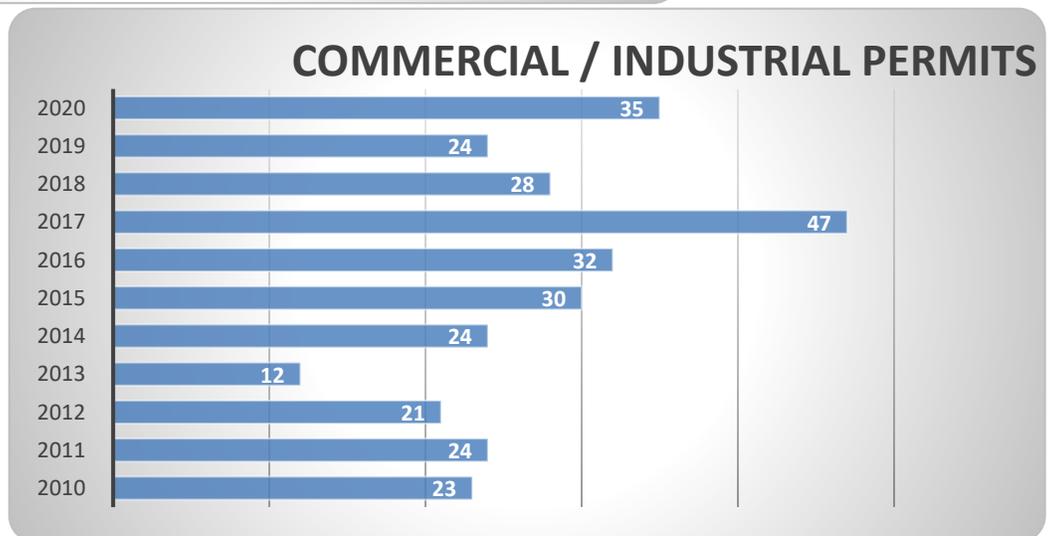
² Amounts shown in thousands of tons.

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

Year	Residential		Commerical/Industrial	
	Permits	Value	Permits	Value
2010	145	42,458,717	23	7,672,725
2011	119	37,889,702	24	4,372,917
2012	136	37,992,115	21	6,066,286
2013	201	58,014,200	12	3,017,010
2014	229	73,205,987	24	3,034,482
2015	285	82,038,426	30	7,787,390
2016	315	94,246,973	32	12,353,808
2017	383	113,586,535	47	17,883,226
2018	347	108,710,280	28	11,367,726
2019	330	99,971,381	24	10,517,068
2020	432	134,994,782	35	15,177,779



Notes:

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

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government:										
Land	\$ 3,232	\$ 3,232	\$ 3,232	\$ 3,847	\$ 3,838	\$ 3,973	\$ 4,342	\$ 4,342	\$ 4,342	\$ 3,437
Buildings	18,210	18,316	15,938	15,938	17,196	17,461	18,057	18,671	18,539	21,332
Improvements	61	240	1,417	1,915	2,651	2,770	2,856	4,627	5,030	5,980
Machinery and equipment	10,182	11,077	12,334	12,463	11,582	10,066	10,845	11,283	11,332	12,416
Public works:										
Land	1,828	1,828	1,828	1,828	2,437	2,437	2,437	3,233	3,233	3,233
Buildings	562	562	562	562	1,888	2,357	2,357	2,357	2,357	1,965
Improvements	26,143	27,665	28,623	32,131	32,491	33,780	34,330	34,182	34,830	26,235
Machinery and equipment	2,210	2,183	2,349	2,391	2,015	2,497	2,964	2,979	2,868	2,889
Public safety:										
Land	107	107	108	108	107	107	107	107	107	107
Buildings	20,280	20,539	23,245	23,245	23,294	23,294	23,366	23,738	35,905	36,572
Improvements	99	5,008	3,921	3,913	4,647	4,667	4,667	4,676	4,646	4,919
Machinery and equipment	10,062	12,024	13,891	15,454	12,958	14,953	16,039	16,695	17,211	18,274
Sanitation:										
Land	1,658	1,782	1,747	1,747	1,747	1,751	1,896	1,896	1,896	1,896
Buildings	613	7,166	740	818	838	873	935	935	989	2,553
Improvements	39,755	33,747	40,289	45,012	45,295	46,272	46,672	47,899	50,179	51,663
Machinery and equipment	10,475	10,895	11,608	12,085	12,556	13,555	13,905	14,375	14,929	16,361
Health & welfare:										
Machinery and equipment	16	10	22	16	11	9	9	-	-	-
Culture and recreation:										
Land	249	249	249	249	249	249	249	249	249	1,155
Buildings	358	358	410	410	397	457	457	457	457	547
Improvements	1,206	1,858	3,159	3,516	3,521	3,444	3,667	4,090	4,974	4,982
Machinery and equipment	1,612	1,569	1,136	1,114	1,118	1,021	1,035	1,128	1,147	926
Capital projects:										
Construction in progress	9,168	6,027	9,046	3,580	2,247	953	4,788	17,247	6,873	7,487
	\$158,086	\$166,442	\$175,854	\$182,343	\$183,084	\$186,945	\$195,983	\$215,168	\$222,097	\$ 224,931

Kootenai County Comprehensive Annual Financial Report – FY 2020

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019 ¹	2020
General Government:										
Vehicles							38	36	42	47
Public safety:										
Kootenai County Sheriff										
Patrol Units - Vehicle	71	76	78	81	77	73	72	71	69	82
Patrol Units - Boat	10	10	10	10	10	10	10	11	11	11
Certified Jail Beds					327	327	327	452	452	452
Juvenile Detention Center Beds					53	53	53	53	53	53
Public Works:										
Airport										
Acreage	1,140	1,140	1,140	1,140	1,198	1,198	1,235	1,235	1,235	1,233
Length of Longest Runway (Ft.)	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400
Apron Marked Tie Downs	73	73	73	73	73	73	73	70	70	70
Sanitation:										
Solid Waste										
Transfer Trailers	34	34	34	32	34	38	37	40	43	42
Landfill Available Capacity (in 1,000 tons)		635	2,602	2,471	2,073	1,918	1,756	1,583	1,402	1,206
Rural Sites	14	14	14	13	13	13	13	12	12	12
Culture and Recreation:										
Waterways/Park & Recreation										
Parks							10	10	10	10
Boat Launches							22	22	22	22
Dock Sq. Feet							52,800	52,800	52,800	50,240

Sources: Various County Departments

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

Single Audit Section



Auditor's Section





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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County) as of and for the year ended September 30, 2020, 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 8, 2021. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units Kootenai County Emergency Medical Services System as of and for the year ended September 30, 2020, and North Idaho Fair & Rodeo as of and for the year ended December 31, 2019. This report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those discretely presented component units.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 financial statements. 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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Boise, Idaho
March 8, 2021



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 County Commissioners
Kootenai County, Idaho
Coeur d’Alene, Idaho

Report on Compliance for Each Major Federal Program

We have audited Kootenai County, Idaho’s (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended September 30, 2020. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2020.

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Report on Internal Control over Compliance

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

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

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

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



Boise, Idaho
March 8, 2021

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Schedule of Audit Findings and Questioned Costs For the Year Ended September 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Airport Improvement Program	20.106
Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

KOOTENAI COUNTY, IDAHO
Schedule of Audit Findings and Questioned Costs
For the Year Ended September 30, 2020

Section II – Financial Statement Findings

No findings noted.

Section III – Federal Award Findings and Questioned Costs

No findings noted.

Auditee's Section



Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2020

Program Title	Federal CFDA Number	Pass-Through Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
Department of Agriculture				
<u>Direct Programs</u>				
Schools and Roads-Grants to States				
Forest Service Schools and Roads Cluster				
Title III	10.665		\$ 28,967	\$ -
Subtotal Forest Service Schools and Roads Cluster			<u>28,967</u>	<u>-</u>
<u>Pass-Through Programs</u>				
Idaho State Superintendent of Public Instruction				
Child Nutrition Cluster				
School Breakfast Program	10.553	RC28-03	17,002	-
National School Lunch Program	10.555	RC28-03	<u>27,381</u>	<u>-</u>
Subtotal Child Nutrition Cluster			<u>44,383</u>	<u>-</u>
Idaho Department of Lands				
Wildland Urban Interface Western State Grant	10.664	15WFM-Kootenai	63,706	-
Wildland Urban Interface Western State Grant	10.664	18WFM-Kootenai	<u>7,306</u>	<u>-</u>
Subtotal Idaho Department of Lands			<u>71,012</u>	<u>-</u>
Total Department of Agriculture			<u>144,362</u>	<u>-</u>
Department of Interior				
<u>Pass-Through Programs</u>				
State Historical Society				
Certified Local Government Program	15.904	CLG-2019	13,000	-
Idaho Department of Parks and Recreation				
2018 Harrison Breakwater Replacement	15.622	BG18-1-28-1	161,588	-
2019 Harrison Breakwater Replacement	15.622	BG19-1-28-1	<u>266,243</u>	<u>-</u>
Subtotal Idaho Department of Parks and Recreation			<u>427,831</u>	<u>-</u>
Total Department of Interior			<u>440,831</u>	<u>-</u>
Department of Justice				
<u>Direct Programs</u>				
Equitable Sharing Program				
Sheriff Fund	16.922		11,285	-
North Idaho Violent Crimes Task Force Fund	16.922		<u>13,441</u>	<u>-</u>
Subtotal Equitable Sharing Program			<u>24,726</u>	<u>-</u>
Office of Justice Programs				
CESF-Coronavirus Emergency Supplemental Funds	16.034		<u>16,330</u>	<u>-</u>
Subtotal Department of Justice Direct Programs			<u>41,056</u>	<u>-</u>

Kootenai County Comprehensive Annual Financial Report – FY 2020

KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2020

Program Title	Federal CFDA Number	Pass-Through Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
<u>Pass-Through Programs</u>				
Idaho Supreme Court OVW Domestic Violence Court	16.013	2015-FJ-AX-0007	42,011	-
Department of Juvenile Corrections ICAC Grant	16.540	2019-MC-FX-K06	2,127	-
City of Coeur d'Alene, Kootenai County 2018 Byrne Justice Assistance Grant	16.738	2018-H3051-ID-DJ	16,424	-
2019 Byrne Justice Assistance Grant	16.738	2019-H3600-ID-DJ	2,027	-
Subtotal City of Coeur d'Alene, Kootenai County			18,451	-
Total Department of Justice			103,645	-
Department of Transportation				
<u>Direct Programs</u>				
Airport Improvement Program	20.106		724,650	-
COVID-19 Airport Improvement Program	20.106		69,000	-
Subtotal Airport Improvement Program			793,650	-
Federal Transit Cluster				
FTA Section 5307 Small Urbanized Area Grant	20.507		848,839	110,818
COVID-19 FTA Section 5307 Small Urbanized Area Grant	20.507		504,462	335,171
Subtotal Federal Transit Cluster			1,353,301	445,989
Subtotal Department of Transportation Direct Programs			2,146,951	445,989
<u>Pass-Through Programs</u>				
Transit Services Program Cluster				
Idaho Department of Transportation 5310 Small Urban Funding	20.513	ITD-5310	312,876	-
Subtotal Transit Services Program Cluster			312,876	-
Formula Grants for Rural Areas				
Idaho Rural Transportation Assistance Program	20.509	RTAP 2020 KC	1,102	-
Highway Safety Cluster				
State and Community Highway Safety Traffic Enforcement Mobilization FY2020	20.600		5,271	-
National Priority Safety Programs				
Traffic Enforcement Mobilization FY2020	20.616		7,091	-
E-Ticketing FY2020	20.616		19,790	-
Subtotal Highway Safety Cluster			32,152	-
Total Department of Transportation			2,493,081	445,989

See Notes to Schedule of Expenditures of Federal Awards

Kootenai County Comprehensive Annual Financial Report – FY 2020

**KOOTENAI COUNTY, IDAHO
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed-Through to Subrecipients</u>
Department of the Treasury				
<u>Pass-Through Programs</u>				
Idaho State Controller				
2020 Coronavirus Relief Fund	21.019		18,062	-
2020 Coronavirus Relief Fund - Broadband	21.019		1,224,484	-
Total Department of the Treasury			<u>1,242,546</u>	<u>-</u>
US Election Assistance Commission				
<u>Pass-Through Programs</u>				
COVID-19 2020 HAVA	90.404	ID20101CARES	116,354	-
2020 HAVA Security	90.404	ID20101001	81,833	-
Total US Election Assistance Commission			<u>198,187</u>	<u>-</u>
Department of Health & Human Services				
<u>Pass-Through Programs</u>				
Idaho Office of Drug Policy				
2020 Partnership for Success Law Enforcement Grant	93.243	5H79SP080981-02	4,815	-
Block Grants for Prevention and Treatment of Substance Abuse				
2019 Substance Abuse Grant	93.959		254	-
2020 Substance Abuse Grant	93.959		4,876	-
Subtotal Block Grants for Prevention and Treatment of Substance Abuse			<u>5,130</u>	<u>-</u>
Total Department of Health & Human Services			<u>9,945</u>	<u>-</u>
Department of Homeland Security				
<u>Direct Programs</u>				
Federal Emergency Management Agency	97.036		5,292	-
<u>Pass-Through Programs</u>				
State Department of Parks & Rec				
Boater Safety Financial Assistance	97.012	FFY 20 RBS Grant	110,021	-
State of Idaho Military Division				
Emergency Management Performance Grant 2018	97.042	EMS-2018-EP-00003-S01	8,578	-
Homeland Security - 2018	97.067	EMW-2018-SS-00040-S01	32,162	7,076
Homeland Security - 2019	97.067	EMW-2019-SS-00047-S01	168,772	98,871
Subtotal Homeland Security			<u>200,934</u>	<u>105,947</u>
Total Department of Homeland Security			<u>324,825</u>	<u>105,947</u>
Total Expenditures of Federal Awards			<u>\$ 4,957,422</u>	<u>\$ 551,936</u>

KOOTENAI COUNTY, IDAHO
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Kootenai County, Idaho (the County) under programs of the federal government for the year ended September 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the County.

Note B – Summary of Significant Accounting Policies

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

Note C – Indirect Cost Rate

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