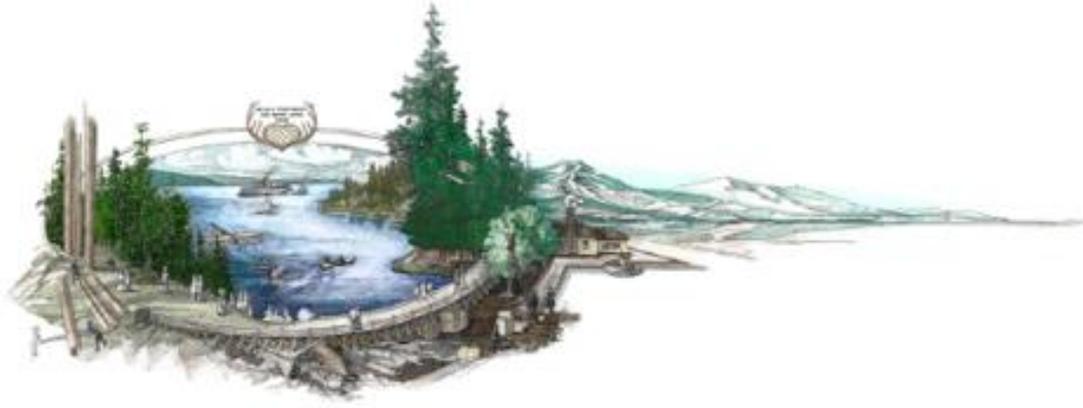


Kootenai County, Idaho

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2023

Jennifer Locke ~ Auditor



KOOTENAI COUNTY, IDAHO

Annual Comprehensive Financial Report For the Fiscal Year Ended September 30, 2023

Jennifer Locke
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 Annual Comprehensive Financial Report – FY 2023

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Introductory Section



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Kootenai County
Idaho**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO



Kootenai County Auditor

Jennifer Locke - Clerk

451 Government Way · P.O. Box 9000

Coeur d'Alene, ID 83816-9000

Phone (208) 446-1650 · Fax (208) 446-1662

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

May 7, 2024

I am pleased to submit to the citizens of Kootenai County and the Board of County Commissioners, the Annual Comprehensive Financial Report (ACFR) of Kootenai County (*the County*) for the Fiscal Year ended September 30, 2023. 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, the Commissioners, or BOCC), 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 U.S. Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, found on page 151.

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

PROFILE OF THE GOVERNMENT

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

Kootenai County 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 180,000. 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 335,000, and Missoula, Montana, 150 miles to the east, with a population of 75,000.

Kootenai County Annual Comprehensive Financial Report – FY 2023

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, the Ambulance District, North Idaho College, Kootenai Health, and the thirteen (13) 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 Tuesday after Labor Day 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. Local government organizations such as Kootenai Health, School Districts, Kootenai County, North Idaho College, and the Coeur d'Alene Tribe are the largest employers in the County. The largest privately owned employers are Wal-Mart, Hagadone Hospitality, and Silverwood.

Data from the Idaho Department of Labor shows Kootenai County has a low unemployment rate of 3.9%¹, which is higher than the national unemployment rate of 3.8%². As we enter 2024, housing prices remain high, with a median home price of \$525,000, which is a 4.6% decrease from September 2022³. An extended period of high interest rates have contributed to a slight cooling of home prices, however if interest rates are lowered in 2024, as is usually the case in presidential election years, prices are expected to rise again.

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. Coeur d'Alene's urban renewal agency, Ignite CDA, has a Health Corridor Master Plan for 2021-2040, which details the master planning and development efforts of the area surrounding Kootenai Health.

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.

Kootenai County remains in sound financial condition at the conclusion of fiscal year 2023. Fund reserves are recovering from costs associated with the pandemic. As we look forward, the Board is expanding facilities for the courts and legal divisions. The Board has committed approximately \$26 million in American Rescue Plan Act (ARPA) funds for the expansion of the Justice Building in order to create desperately needed court room space, judge's chambers, and space for the court clerks. The remainder of the project is funded with County dollars.

¹ Per Idaho Department of Labor as of September 2023

² Per U.S. Bureau of Labor Statistics as of September 2023

³ Coeur d'Alene Regional Realtors September 2023 Market Snapshot

Major Initiatives

During 2023, the County allocated \$720,000 towards technology projects. Solid Waste focused on equipment (\$1.77M), transfer station and landfill facility improvements (\$385,000), and engineering for the east cell expansion (\$500,000). The Jail budgeted \$140,000 for miscellaneous equipment, Facilities budgeted \$635,000 for miscellaneous repairs, and Enhanced 9-1-1 budgeted \$1.7M for infrastructure improvements. Note that for 2023, the County was unable to spend a large portion of budgeted funds for capital projects, primarily due to supply chain delays and supply shortages. Approximately \$5.2M has been rolled forward to the 2024 budget to complete these and other projects.

For 2023, employee compensation was a key focus area for Kootenai County with the philosophy of retaining and attracting talented employees. During FY 2022, the Board of County Commissioners approved Human Resources to fund a countywide wage study. This entailed the engagement of an outside data firm, which spent several months compiling and analyzing market wage data for surrounding agencies, and comparing against Kootenai County's wage rates. As a result, for FY 2023, the Board of County Commissioners approved the implementation of higher wages across the County as a result of the wage study, with the goal of increasing Kootenai County's pay matrices to market rates. In addition, the Board approved a 6% Cost of Living Adjustment (COLA) for all pay matrices.

In addition to wage adjustments, the County's costs for benefits grew moderately. The plans did not change from 2022. The medical benefits increased \$554,000. When compared to the total budget, this makes up approximately 9% of total county expenses. The Idaho pension plan (PERSI) had a legislative change late in FY 22 that added Probation and Dispatch employees to the law enforcement Rule of 80. 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

As the County embarks on 2024, the Board has adopted a 4.5% COLA for all matrices, approved a new 5 year pay matrix for Patrol Deputies, Patrol Sergeants, Lieutenants, and Captains, approved annual anniversary steps for all employees in good standing, and approved funds to correct the steps of employees based on their time in position.

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law, providing for over \$350 billion in funding for state and local governments, intended to provide economic relief from the COVID-19 Pandemic. Kootenai County received \$16,092,350 of ARPA funds in August of 2021, and \$16,092,350 in July of 2022, for a total of \$32,184,700 in funds. When ARPA funds were initially received by the County, the Commissioners assembled a taskforce from the Auditor, Treasurer, and Resource Management offices to analyze and review all requests for the funding. The taskforce issued their official recommendations on projects eligible for funding in April 2022, and the Commissioners adopted the taskforce's recommendations in their entirety in June 2022. Since that time, funding has been re-allocated as necessary if projects fall through or do not meet compliance requirements. The ARPA funds are invested in a restricted fund to earn interest until they are spent.

Cash Management & Investment

Idle cash during the year was invested in the Idaho State Local Government Investment Pool and the Diversified Bond Fund, both managed by the Idaho State Treasurer's Office. Interest and investment earnings are \$5.9M in FY 2023, primarily due to market timing changes in our bond investment portfolio, as well as rising interest rates, and is reported on page 32 in the Government-Wide Statement of Activities. Earnings have increased in the bond markets nationwide as a function of increasing interest rates.

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

Long-Term Financial Planning

As of September 30, 2023, both the General Government operations and the Solid Waste operations continue to be debt free except for a lease and SBITA liability of \$1.3M in General Government operations, which is now required to be reported due to GASB 87 and GASB 96. 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.

Kootenai County Annual Comprehensive Financial Report – FY 2023

The County is the payer-of-last-resort for the debt of its component units. Currently the Kootenai County Emergency Medical Services System has a balance of \$60,668 to Motorola for a purchase agreement for 18 radios for response vehicles, and the last payment is due June 30, 2025. The North Idaho Fair & Rodeo has no outstanding long-term obligations reported in their financial statements at this time.

Financial Policies Impact

The current fund balance policy saves aside two and one half months of personnel and operating expenditures. This policy was amended in fiscal 2019 to follow the Government Finance Officers Association (GFOA) best practices to assure appropriate reserves for cash flow for intermittent revenue streams.

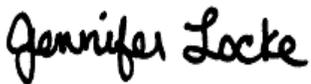
AWARDS & ACKNOWLEDGEMENTS

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 annual comprehensive financial report for the fiscal year ending September 30, 2022. 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 an ACFR 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: the Kootenai County Auditor Office.

Sincerely,



Jennifer Locke
Kootenai County Auditor

Elected Officials and Judges in Fiscal Year 2023



Bill Brooks
Commissioner, District 1



Bruce Mattare
Commissioner, District 2



Leslie Duncan
Commissioner, District 3
Chair



Bela Kovacs
Assessor



Jennifer Locke
Clerk



Dr. Duke Johnson
Coroner



Stan Mortensen
Prosecutor



Bob Norris
Sheriff



Steve Matheson
Treasurer

District 1 Judges:

Rich Christensen
John Mitchell
Barry McHugh
Barbara Duggan

Magistrate Judges:

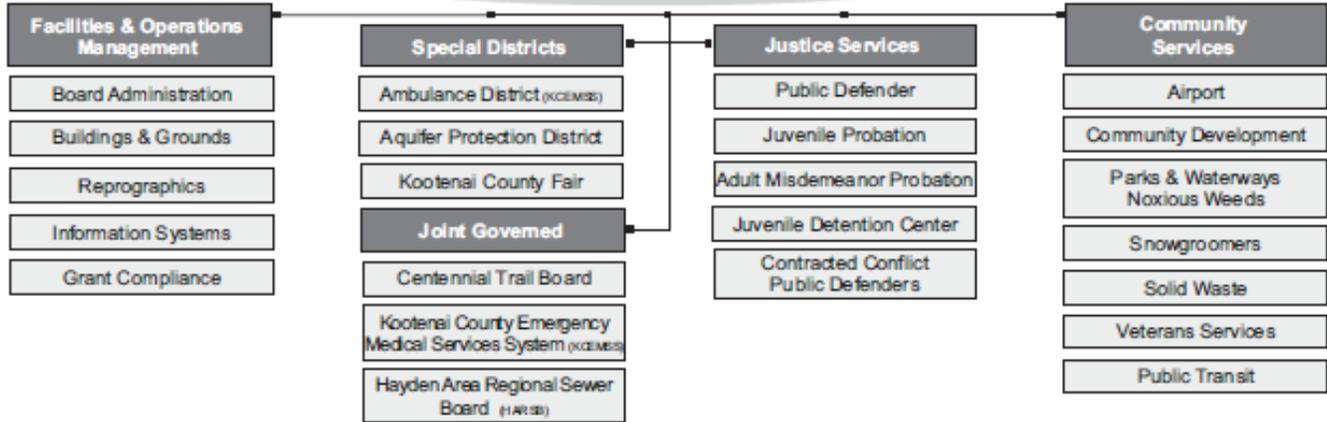
Robert Caldwell
James Stow
Mayli Walsh
John Cafferty
Ross Pittman
Destry Randles
Anna Eckhart
Clark Peterson
James Combo

KOOTENAI COUNTY, IDAHO ORGANIZATIONAL CHART

SEPTEMBER 30, 2023

CITIZENS

BOARD OF COUNTY COMMISSIONERS



ASSESSOR



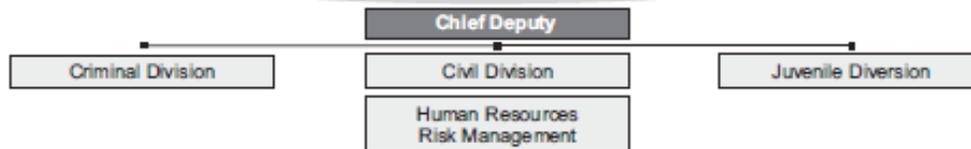
CLERK



CORONER

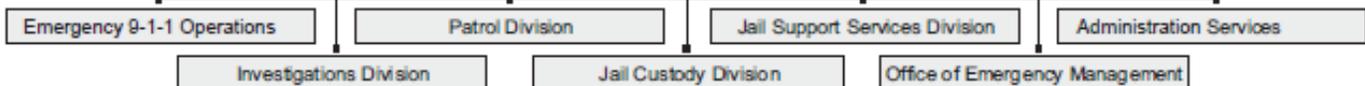
Chief Deputy

PROSECUTING ATTORNEY



SHERIFF

Undersheriff



TREASURER

Chief Deputy



Financial Section



Independent Auditor’s Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho, (the County) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents. The financial statements of North Idaho Fair & Rodeo, one of the aggregate discretely presented component units, are reported as of and for the year ended December 31, 2022.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, 2023, and North Idaho Fair & Rodeo, a discretely presented component unit as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units, North Idaho Fair & Rodeo and KCEMSS, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2022 and September 30, 2023, respectively. 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 those component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 1, D-18 to the financial statements, the County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, for the year ended September 30, 2023. Accordingly, the presentation and disclosure of the change in reporting entity and correction of an error in the financial statements conform to the requirements of the new standard for the year ended September 30, 2023, to restate beginning net position and/or fund balance. Our opinions are not modified with respect to this matter.

Change in Reporting Entity

As discussed in Note 13 to the financial statements, the Airport Fund met the quantitative threshold to be classified as a major fund in the current year. Accordingly, a restatement has been made to the fund balance of Nonmajor Governmental Fund as of October 1, 2022. Our opinions are not modified with respect to this matter.

Correction of Error

As discussed in Note 14 to the financial statements, certain errors resulting in an understatement of amounts previously reported for receivables and revenue as of October 1, 2022, were discovered by management of the County during the current year. Accordingly, a restatement has been made to the Governmental Activities net position as of October 1, 2022, to correct the error. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures and changes in fund balances, budget and actual, for the General Fund and Airport 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards (SEFA), as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the SEFA is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's 2022 financial statements, and we expressed unmodified opinions on the respective financial statements of the proprietary funds in our report dated April 6, 2023. In our opinion, the summarized comparative information for the Solid Waste Enterprise Fund and the Health Insurance Internal Service Fund presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2024, 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, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
May 7, 2024

Management's Discussion and Analysis

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2023 (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, 2023. 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 2023 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 (Board or BOCC) allocated \$5.7 million towards capital projects and purchases in the FY 2023 adopted budget, of which \$4M was funded with existing fund balance to cover one-time capital projects. The Board opted for a 3% property tax increase, new growth, and URD closures to fund ongoing operations and used fund balance to make up the shortfall. The BOCC felt an increase in property tax was a wise choice, since House Bill 389 reduced the amount of New Growth and URD returns the County was able to take, and House Bill 735 took away the County's ability to levy for Public Defense. In addition, staffing shortages have reached critical levels in most of the County's Public Safety departments, as well as many other County departments. The cost of providing mandated services requires the associated salary expenses of employees, and a tax increase was needed in order to fund the ongoing cost of higher wage expenses. Management continues to apply existing funds wherever appropriate while maintaining a modest reserve.

The County has no outstanding bonded debt at Fiscal Year-end 2023.

The Board of County Commissioners' 2023 assigned fund balance policy directed \$19.6M of funds to be saved as assigned for future facility and infrastructure projects and other uses. This included future building projects (\$13M), facilities improvements (\$1.5M), and Information Technology capital projects (\$1.5M). In addition, \$2.1M was assigned for mid-year capital purchases. The remaining assigned funds of \$1.5M serve as reserves for health insurance claims greater than planned and grant match funds. At year-end 2023, \$18.4M of assigned funds remained, which includes usage of the \$19.6M assigned for future projects, as well as additional mid-year fund balance appropriations for ongoing projects that will carry into fiscal year 2024. In addition to assigned funds, \$5.7M was appropriated in the 2023 budget for department capital purchases, of which \$5.2 million was rolled forward to fiscal year 2024.

In April of 2022, the County's ARPA taskforce presented their recommendations to the Board of County Commissioners on which projects were eligible or ineligible for ARPA funding. The Board reviewed the taskforce's recommendations, and in June of 2022, the Board voted to adopt in its entirety the recommendations of the taskforce. The second tranche of ARPA funds in the amount of approximately \$16 million was received in July 2022, bringing total ARPA funds received to approximately \$32 million. Funds have been assigned to various ARPA funded projects Countywide, and the Auditors Office is working with outside agencies to ensure funds are disbursed appropriately.

The bulk of ARPA funds were assigned to go towards funding an expansion to the existing Justice Building. The County has continued to work with LCA Architects on this project, and in addition has entered into a CMGC (Construction Management General Contract) with Bouten Construction for the expansion. Total Construction cost is approximately \$30.4M, and estimated soft costs are approximately \$5M.

The County has combined Governmental and Business activities ending net position of \$177.5M. Of this amount, \$41.7M is unrestricted, which is available for spending on citizen services as well as keeping the County in a debt-free position.

The County's Governmental Activities total net position for 2023 is \$115M, up 12% from prior year. Key drivers include an increase in net investment in capital assets of \$9.7M, or 15%, and an increase in restricted net position of \$243k, or 1%. Major capital purchases in 2023 include fleet purchases, ongoing construction on the Justice Building Expansion project, and significant Airport infrastructure projects. Restricted net position increased primarily due to increases in fund balance in the Airport and non-major funds.

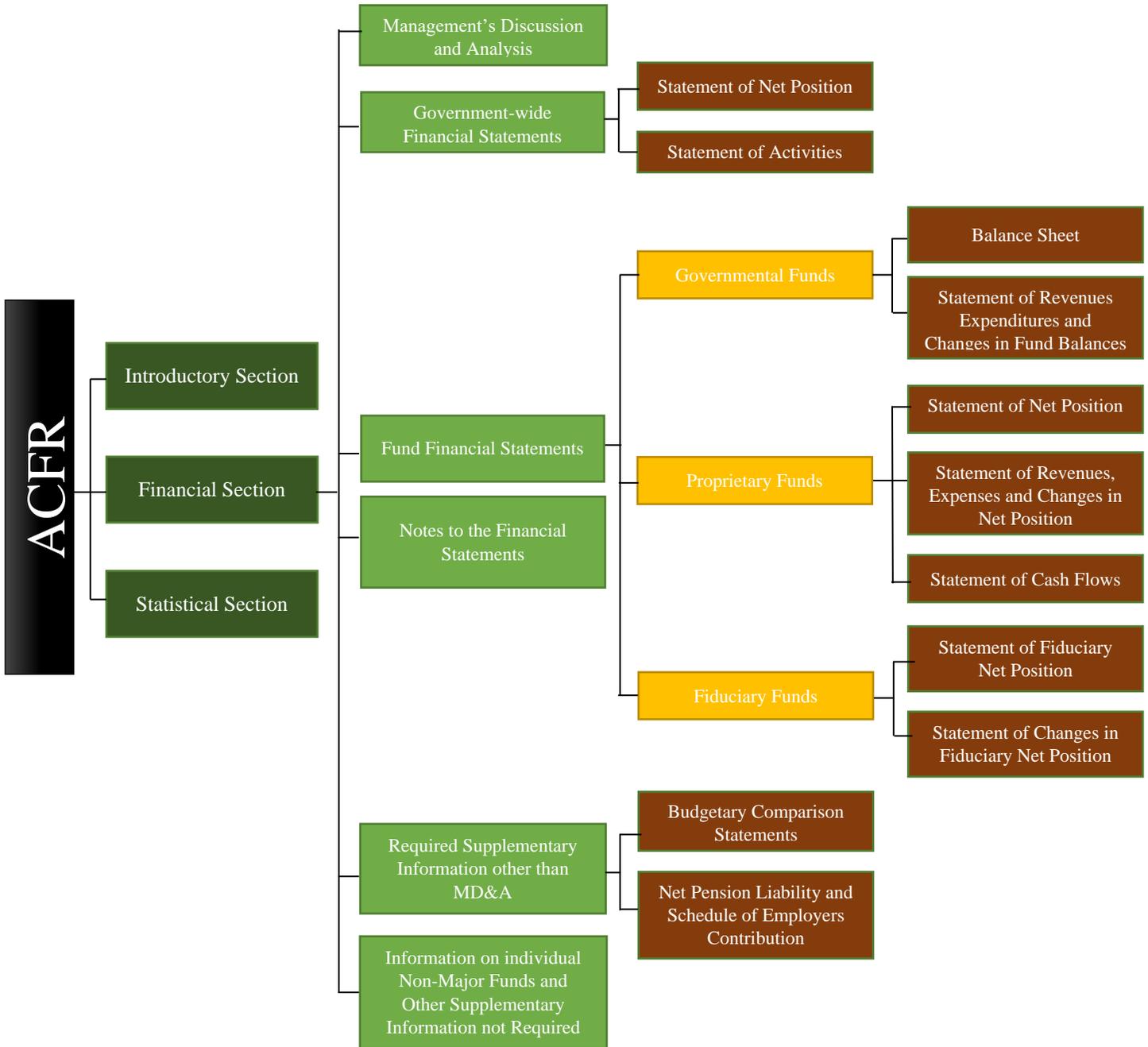
The Solid Waste Enterprise Fund gained over \$4.1M in net position, a 7% increase over prior year. Historically, an increase within the range of 2%-7% is considered normal. Key drivers include a \$1.2M decrease in landfill closure and post closure expense, as well as a decrease in depreciation and landfill depletion of \$2.6M.

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 Annual Comprehensive Financial Report (ACFR) are related as shown in the graphic on the next page.

Kootenai County Annual Comprehensive Financial Report – FY 2023

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



Kootenai County Annual Comprehensive Financial Report – FY 2023

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 custodial 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 custodial 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 (which is comprised of the Justice Fund, American Recovery Plan Act (ARPA) Fund, and Liability Insurance Fund), Airport Fund, Indigent Fund, Parks and Recreation, Revaluation, 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 Annual Comprehensive Financial Report – FY 2023

Government-wide Financial Analysis

Table 1 summarizes Kootenai County’s Net Position for 2023 compared with 2022.

	Kootenai County's Net Position (amounts in thousands)						Total % Change
	Governmental Activities		Business-type Activities		Total		
	Restated 2022	2023	Restated 2022	2023	Restated 2022	2023	
Current and other assets	\$ 176,815	\$ 164,664	\$ 50,981	\$ 55,558	\$ 227,796	\$ 220,222	-3.3%
Non-Current Assets, Capital and right-to-use assets	67,412	107,634	24,280	24,546	91,692	132,180	44.2%
Total Assets	244,227	272,298	75,261	80,104	319,488	352,402	10.3%
Deferred Outflows	24,575	19,759	1,473	1,193	26,048	20,952	-19.6%
Current liabilities	41,520	47,446	1,237	1,007	42,757	48,453	13.3%
Long-term Liabilities	5,859	6,890	14,334	14,884	20,193	21,774	7.8%
Net pension liability	45,243	47,542	2,683	2,817	47,926	50,359	***
Total Liabilities	92,622	101,878	18,254	18,708	110,876	120,586	8.8%
Deferred Inflows	73,205	75,190	51	37	73,256	75,227	2.7%
Net investment in capital assets	64,526	74,263	24,280	24,546	88,806	98,809	11.3%
Restricted	17,182	19,353	5,425	19,587	22,607	38,940	72.2%
Unrestricted	21,267	21,374	28,724	18,419	49,991	39,793	-20.4%
Total Net Position	\$ 102,975	\$ 114,990	\$ 58,429	\$ 62,552	\$ 161,404	\$ 177,542	10.0%

Total County assets and deferred outflows exceeded liabilities and deferred inflows by \$178M (\$115M in Governmental activities and \$63M in Business-Type activities). This compares to \$161M in 2022, a \$16M increase in net position. This is primarily due to increases in investments in capital assets, intangible right-to-use assets, non-current settlement receivable, and cash held for contingency. The intangible right-to-use assets are the lease and software agreements the County has for various equipment and software, and total \$1.4M for 2023. The non-current settlement receivable of \$1.8M is the opioid settlement funds from the State that the County will be receiving over the next 20 years.

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 \$2.4M in 2023, creating a \$50.3M net pension liability. Lower returns in the state portfolio of investments and the larger investment market drove the increase. 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 obligation of the State of Idaho retirement plan.

Net Investment in Capital Assets (land, buildings, improvements, machinery and equipment, vehicles and infrastructure, net of related leases) totals \$99M, which represents 56% of the County’s net position. Net Investment in Capital Assets provides the infrastructure for services to citizens, but the assets are not available resources for future spending. Net Investment in Capital Assets increased \$9.7M in 2023 for Governmental Activities while Net Investment in Capital Assets increased \$266,000 for Solid Waste. The details driving changes are explained below in the “Capital Asset” section. All capital assets are wholly owned by the County.

The County’s Governmental Activities net position is \$115M, of which \$19.4M (15%) has restrictions on how the assets can be used. Solid Waste’s net position is \$63M, of which \$19.6M (31%) has restrictions on how the assets can be used. The \$21.4M (20%) of Unrestricted Governmental Activities net position may be used to meet the County’s ongoing obligations. The \$18.4M (29%) of Unrestricted Solid Waste Net Position can only be used for ongoing obligations of the enterprise.

Kootenai County Annual Comprehensive Financial Report – FY 2023

Table 2 shows the changes in net position for 2022 and 2023.

**Changes in Kootenai County's Net Position
for the Years Ended September 30, 2022 and 2023**
(amounts in thousands)

	Governmental Activities		Business-type Activities		Total		Percentage Change 2022-2023
	Restated 2022	2023	Restated 2022	2023	Restated 2022	2023	
	Revenues						
Program revenues							
Charges for services	\$ 38,614	\$ 43,210	\$ 16,446	\$ 16,856	\$ 55,060	\$ 60,066	9.1%
Operating Grants	5,644	7,211	7	-	5,651	7,211	27.6%
Capital Grants	1,640	7,827	-	-	1,640	7,827	377.1%
General revenues							
Property taxes	57,695	61,749	-	-	57,695	61,749	7.0%
Gain on sale of assets	53	420	33	-	87	420	-383.8%
Other	(1,121)	7,268	318	268	(803)	7,536	-1039.0%
Total revenues	102,526	127,685	16,805	17,124	119,331	144,809	21.4%
Expenses							
General government	36,605	46,016	-	-	36,605	46,016	25.7%
Public works	3,911	2,289	-	-	3,911	2,289	-41.5%
Public safety	58,804	63,098	-	-	58,804	63,098	7.3%
Sanitation weed control	425	378	-	-	425	378	-11.0%
Health and welfare	1,961	2,450	-	-	1,961	2,450	24.9%
Culture and recreation	2,053	2,330	-	-	2,053	2,330	13.5%
Solid waste	-	-	14,714	12,110	14,714	12,110	-17.7%
Total expenses	103,759	116,561	14,714	12,110	118,473	128,671	8.6%
Excess (deficiency) before special items and transfers	(1,233)	11,124	2,091	5,014	857	16,138	1782.2%
Transfers In (out)	946	890	(946)	(890)	-	-	0.0%
Increase (decrease) net position	\$ (288)	\$ 12,015	\$ 1,145	\$ 4,123	\$ 857	\$ 16,138	-1782.2%
Restated Beginning Net Position	\$ 103,263	\$ 102,975	\$ 57,284	\$ 58,429	\$ 160,547	\$ 161,404	0.5%
Ending Net Position	\$ 102,975	\$ 114,990	\$ 58,429	\$ 62,552	\$ 161,404	\$ 177,542	10.0%

Governmental Activities

Program revenues for Governmental Activities increased overall in fiscal 2023, with a \$4.6M increase in charges for services and a \$7.8M increase in operating and capital grants. Charges for services is the County's second largest source of revenue (behind property tax revenue), and it accounted for \$43.2M (34%) of total governmental revenues. The sources providing charges for service revenue remained the same in both fiscal years for Governmental Activities with minor increases to rates based on costs of delivery.

Combined Charges for services and grant source revenue totaled \$58.2 million (46%) of the County's governmental revenues in 2023. This compares to \$45.9M (45%) in 2022. Capital grant increases are a reflection of airport and transit infrastructure grants, as well as ARPA grant expenditures.

Operating and capital grants from Federal and State sources made up \$15M (12%) of total governmental revenues; this is up from 2022 at \$7.3M (7%). The Airport had \$6.8M in grant funded infrastructure projects in process at year-end. There was also \$1.3M in construction in progress on the Justice Building Expansion, \$3.7M in fleet purchases, and \$800k in IT purchases.

Kootenai County Annual Comprehensive Financial Report – FY 2023

Property tax revenues supporting Governmental activities were \$61.7M (48%) of the \$128M Governmental Activities revenue total. Property tax revenue collections increased \$4M (7%) from 2022. This is due to the increase in taxes, in addition to collections of prior year taxes.

General government expenses are \$46M, (39%) of total Governmental Activities expenses. This compares to \$36.6M in 2022, an increase of \$9.4M (26%). The largest factor is an increase in pension expense of \$4.9M from actuarial changes at PERSI (Public Employment Retirement System of Idaho).

Public safety expenses of \$63M (54%) are the largest portion total Governmental Activities expenses. Compared to prior year, Public safety expenses increased \$4.3M or 7%. About \$6.9 million of this increase is from an increase in pension expense. Another \$1.5 million of the increase is due to increase personnel costs in retention bonuses and overtime, as well as mid-year pay increases for Detention and Dispatch, and the remaining increase is due to the rising costs of operating expenses due primarily due to inflation and supply chain delays.

Health and welfare expenses of \$2M increased by \$0.5 million, or 25% from the prior year. This is due to House Bill 316, which increased the County’s funding burden requirement for Panhandle Health from 50% to 100%. For fiscal year 2022, this increase was pro-rated, and we expected this increase to occur in FY 2023.

Total Governmental Activity expenses were \$116.6M in 2023, an increase of \$12.8M (12%) from the prior year. The increase is primarily from pension expense increase of \$12.2 million, with the remaining increase attributable to increasing personnel costs.

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, 2022 and 2023**
(amounts in thousands)

	Total Cost of Services		Percentage Change	Net Cost of Service		Percentage Change
	2022	2023	2022-2023	2022	2023	2022-2023
General government	\$ 36,605	\$ 46,016	25.7%	\$ 17,612	\$ 19,489	10.7%
Public works	3,911	2,289	-41.5%	1,038	(6,579)	-734.0%
Public safety	58,804	63,098	7.3%	38,578	40,984	6.2%
Sanitation (Weed control)	425	378	-11.0%	424	378	-10.8%
Health and welfare	1,961	2,450	24.9%	1,961	2,450	24.9%
Culture and recreation	2,053	2,330	13.5%	698	1,591	128.0%
Total	\$ 103,759	\$ 116,561	12.3%	\$ 60,310	\$ 58,313	-3.3%

The County’s total cost of services increased by \$12.8M (12%) compared to the prior year. General government and public safety increased \$9.4M and \$4.3M, respectively.

Public safety is both the largest portion (54%) of Total Cost of Services at \$63M, and the largest portion (70%) of Net Cost of Service at \$41M. Public safety net cost of service increased by \$2.4M or 6%. This primarily due to an increase in wage expenses of \$3M due to the implementation of the wage study and 6% COLA, as well as \$2.6M in unanticipated revenues from prisoner housing.

General Government is the second largest portion (33%) of Net Cost of Service at \$19.5M. General Government Net Cost of Service increased by \$1.9M or 11%. This is primarily due to an increase in wages expenses of \$4.5M due to the implementation of the wage study and 6% COLA, as well as a \$3M increase in grant activity during the year.

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.

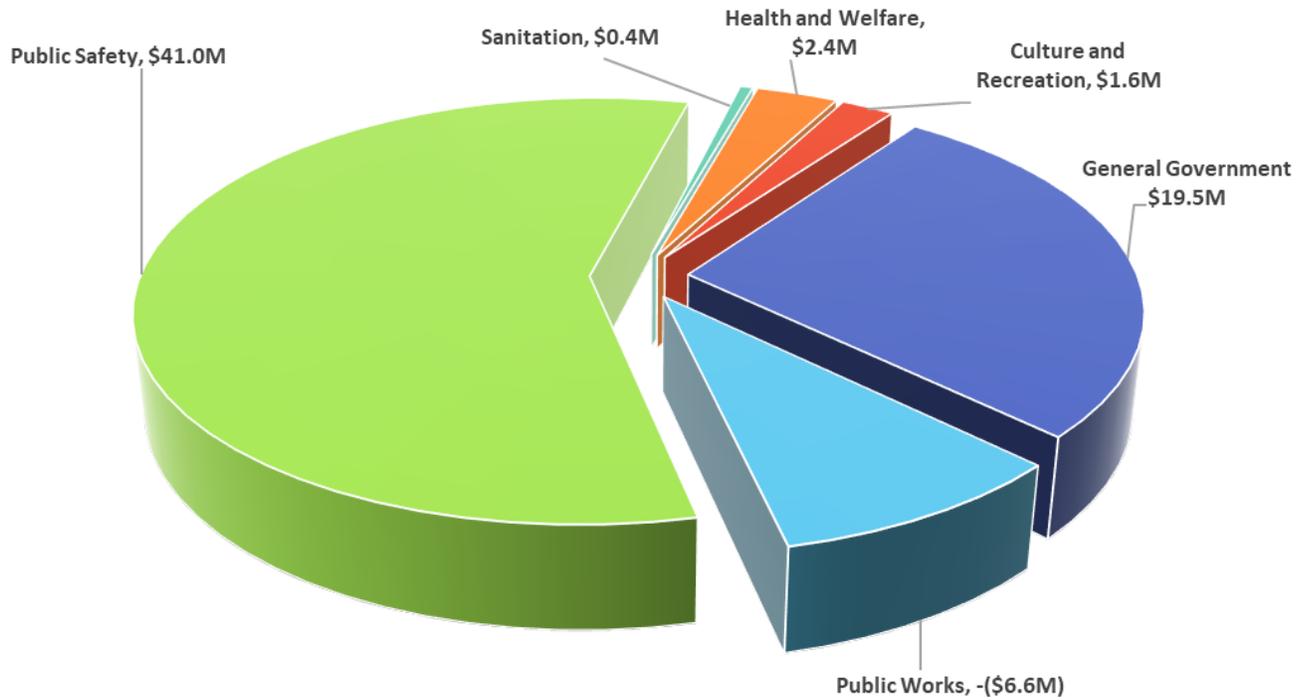
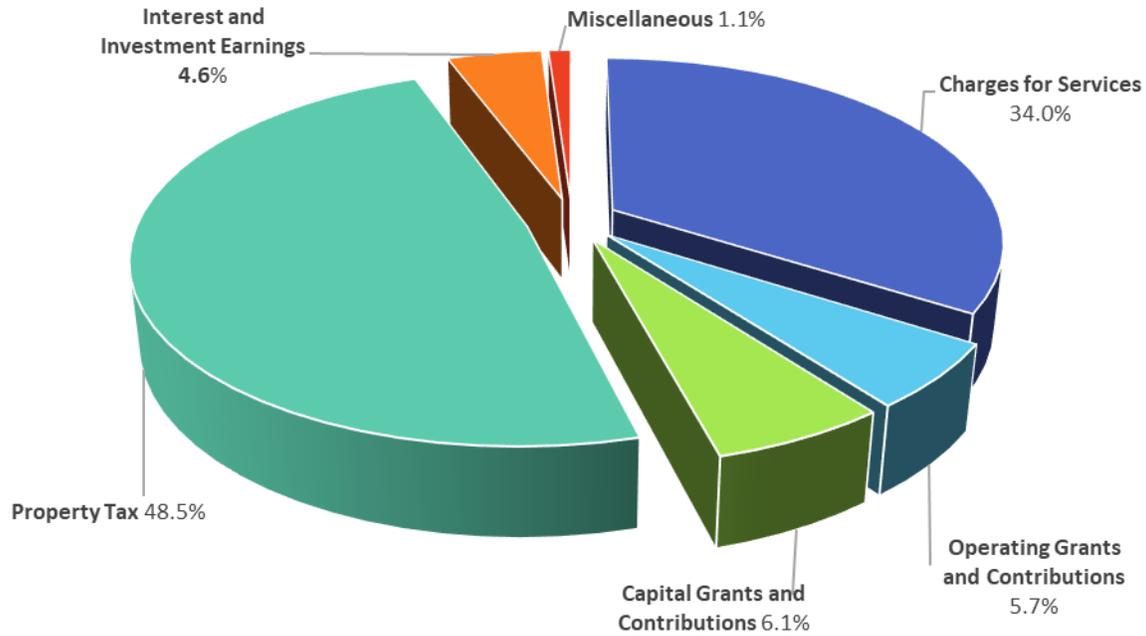


Figure 5: Revenues by Source-Government Activities

The figure below indicates County fiscal 2023 revenue by category and percent of the total revenue.



Business-Type Activities

Solid Waste’s net (expense) revenue for the year was \$4.8M, with revenue of \$16.9M and expenses of \$12.1M, and transfers to General Government of \$890,000. As directed by Commissioner resolution from FY2015, all investment earnings for Solid Waste are recorded to the General Fund. This year, Solid Waste investment gains were \$237,829. Landfill closure/post closure costs were \$503,000 in 2023.

Figure 6: Program Revenues and Expenses-Business Type Activities

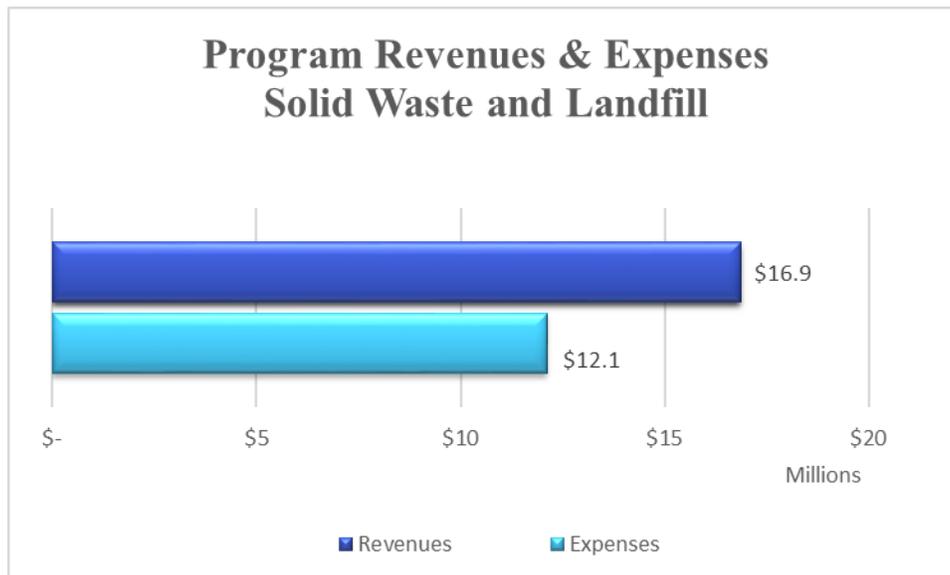
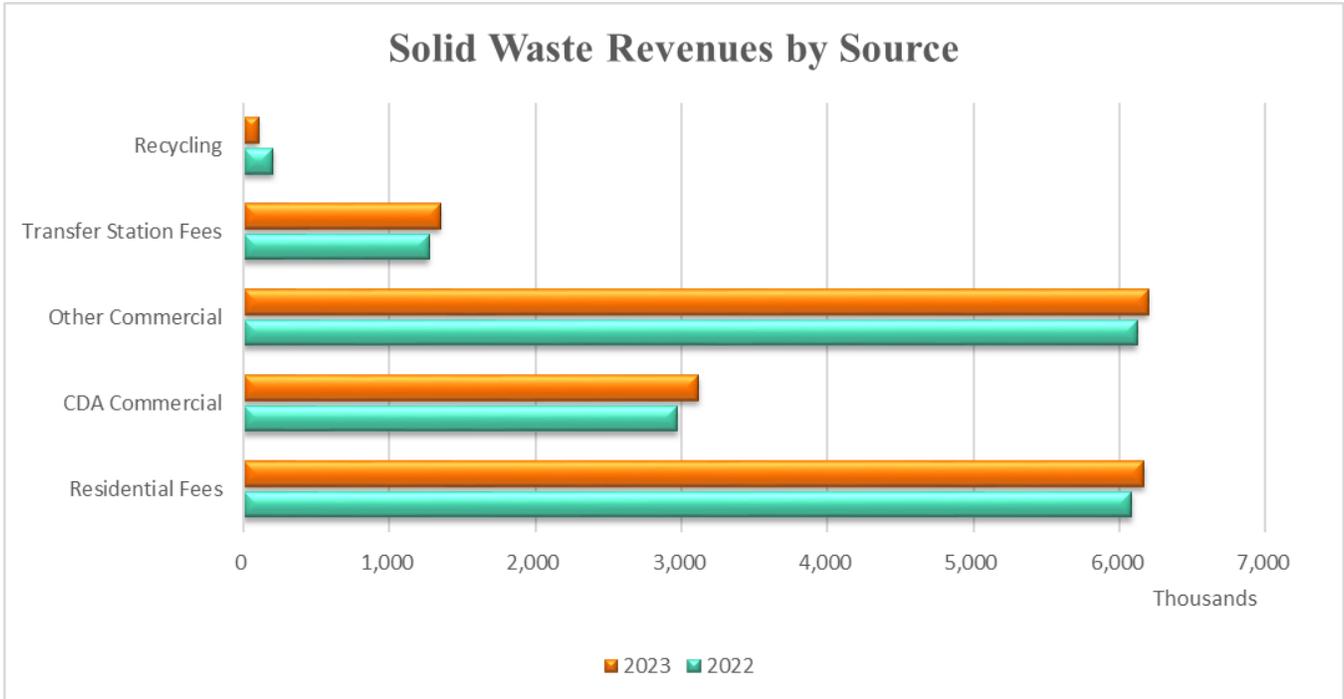


Figure 7: Revenues by Source - Business Type Activities - Solid Waste

Greatest overall growth in revenues was driven by an increase in City of Coeur d’Alene disposal fees (\$147k). Highest percentage decrease was in the area of Recycling revenues (-50%) for a year over year decrease of \$100k. Transfer Station Fees increased \$76k (6%). Overall operating revenue increased \$359k 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, 2023, the County’s governmental funds had a combined ending fund balance of \$69.2M, an increase of \$9.9M over the prior year. Approximately \$30.9M (45%) of this total is unassigned fund balance, available for spending at the County’s discretion. The remaining \$38.2M (55%) is reserved for dedicated purposes in one of four designated fund balance categories: Assigned, Committed, Restricted, and Nonspendable. (Each of these categories is described in more detail in the notes to the financial statement.)

The General Fund is the County’s primary operating fund. It includes Commissioner General Fund programs, and Justice Services such as Sheriff Patrol and Jail operations. The General Fund’s fund balance increased by \$8.7M (18%) during fiscal year 2023. This increase was primarily the result of unfinished capital projects being returned to fund balance, rather than expended, and higher than anticipated interest revenue. General Fund expenditures of \$85M increased \$11M (15%) from the prior year. This is primarily due to an increase of \$4M in capital expenditures and construction in progress, and a \$7.4M increase due to wage increases.

As a liquidity measure, it is useful to compare both unassigned fund balance (\$30.9M) and total fund balance (\$69.2M) to total Governmental Fund expenditures (\$119M). Therefore, unassigned fund balance represents 26% of total Governmental Fund expenditures, and total fund balance represents 58% of total Governmental Fund expenditures.

Airport Fund

The Airport Fund captures the financial activity of the Coeur d'Alene Airport-Pappy Boyington Field and the Airport Sewer. The Airport's fund balance increased by \$923k, (71%) during fiscal year 2023. As part of FAA revenue regulations, all Airport tenants must pay market rates, and lease revenues have increased steadily each year, contributing to the growth in fund balance. The Airport utilizes their fund balance for large capital and infrastructure projects, as well as grant match for FAA Airport improvement grants. The Airport Fund met the requirements of GASB 34 as a major fund during 2023 and is now reported separately in the basic financial statements.

Enterprise Funds

The County's enterprise fund (Solid Waste) had unrestricted net position of \$18.4M in 2023, down from \$28.7M in fiscal 2022. Revenues continue to cover operating costs and provide long-term sustainability. Landfill Closure/Post Closure expense decreased \$1.2M. Other construction projects (\$782k) include ongoing improvements at Ramsey and Prairie Transfer Stations and expansion of the rural sites. Capital investments were also made to replace machinery and equipment at the landfill and transfer stations of \$1.4M. They completed a closure post-closure cost study in 2023 that significantly affected landfill depletion estimates as well as closure costs.

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 2023 was \$120,476,935 of which \$56,190,801 was funded by property tax. New development was added to the budget, as well as a 3% increase in the tax base. The County did not accrue any forgone property tax.

Increases to expenditures included capital investments of \$6M, which consist of Solid Waste construction and improvements (\$2.7M), Aumentum repair and maintenance (\$250k), facility repairs (\$660k), equipment purchases for the Sheriff's Office (\$219k), 9-1-1 infrastructure (\$1M), and technology equipment (\$720k). Personnel expenditures grew in response to the need to attract and retain talent (\$10.9M). This was primarily due to the implementation of the wage study, and a 6% Cost of Living Adjustment (COLA).

Overall operating expenses were increased by 8% (\$3.4M) year over year in order to keep up with supply chain issues, as well as rising inflation and the cost of goods and services. Many departments have struggled to purchase basic supplies for operations due to extended order and shipping delays, as well as the labor shortage causing production delays and order cancellations.

The amended budget at fiscal year-end was \$185,579,748, an increase of \$65.1M from the adopted budget. Capital carryforwards for ongoing projects were \$2.6M, general fund balance appropriations for capital purchases were \$5.7M, restricted fund balance amendments for capital purchases and grant match were \$2.5M, grant funds received were \$53.2M, and other miscellaneous items were \$1M.

The capital carryforward of ongoing projects was \$1.5M for Solid Waste projects, \$367k for IT projects, \$371k for the Justice Building Expansion, and \$336k for miscellaneous projects. In General Fund, key fund balance appropriations were \$3.7M for patrol fleet purchases, \$455k for camera replacements at the Jail, \$380k for conflict attorney contracts, and \$259k for Enhanced 911 projects. Restricted fund balance appropriations were \$1.2M for grant match, \$260k for Hyland Appraisers with the Assessor's office, \$235k for a new workboat for Parks & Waterways, \$365k in lease revenue payout to the County Fair, \$225k for Solid Waste equipment, and \$265k in miscellaneous equipment. Key grant funds received include ARPA (\$32M), public transportation, (\$10.8M), Airport, (\$8.7M), and Office of Emergency Management (\$0.6M).

Key drivers in non-grant budget amendments were responses to aging and obsolete equipment and vehicles. 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.

Kootenai County Annual Comprehensive Financial Report – FY 2023

CAPITAL ASSETS

Kootenai County’s fiscal 2023 capital investments for its Governmental and Business Type activities totaled \$100.M, net of depreciation and amortization. These investments included land, buildings, improvements, machinery and equipment, and construction in progress. (See Table 8) The net increase (including depreciation, additions and deductions) in the County’s investment in capital assets was \$10.9 million (a 15% increase for Governmental activities, in addition to a 1% increase for Business-Type activities).

Table: 8

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

	Governmental		Business-type		Total		Total
	Activities		Activities		Total		Percentage
	Restated	Restated	Restated	Restated	Restated	Restated	Change
	2022	2023	2022	2023	2022	2023	2022-2023
Land	\$ 8,562	\$ 8,562	\$ 1,896	\$ 1,896	\$ 10,458	\$ 10,458	0.0%
Buildings	29,343	27,516	1,537	1,432	30,880	28,948	-6.3%
Improvements other than Buildings	9,719	9,123	1,628	1,554	11,347	10,677	-5.9%
Machinery and Equipment	9,021	11,473	3,736	3,746	12,757	15,219	19.3%
Transfer Stations	-	-	7,489	6,803	7,489	6,803	-9.2%
Landfill	-	-	5,066	6,132	5,066	6,132	21.0%
Construction in Progress	7,897	17,540	2,928	2,983	10,825	20,523	89.6%
Right-to-Use Assets	1,042	1,357	-	-	1,042	1,357	30.2%
Total	\$ 65,584	\$ 75,571	\$ 24,280	\$ 24,546	\$ 89,864	\$ 100,117	11.41%

Major capital asset activities during fiscal 2023 included:

- Fleet purchases for Assessor, Community Development, Recreational Safety, Detectives, Jail and Patrol - \$2.2 million
- Kootenai County Sheriff's Office - 38 patrol and 4 jail vehicles (partially outfitted) - \$1.5 million
- Kootenai County Sheriff's Office - Boat purchase (Outfitting Complete) - \$0.1 million
- Information Technology Infrastructure - \$0.7 million
- Information Technology Software – \$0.1 million
- Construction in Progress – Airport Projects and Improvements- \$7.0 million
- Construction in Progress – Kootenai County Attorney Center - \$1.3 million
- Solid Waste Department Improvements and Machinery & Equipment – \$0.5 million
- Disposals of obsolete equipment and improvements for General Government (\$0.2 million) and Solid Waste (\$0.5 million)

Additional information on Kootenai County’s capital assets can be found in Note 5 (Capital and Right-to-Use Assets) to the financial statements for fiscal year 2023.

LONG-TERM DEBT

The County has no long-term debt owed to third parties except for GASB 87 lease obligations of \$206,808, and GASB 96 Subscription Software obligations of \$1,101,631.

ECONOMIC FACTORS

In Kootenai County, home prices have cooled due to an extended period of high interest rates. Current inventories are still low, and demand is expected to surge again once interest rates start to come down. As we enter 2024, the median home price in Kootenai County is \$525,000, which is a 4.6% decrease from September 2022⁴. An extended period of high interest rates have contributed to a slight cooling of home prices, however if interest rates are lowered in 2024, as is usually the case in presidential election years, prices are expected to rise again.

New residential building permits for properties outside the city limits, as reported by the County's Community Development department, increased in total number of permits by 6% to 430 permits in 2023. Total value of permits increased by 14.6% to \$246 million. The demand in the housing market remains historically strong with inventory of residential listings in the county remaining low. New home sales have slowed due to a period of high interest rates, however demand will likely increase over the next year if rates come down. The commercial/industrial segment outside of city limits saw 83 permits filed in 2023 at a value of \$30 million, an increase of 27%. Commercial building increased in 2023 as compared to 2022 as building materials become more available and cost of construction stabilizes.

Data from the Idaho Department of Labor shows Kootenai County has an unemployment rate of 3.9%⁵, which is higher than the national unemployment rate of 3.8%⁶. Neighboring Washington and Montana have raised the minimum wage to \$16.28/hour and \$10.30/hour, respectively, while Idaho remains at \$7.25/hour. This disparity continues to put pressure on local employers to attract entry-level employees. As with most areas of the country, "Help Wanted" signs are visible everywhere. Employers are competing for a limited pool of available jobseekers, driving up wages as well as offering relocation and signing bonuses. In addition, the shortage of affordable housing in the area limits options for the entry-level workforce.

Kootenai County has struggled to attract and retain workers in the current job market and labor shortage. Every effort is being made to recruit and retain desperately needed employees. Kootenai County's lowest wage is \$15.05/hour, in an effort to be competitive with neighboring Washington State.

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 \$45.8 billion dollars for fiscal year 2023 (tax year 2022). This is an astonishing \$19 billion (71%) increase from fiscal year 2022 (tax year 2021).

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

⁴ Coeur d'Alene Regional Realtors September 2023 Market Snapshot

⁵ Per Idaho Department of Labor as of September 2023

⁶ Per U.S. Bureau of Labor Statistics as of September 2023

Basic Financial Statements

Kootenai County Annual Comprehensive Financial Report – FY 2023

**KOOTENAI COUNTY, IDAHO
Statement of Net Position
September 30, 2023**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	North Idaho	
				Fair & Rodeo Dec. 31, 2022	KCEMSS Sept. 30, 2023
ASSETS					
Cash and investments	\$ 75,863,597	\$ 39,850,898	\$ 115,714,495	\$ 1,773,695	\$ 5,462,011
Taxes receivable - current	59,416,243	-	59,416,243	-	-
Taxes receivable - delinquent	764,222	-	764,222	-	13,010
Accounts receivable, (net)	5,399,839	1,201,090	6,600,929	101,583	1,177,872
Grants receivable	6,760,216	-	6,760,216	-	-
Leases receivable	16,007,069	-	16,007,069	-	-
Inventories and prepaid expenses	454,286	2,100	456,386	-	224,957
Non-current settlement receivable	1,817,830	-	1,817,830	-	-
Restricted assets:					
Cash held for contingency	741,621	-	741,621	-	-
Cash held for closure and postclosure	-	14,504,000	14,504,000	-	-
Cash held for federal grants	29,503,686	-	29,503,686	-	-
Capital and Right-to-Use Assets:					
Land	8,562,118	1,895,906	10,458,024	-	403,990
Depreciable assets, (net)	48,112,065	19,667,025	67,779,090	3,144,851	2,754,947
Construction in progress	17,539,223	2,983,471	20,522,694	-	57,468
Intangible right-to-use assets, (net)	1,357,743	-	1,357,743	-	-
Total Assets	272,299,758	80,104,490	352,404,248	5,020,129	10,094,255
Deferred Outflows of Resources					
Related to Pensions	19,758,847	1,192,945	20,951,792	264,799	212,387
Total Deferred Outflows of Resources	19,758,847	1,192,945	20,951,792	264,799	212,387
LIABILITIES					
Accounts payable	8,927,576	968,504	9,896,080	50,779	120,255
Payroll and related liabilities	1,943,517	-	1,943,517	41,851	99,983
Advanced revenues	35,283,071	-	35,283,071	-	-
Long-term liabilities					
Due within one year					
Compensated absences	788,635	39,035	827,670	-	-
Debt	-	-	-	-	30,334
Leases and SBITA liability	503,180	-	503,180	-	-
Due in more than one year					
Compensated absences	6,084,843	379,815	6,464,658	43,641	-
Debt	-	-	-	-	30,334
Lease and SBITA liability	805,259	-	805,259	-	-
Landfill closure liability	-	14,504,000	14,504,000	-	-
Net Pension Liability	47,542,234	2,816,696	50,358,930	408,191	541,566
Total Liabilities	101,878,315	18,708,050	120,586,365	544,462	822,472
DEFERRED INFLOWS OF RESOURCES					
Future year property tax	59,416,243	-	59,416,243	-	-
Related to Pensions	66,108	37,152	103,260	1,821	-
Leases	15,707,761	-	15,707,761	-	-
Deferred Inflows of Resources	75,190,112	37,152	75,227,264	1,821	-
NET POSITION					
Net investment in capital assets	74,262,710	24,546,402	98,809,112	3,144,851	3,155,737
Restricted	19,353,612	19,587,086	38,940,698	-	-
Unrestricted:					
Governmental activities	21,373,856	-	21,373,856	-	-
Business-type activities	-	18,418,745	18,418,745	1,593,794	6,328,433
Total Net Position	\$ 114,990,178	\$ 62,552,233	\$ 177,542,411	\$ 4,738,645	\$ 9,484,170

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Statement of Activities For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Primary government:				
Governmental activities:				
General government	\$ 46,016,171	\$ 19,093,353	\$ 6,306,085	\$ 1,128,045
Public works	2,288,553	2,435,121	-	6,432,334
Public safety	63,098,176	21,070,274	903,100	140,696
Sanitation	378,105	98	-	-
Health and welfare	2,449,770	-	-	-
Culture and recreation	2,330,203	610,981	2,171	126,168
Total governmental activities	116,560,978	43,209,827	7,211,356	7,827,243
Business-type activities:				
Solid waste and landfill	12,109,957	16,855,760	-	-
Total business-type activities	12,109,957	16,855,760	-	-
Total primary government	\$ 128,670,935	\$ 60,065,587	\$ 7,211,356	\$ 7,827,243
Component units:				
North Idaho Fair and Rodeo	\$ 3,418,796	\$ 3,680,568	\$ -	\$ -
KCEMSS	9,857,294	6,735,890	-	1,259,701
Total component units	\$ 13,276,090	\$ 10,416,458	\$ -	\$ 1,259,701

General revenues:

Taxes:

Property taxes, levied for general purposes

Miscellaneous

Interest and investment earnings (losses)

Gain on sale of assets/property

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as previously reported

Prior period adjustment (note 14)

Net position, beginning of the year, as restated

Net position--ending

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Statement of Activities For the Year Ended September 30, 2023

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total	Component Units	
			North Idaho Fair & Rodeo	KCEMSS
\$ (19,488,688)	\$ -	\$ (19,488,688)		
6,578,902	-	6,578,902		
(40,984,106)	-	(40,984,106)		
(378,007)	-	(378,007)		
(2,449,770)	-	(2,449,770)		
(1,590,883)	-	(1,590,883)		
<u>(58,312,552)</u>	<u>-</u>	<u>(58,312,552)</u>		
-	4,745,803	4,745,803		
-	4,745,803	4,745,803		
<u>(58,312,552)</u>	<u>4,745,803</u>	<u>(53,566,749)</u>		
			\$ 261,772	\$ -
			<u>-</u>	<u>(1,861,703)</u>
			<u>261,772</u>	<u>(1,861,703)</u>
61,749,091	-	61,749,091	97,500	3,726,630
1,378,551	267,774	1,646,325	101,792	34,588
5,889,720	-	5,889,720	2,167	164,623
419,573	-	419,573	-	36,768
890,382	(890,382)	-	-	-
<u>70,327,317</u>	<u>(622,608)</u>	<u>69,704,709</u>	<u>201,459</u>	<u>3,962,609</u>
12,014,765	4,123,195	16,137,960	463,231	2,100,906
100,527,342	58,429,038	158,956,380	4,275,414	7,383,264
2,448,071	-	2,448,071	-	-
102,975,413	58,429,038	161,404,451	4,275,414	7,383,264
<u>\$ 114,990,178</u>	<u>\$ 62,552,233</u>	<u>\$ 177,542,411</u>	<u>\$ 4,738,645</u>	<u>\$ 9,484,170</u>

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Balance Sheet Governmental Funds September 30, 2023

	General Fund	Airport Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash in bank and investments	\$ 58,014,916	\$ 2,011,309	\$ 10,823,162	\$ 70,849,387
Taxes receivable - current	59,416,243	-	-	59,416,243
Taxes receivable - delinquent	544,606	-	219,615	764,221
Accounts receivable (net)	5,165,342	46,243	77,034	5,288,619
Grants receivable	235,578	-	6,524,638	6,760,216
Lease receivable	220,441	15,786,628	-	16,007,069
Litigation settlement receivable	1,929,050	-	-	1,929,050
Prepays	277,393	1,857	15,179	294,429
Due from other funds	751,298	-	-	751,298
Restricted cash	30,245,308	-	-	30,245,308
Total Assets	\$ 156,800,175	\$ 17,846,037	\$ 17,659,628	\$ 192,305,840
Liabilities				
Accounts payable	\$ 1,923,749	\$ 75,822	\$ 5,369,734	\$ 7,369,305
Payroll and related liabilities	1,943,517	-	-	1,943,517
Due to other funds	-	-	751,298	751,298
Advanced revenue-other	2,954,627	52,460	260,164	3,267,251
Advanced revenue-grants	31,433,154	-	582,610	32,015,764
Total Liabilities	38,255,047	128,282	6,963,806	45,347,135
Deferred Inflows of Resources				
Future year property taxes	59,416,243	-	-	59,416,243
Unavailable property taxes	473,495	-	192,918	666,413
Unavailable litigation settlement	1,929,050	-	-	1,929,050
Unavailable lease inflows	219,371	15,488,390	-	15,707,761
Total Deferred Inflows of Resources	62,038,159	15,488,390	192,918	77,719,467
Fund Balances				
Nonspendable	277,393	1,857	15,179	294,429
Restricted	4,706,799	2,227,508	10,490,254	17,424,561
Committed	2,150,671	-	-	2,150,671
Assigned	18,421,327	-	-	18,421,327
Unassigned	30,950,779	-	(2,529)	30,948,250
Total Fund Balances	56,506,969	2,229,365	10,502,904	69,239,238
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 156,800,175	\$ 17,846,037	\$ 17,659,628	\$ 192,305,840

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities September 30, 2023

Total governmental fund balances (page 32)	\$ 69,239,238
<i>Amounts reported for governmental activities in the statement of net position (page 31) are different because:</i>	
Some of the County's revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures and therefore is considered unavailable in the funds.	
Delinquent Property Tax	666,413
Future Litigation Settlement Payments (Restricted Net Position)	1,929,050
Capital and right-to-use assets used in governmental activities are not financial resources and therefore, are not reported in the funds (See Note 2A).	75,389,890
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 (See Note 2A).	3,796,999
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 (See Note 2A):	
Compensated absences, leases and SBITA payable, and net pension liability	(55,724,151)
Deferred outflows and inflows of resources apply to future periods and, therefore, are not reported in the funds (See Note 2A):	
Deferred outflows of resources related to pensions	19,758,847
Deferred inflows of resources related to pensions	(66,108)
Total Net Position of Governmental Activities as shown on the Statement of Net Position	\$ 114,990,178

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended September 30, 2023

	General Fund	Airport Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 44,531,045	\$ 3,198	\$ 16,995,963	\$ 61,530,206
Licenses and permits	1,956,168	-	148,964	2,105,132
Intergovernmental	26,962,665	-	11,401,869	38,364,534
Interest	5,888,694	-	1,026	5,889,720
Fines and forfeitures	1,025,544	-	936,887	1,962,431
Charges for services	11,870,912	2,435,122	1,476,214	15,782,248
Miscellaneous	1,369,841	186,665	872,353	2,428,859
Total Revenues	93,604,869	2,624,985	31,833,276	128,063,130
Expenditures				
Current:				
General government	29,555,762	-	10,727,051	40,282,813
Public works	-	1,443,171	1,644	1,444,815
Public safety	47,986,549	-	8,038,659	56,025,208
Sanitation	-	-	350,872	350,872
Health & welfare	-	-	2,451,533	2,451,533
Culture and recreation	-	-	1,483,569	1,483,569
Debt Service:				
Principal retirement	562,596	12,000	-	574,596
Interest expense	27,339	-	-	27,339
Capital Outlay:				
Capital expenditures - SBITA	1,062,945	12,000	-	1,074,945
Capital expenditures	5,502,667	22,746	1,732,215	7,257,628
Construction in progress	1,315,969	259,812	7,485,991	9,061,772
Total Expenditures	86,013,827	1,749,729	32,271,534	120,035,090
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,591,042	875,256	(438,258)	8,028,040
Other Financing Sources (Uses)				
Proceeds from SBITA acquisitions	1,062,945	12,000	-	1,074,945
Transfers in	888,465	37,276	912,508	1,838,249
Transfers (out)	(893,322)	-	(54,545)	(947,867)
Total Other Financing Sources (Uses)	1,058,088	49,276	857,963	1,965,327
Net Change in Fund Balances	8,649,130	924,532	419,705	9,993,367
Fund Balances, Beginning of Year, As Previously Reported	47,857,839	-	11,388,032	59,245,871
Change in Reporting Entity (Note 13)	-	1,304,833	(1,304,833)	-
Fund Balances, Beginning of Year, As Restated	47,857,839	1,304,833	10,083,199	59,245,871
Fund Balances End of Year	\$ 56,506,969	\$ 2,229,365	\$ 10,502,904	\$ 69,239,238

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

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, 2023

Net change in fund balances - total governmental funds (pg 36) \$ 9,993,367

*Amounts reported for governmental activities in the statement
of activities (pages 32 & 33) are different because:*

Some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, such as amounts earned but unavailable for:

Property Tax Revenue (See Note 2B)	218,885
Future Litigation Settlement Revenue	(519,021)

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 expenses exceeded depreciation and amortization in the current period.
(See Note 2B)

10,081,933

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 (See Note 2B).

(24,884)

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 (See Note 2B).

(7,927,667)

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 (See Note 2B).

192,152

***Total Change in Net Position of Governmental Activities
as shown on the Statement of Activities***

\$ 12,014,765

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

September 30, 2023, with Comparative Information for September 30, 2022

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2023	2022	2023	2022
Assets				
Current Assets:				
Cash and investments	\$ 39,850,898	\$ 35,875,035	\$ 5,014,211	\$ 4,692,619
Accounts receivable, (net)	1,201,090	1,104,354	-	-
Prepays	2,100	390	289,828	-
Total Current Assets	<u>41,054,088</u>	<u>36,979,779</u>	<u>5,304,039</u>	<u>4,692,619</u>
Noncurrent Assets:				
Restricted Assets:				
Cash held for closure and post closure	14,504,000	14,001,000	-	-
Capital Assets:				
Land	1,895,906	1,895,906	-	-
Depreciable assets, (net)	19,667,025	19,455,860	-	-
Construction in progress	2,983,471	2,928,718	-	-
Total Noncurrent Assets	<u>39,050,402</u>	<u>38,281,484</u>	<u>-</u>	<u>-</u>
Total Assets	<u>80,104,490</u>	<u>75,261,263</u>	<u>5,304,039</u>	<u>4,692,619</u>
Deferred Outflows of Resources				
Deferred pension outflows	1,192,945	1,473,260	-	-
Total Deferred Outflows	<u>1,192,945</u>	<u>1,473,260</u>	<u>-</u>	<u>-</u>
Liabilities				
Current Liabilities:				
Accounts payable	967,792	1,198,208	215,040	194,772
Payroll and other related liabilities	-	-	1,292,000	893,000
Other accrued liabilities	712	6,094	-	-
Compensated absences	39,035	33,321	-	-
Total Current Liabilities	<u>1,007,539</u>	<u>1,237,623</u>	<u>1,507,040</u>	<u>1,087,772</u>
Non-Current Liabilities:				
Compensated absences	379,815	332,817	-	-
Landfill closure liability	14,504,000	14,001,000	-	-
Net pension liability	2,816,696	2,682,899	-	-
Total Long-Term Liabilities	<u>17,700,511</u>	<u>17,016,716</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>18,708,050</u>	<u>18,254,339</u>	<u>1,507,040</u>	<u>1,087,772</u>
Deferred Inflows of Resources				
Deferred pension inflows	37,152	51,146	-	-
Total Deferred Inflows	<u>37,152</u>	<u>51,146</u>	<u>-</u>	<u>-</u>
Net Position				
Investment in capital assets	24,546,402	24,280,484	-	-
Restricted for:				
Capital projects	2,666,173	1,751,502	-	-
Operations	16,920,913	3,673,346	-	-
Unrestricted	18,418,745	28,723,706	3,796,999	3,604,847
Total Net Position	<u>\$ 62,552,233</u>	<u>\$ 58,429,038</u>	<u>\$ 3,796,999</u>	<u>\$ 3,604,847</u>

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

For the Year Ended September 30, 2023, with Comparative Information for September 30, 2022

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Int'l Service Fund
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Operating Revenues				
Charges for services	\$ 16,855,760	\$ 16,446,464	\$ 12,036,164	\$ 11,814,140
Miscellaneous	267,774	318,094	403,276	328,361
Total Operating Revenues	<u>17,123,534</u>	<u>16,764,558</u>	<u>12,439,440</u>	<u>12,142,501</u>
Operating Expenses				
Personnel services	5,048,533	4,578,435	8,190	8,441
Professional services	3,056,066	2,832,934	12,132,551	10,639,059
Utilities	171,028	163,053	-	-
Materials and supplies	1,339,108	1,166,628	54,593	45,800
Maintenance and repairs	605,131	463,771	-	-
Other services and expenses	173,654	151,047	51,954	4,960
Depreciation and landfill depletion	1,127,243	3,691,826	-	-
Landfill closure and post closure expense	503,000	1,667,000	-	-
Total Operating Expenses	<u>12,023,763</u>	<u>14,714,694</u>	<u>12,247,288</u>	<u>10,698,260</u>
Operating Income (Loss)	<u>5,099,771</u>	<u>2,049,864</u>	<u>192,152</u>	<u>1,444,241</u>
Non-Operating Revenues (Expenses)				
Gain (Loss) on sale of assets	(86,194)	33,321	-	-
Grant revenue	-	6,744	-	-
Total Non-Operating Revenues (Expenses)	<u>(86,194)</u>	<u>40,065</u>	<u>-</u>	<u>-</u>
Income (Loss) before Transfers	5,013,577	2,089,929	192,152	1,444,241
Transfers in	3,534	28,248	-	-
Transfers out	(893,916)	(973,917)	-	-
Change in Net Position	4,123,195	1,144,260	192,152	1,444,241
Net Position Beginning of Year	<u>58,429,038</u>	<u>57,284,778</u>	<u>3,604,847</u>	<u>2,160,606</u>
Net Position End of Year	<u>\$ 62,552,233</u>	<u>\$ 58,429,038</u>	<u>\$ 3,796,999</u>	<u>\$ 3,604,847</u>

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Statement of Cash Flows Proprietary Funds

For the Year Ended September 30, 2023, with Comparative Information for September 30, 2022

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2023	2022	2023	2022
Cash Flows from Operating Activities				
Cash received from customers	\$ 16,759,024	\$ 16,434,078	\$ 12,036,163	\$ 11,866,408
Other cash receipts	267,774	318,114	403,276	328,361
Cash payments to employees	(4,595,704)	(4,152,839)	-	-
Cash payments to suppliers	(5,789,766)	(4,643,417)	(12,117,847)	(10,742,854)
Net cash provided (used) by operating activities	6,641,328	7,955,936	321,592	1,451,915
Cash Flows from Noncapital Financing Activities				
Grant receipts from other governments	-	6,744	-	-
Transfer in from other funds	3,534	28,248	-	-
Transfer out to other funds	(893,916)	(973,917)	-	-
Net cash (used) by noncapital financing activities	(890,382)	(938,925)	-	-
Cash Flows from Capital and Related Financing Activities				
Payments for capital acquisitions	(1,272,083)	(2,275,598)	-	-
Proceeds from disposal of capital assets	-	33,321	-	-
Net cash (used) by capital and related financing activities	(1,272,083)	(2,242,277)	-	-
Net increase (decrease) in Cash and Cash Equivalents	4,478,863	4,774,734	321,592	1,451,915
Cash and Cash Equivalents Beginning of Year	49,876,035	45,101,301	4,692,619	3,240,704
Cash and Cash Equivalents End of Year	\$ 54,354,898	\$ 49,876,035	\$ 5,014,211	\$ 4,692,619
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 5,099,771	\$ 2,049,864	\$ 192,152	\$ 1,444,241
<i>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</i>				
Depreciation and depletion	1,127,243	3,691,826	-	-
Pension expense (offset)	400,118	374,590	-	-
<i>(Increase) Decrease in Assets:</i>				
Accounts receivable	(96,736)	(12,386)	-	52,268
Inventories and prepaid expenses	(1,710)	1,439	(289,829)	-
<i>Increase (Decrease) in Liabilities and Deferred Inflows</i>				
Accounts payable	(443,070)	132,597	20,269	(130,594)
Payroll and other related liabilities	-	-	399,000	86,000
Advanced revenue	-	-	-	-
Compensated absences payable and other accrued liabilities	52,712	51,006	-	-
Landfill closure/postclosure liability	503,000	1,667,000	-	-
Net Cash Provided (Used) by Operating Activities	\$ 6,641,328	\$ 7,955,936	\$ 321,592	\$ 1,451,915
Supplemental Disclosure of Noncash Activity				
Capital assets acquired from accounts payable	\$ 636,897	\$ 428,506	\$ -	\$ -
Reconciliation of Cash, Restricted Cash and Cash Equivalent				
Cash and cash equivalents	\$ 39,850,898	\$ 35,875,035	\$ 5,014,211	\$ 4,692,619
Restricted cash and cash equivalents	14,504,000	14,001,000	-	-
Total cash and cash equivalents, and restricted cash	\$ 54,354,898	\$ 49,876,035	\$ 5,014,211	\$ 4,692,619

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

**KOOTENAI COUNTY, IDAHO
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023**

	<u>Custodial Funds</u>
Assets	
Cash and investments	\$ 11,479,434
Receivables:	
Taxes delinquent	2,984,366
Accounts receivable, (net)	<u>49,333</u>
Total Assets	<u>14,513,133</u>
Liabilities	
Accounts payable	50,647
Advanced property taxes due to other governments	98,008
Due to other individuals	8,339,280
Due to other governments	<u>6,025,198</u>
Total Liabilities	<u>14,513,133</u>
Net Position	<u>\$ -</u>

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Year Ended September 30, 2023

	Custodial Funds
Additions	
Tax collections for other governments	\$ 174,056,479
Collections for services provided to other governments	22,363,834
Fines forfeitures and penalties	13,423,018
Charges for services	2,675,534
Total additions	<u>212,518,865</u>
Deductions	
Payments of taxes to other governments	173,369,654
Payments of services to other governments	23,565,561
Public safety	13,924,676
Payment to individuals	1,658,974
Total deductions	<u>212,518,865</u>
Change in Net Position	-
Net position - beginning	-
Net position - ending	<u>\$ -</u>

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

Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

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**KOOTENAI COUNTY, IDAHO
Notes to the Financial Statements
September 30, 2023**

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, four District Judges, and nine 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

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, reflecting 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 and approve their annual budget and has assumed secondary responsibility for debt of the North Idaho Fair & Rodeo. The North Idaho Fair & Rodeo is operated in a manner similar to a private enterprise. Accordingly, the Fair is managed as an enterprise fund operation, utilizing the accrual basis of accounting and the flow of economic resources measurement focus.

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 \$463,231 for the fiscal year ended December 31, 2022. KCEMSS fiscal year runs from October 1 through September 30 and reported an increase in net position of \$2,100,906 for their fiscal year ending September 30, 2023.

Basis of Presentation

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

B. Government-wide and Fund Financial Statements

Government-Wide Statements

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

Statement of Net Position

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

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

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

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

Statement of Activities

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

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

Fund Statement

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

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

The County reports the following major governmental funds:

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 Airport Fund accounts for the operation and maintenance of the County’s regional airport operation and maintenance.

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. *Custodial Funds* – Custodial funds are used to account for assets held solely in a custodial capacity and as a result assets equal liabilities. Custodial funds use the accrual basis of accounting and have an economic resources measurement focus. Kootenai County uses custodial funds to account for taxes collected by the County on behalf of other governments and maintains approximately 65 custodial 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. The opioid litigation settlements are recognized once the settlement agreement is finalized and the performance obligations are met (release forms are executed). 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.

Opioid Litigation Settlement:

The State of Idaho along with other states settled claims that certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failed to monitor for, detect and prevent diversion of the drugs. The County also settled the same claims and related claims. Due to its settlement of these claims, the County will receive payments from the Defendant companies, through the State of \$2,532,622 over the next twenty years. The County started receiving payments in 2022. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction, treatment, and recovery services. The County records revenue in the year the payments are collected.

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 the property taxes collected within the sixty days following the fiscal year end, as revenue for the period ending September 30. Unavailable property taxes include the balance of delinquent taxes, which are those not collected within the sixty-day period.

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

D-1. Deposits and Investments

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

The County's investments are guided by Idaho State Statute, Section 67, Chapter 12, which authorizes investments in US Treasury obligations, commercial paper, certificates of deposit, money market funds, and investment pools managed by the State Treasurer. The Idaho State Treasurer, authorized by Sections 67-2327 and 67-2328, sponsors external investment pools in which Kootenai County voluntarily participates. The County invests idle monies in two types of pooled funds: 1) short-term Local Government Investment Pool (LGIP) which consists of highly liquid, short-term investments with the

availability to withdraw funds up to \$10 million overnight, and 2) Diversified Bond Fund (DBF) which invests idle monies of Idaho Governments over a longer time horizon (3.5 years or longer) in exchange for potentially greater returns. Ten million dollars or less can be withdrawn with 5 business days' notice; otherwise, a 25-day notice is required.

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.

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.

Money market investments may use other pricing methods to determine fair value. Investments that do not have a readily determinable fair value can be reported at net asset value per share (or its equivalent). At this time, the County has no money market investments but would report these market funds at amortized cost.

D-2. Receivables and Payables

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

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

D-3. Prepayments

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

D-4 Lease Receivables

Lease receivables are recorded by the County as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the County charges the lessee.

D-5. Capital and Right-to-Use 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 \$10,000 and an estimated useful life of more than one year are capitalized. The costs of normal repairs and maintenance that do not add to the asset’s utility or materially extend an asset’s useful life are not capitalized.

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

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

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

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

Right-to-use leased and subscription IT assets are recognized at the contract commencement date and represent the County’s right-to-use the underlying asset for the contract term. Right-to-use assets are measured at the initial value of the lease or IT service liability plus any payments made to the lessor or IT service before commencement of the term, less any incentives received from the lessor or IT service at or before the commencement of the lease term, plus any initial direct costs necessary to place the underlying asset into service. Right-to-use assets are amortized over the shorter of the lease or contract term, or useful life of the underlying assets using the straight-line method. The amortization period is the shorter of either the contract period or the useful life of the leased asset but is generally between 2 and 10 years.

D-6. 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 assets 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.

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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 assets 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 future year property taxes as a deferred inflow of resources both for modified and full-accrual basis of accounting, and delinquent property taxes for the modified accrual basis only. Deferred inflows related to pensions are reported on the Statement of Net Position, decreasing the County’s net position. Deferred inflows related to leases, where the County is the lessor, are reported both for modified and full-accrual basis of accounting. The unavailable revenue from future litigation settlement payments are reported as a deferred inflow of resources under the modified accrual basis of accounting.

D-7. *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-8. *Advanced Revenues*

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

D-9. *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-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 a target level for unassigned fund balance adequate to cover 2 months of governmental operating expenditures. Any unassigned fund balance above target levels is reclassified as assigned fund balance. The fund balance policy also establishes the BOCC as the sole governing body to establish or appropriate both assigned and committed 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, 2022, from which the summarized information was derived.

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

D-16. Budget Appropriations and Year-end Cutoff

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

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

D-17. Accounting Estimates

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

Current amounts recognized for the opioid litigation settlement could change due to the legal or financial conditions of the pharmaceutical and drug distributor's payment the judgements. However, no allowance can be estimated for uncollectible revenues.

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D-18. New Accounting Pronouncements

Implementation of GASB Statement No. 96:

During the year ended September 30, 2023, the County adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* into their financial statements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

As a result of implementing this standard, the County recognized right-to-use assets and an offsetting SBITA liability of \$369,939 for arrangements in effect as of October 1, 2022. As a result of these adjustments, there was no effect on beginning net position. The additional disclosures required by this standard are included in Note 5 - Capital and Right-to-Use Assets and Note 6 - Leases and SBITAs Contracts.

Implementation of GASB Statement No. 100:

As of September 30, 2023, the County adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. The financial statements have been updated to conform to the presentation requirements related to breaking out the Airport as a major fund in the financial statements and the correction of an error related to the Opioid Settlement for the year ended September 30, 2023. The additional disclosures required by this standard are included in **Notes 13 and 14**.

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 “Capital and right-to-use assets used in governmental activities are not financial resources and therefore, are not reported in the funds.” Details of the difference are as follows:

Capital and Right-to-Use Assets	
Land	\$ 8,562,118
Depreciable assets, (net)	48,112,065
Construction in progress	17,539,223
Intangible right-to-use assets, (net)	1,357,743
Subtotal: Capital and right-to-use assets	<u>75,571,149</u>
Adjustment for prepaid capital assets reported at the fund level	<u>(181,259)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 75,389,890</u>

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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	\$ 3,604,847
Change in fund net position	<u>192,152</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 3,796,999</u></u>

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:

Long-term liabilities	
Due within one year - compensated absences	\$ (788,635)
Due in more than one year - compensated absences	(6,084,843)
Due within one year - leases and SBITA liability	(503,180)
Due in more than one year - leases and SBITA liability	(805,259)
Net pension liability	<u>(47,542,234)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (55,724,151)</u></u>

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

Deferred outflows of resources related to pensions:	
Differences between expected and actual experience	\$ 8,116,552
Changes of assumptions	4,712,331
Net difference between projected and actual investment earnings on pension plan investments	4,466,945
Change in proportionate share	787,980
Contributions made subsequent to measurement date	<u>1,675,039</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 19,758,847</u></u>
 Deferred inflows of resources related to pensions:	
Differences between expected and actual experience	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-
Change in proportionate share	<u>(66,108)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (66,108)</u></u>

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

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

Delinquent Property Tax-unavailable	\$ 666,358
Less: Prior year delinquent property tax-unavailable	<u>(447,473)</u>
Net adjustment to increase fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 218,885</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 or amortization expense. The net adjustment for capital outlay differences are as follows:

Capital outlay	\$ 16,588,978
Depreciation and Amortization Expense	<u>(7,312,412)</u>
Net adjustment to increase fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 9,276,566</u></u>

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

Purchase of right-to-use assets through lease and IT arrangements	\$ 1,074,945
Prepaid deposit on capital assets reported at the fund level	(271,921)
Losses from disposal of capital assets	<u>(23,290)</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>\$ 779,734</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:

Purchase of right-to-use assets through lease and IT arrangements	\$ 1,074,945
Lease principle and subscription based software (SBITA) obligations	574,596
Compensated absence expense	(552,668)
Pension expense	<u>(6,873,901)</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>\$ (5,777,028)</u></u>

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

Charges for Services	\$ 12,036,164
Miscellaneous	403,276
Total Revenues	12,439,440
Less expenditures:	(12,247,288)
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	\$ 192,152

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 (\$25,023):

Cash and Cash Equivalents	Financial Statement Value 9/30/2023	Valuation Method
Deposits with FDIC Institutions	\$ 8,041,454	Cost
Total Cash and Cash Equivalents	\$ 8,041,454	

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, 2023:

Investments	Fair Value at 9/30/2023	Fair Value Measurements Using			Valuation Method
		Level 1	Level 2	Level 3	
<i>Debt Securities:</i>					
US Gov't Obligations	\$ 7,590,625	\$ -	\$ 7,590,625	\$ -	Market Approach
US Gov't Agency Obligations	12,433,612	-	12,433,612	-	Market Approach
Total Debt Securities	20,024,237	-	20,024,237	-	
<i>Other Investments:</i>					
State of Idaho Diversified Bond Fund	41,684,600	-	-	-	Net Asset Value
Local Gov't Investment Pool					
Idaho State Treasurer's Office	102,167,922	-	-	-	Net Asset Value
Total Other Investments	143,852,522	-	-	-	
Total Investments at Fair Value	\$ 163,876,759	\$ -	\$20,024,237	\$ -	

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

Investments Measured at the NAV				
Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Diversified Bond Fund	\$ 41,684,600	None	Monthly	5-25 days
Local Gov't Investment Pool	\$ 102,167,922	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.

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 \$11,839.

Interest rate risk - This is the risk that a change in interest rates could adversely affect the underlying value and return of the principal invested. The County is exposed to interest risk on the idle monies in DBF and to a lesser extent the LGIP. US Government obligations and US Government Agency Securities are debt security that are held to maturity and therefore are not exposed to interest rate risk. The County does not have a specific investment policy managing its exposure to interest rate risk, but in general, lowers interest rate risk by minimizing the overall time horizon of investments.

Investments	Investment Maturities			
	Less than 1 Year	1-5 Years	Total Fair Value	Avg Maturity in Years
<i>Debt Securites</i>				
US Government Obligations	\$ 1,946,406	\$ 5,644,219	\$ 7,590,625	2.6
US Government Agency Obligations	1,975,600	10,458,012	12,433,612	2.8
<i>Other Securites</i>				
Diversified Bond Fund accounts	-	-	41,684,600	2.9
Local Gov't Investment Pool accounts	-	-	102,167,922	0.3
Weighted Avg Maturity of Investments	\$ 3,922,006	\$ 16,102,231	\$ 163,876,759	1.27

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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. The State of Idaho sponsored LGIP and DBF investments are not rated. U.S. Government Obligations that consist of U.S. Treasury Notes are fully backed by the U.S. Government with the highest Aaa Moody rating. US Government Agency Obligations are only intrinsically backed by the U.S. Government and maintain the highest Aaa Moody’s rating as of the period end.

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, 2023, investments comprising greater than 5% of overall portfolio value were as follows:

Investment Institution	Portfolio %
State of Idaho Local Government Investment Pool	62.3%
State of Idaho Diversified Bond Fund	25.4%
US Government Agency Obligations	7.6%

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

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 \$5,476,649 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 \$500,000 of North Idaho Fair & Rodeo’s bank balance of \$1,811,074 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	Airport	Other Governmental Funds	Proprietary Funds	Total
Accounts Receivable:					
Taxes	\$ 59,960,849	\$ -	\$ 219,615	\$ -	\$ 60,180,464
General accounts	5,165,342	56,243	77,034	1,236,090	6,534,709
Grants	235,578	-	6,524,638	-	6,760,216
Leases	220,441	15,786,628	-	-	16,007,069
Gross Accounts Receivable	65,582,210	15,842,871	6,821,287	1,236,090	89,482,458
Less: allowance for doubtful accounts	-	(10,000)	-	(35,000)	(45,000)
Net Total Accounts Receivables	\$ 65,582,210	\$ 15,832,871	\$ 6,821,287	\$ 1,201,090	\$ 89,437,458

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

	Unavailable	Advanced
Deferred Inflows of Resources:		
Subsequent property taxes receivable (general fund)	\$ 59,416,243	\$ -
Delinquent property taxes receivable (general fund)	473,495	-
Delinquent property taxes receivable (other governmental funds)	192,918	-
Leases (general fund and airport fund)	15,707,761	
Advanced Revenue:		
Intergovernmental services not yet performed (general fund)	-	2,954,627
Airport and special revenue services not yet performed (airport and other governmental funds)	-	312,624
Grant draw downs prior to meeting all eligibility requirements (general fund and other governmental funds)	-	32,015,764
	\$ 75,790,417	\$ 35,283,015
Total unavailable and advanced revenue for governmental funds	\$ 75,790,417	\$ 35,283,015

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NOTE 5: CAPITAL AND RIGHT-TO-USE ASSETS

Capital and Right-to-Use asset activity for the year ended September 30, 2023 (in thousands) is as follows:

Governmental Activities	Beginning Balance Restated 09/30/2022	Additions	Deletions	Transfers	Ending Balance 09/30/2023
Capital assets, not being depreciated:					
Land	\$ 8,562	\$ -	\$ -	\$ -	\$ 8,562
Construction in progress	7,897	11,638	-	(1,995)	17,540
Total capital assets, not being depreciated	<u>16,459</u>	<u>11,638</u>	<u>-</u>	<u>(1,995)</u>	<u>26,102</u>
Capital assets, being depreciated:					
Buildings	64,667	-	(20)	298	64,945
Improvements other than buildings	43,897	277	(10)	550	44,714
Machinery and equipment	39,990	4,588	(1,023)	1,147	44,702
Total capital assets, being depreciated	<u>148,554</u>	<u>4,865</u>	<u>(1,053)</u>	<u>1,995</u>	<u>154,361</u>
Intangible right-to-use assets being amortized					
Buildings	562	-	-	-	562
Machinery and equipment	110	26	-	-	136
Subscription based IT arrangements	370	1,049	-	-	1,419
Total intangible right-to-use assets	<u>1,042</u>	<u>1,075</u>	<u>-</u>	<u>-</u>	<u>2,117</u>
Less accumulated depreciation for:					
Buildings	(35,324)	(2,109)	4	-	(37,429)
Improvements other than buildings	(34,178)	(1,413)	-	-	(35,591)
Machinery and equipment	(30,969)	(3,280)	1,020	-	(33,229)
Total accumulated depreciation	<u>(100,471)</u>	<u>(6,802)</u>	<u>1,024</u>	<u>-</u>	<u>(106,249)</u>
Less accumulated amortization for intangible right-to-use assets	<u>(250)</u>	<u>(510)</u>	<u>-</u>	<u>-</u>	<u>(760)</u>
Total capital assets being depreciated, net:	<u>48,083</u>	<u>(1,937)</u>	<u>(29)</u>	<u>1,995</u>	<u>48,112</u>
Total capital assets being amortized, net	<u>792</u>	<u>565</u>	<u>-</u>	<u>-</u>	<u>1,357</u>
Government activity capital assets, net:	<u>\$ 65,334</u>	<u>\$ 10,266</u>	<u>\$ (29)</u>	<u>\$ -</u>	<u>\$ 75,571</u>

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Business-type Activities	Beginning Balance 9/30/22	Additions	Deletions	Transfers	Ending Balance 9/30/23
Capital assets, not being depreciated:					
Land	\$ 1,896	\$ -	\$ -	\$ -	\$ 1,896
Construction in progress	2,928	414	-	(359)	2,983
Total capital assets, not being depreciated	<u>4,824</u>	<u>414</u>	<u>-</u>	<u>(359)</u>	<u>4,879</u>
Capital assets, being depreciated:					
Buildings	2,480	10	(86)	86	2,490
Improvements other than buildings	4,564	-	-	195	4,759
Machinery and equipment	18,201	1,036	(399)	78	18,916
Transfer Stations	20,215	10	-	-	20,225
Landfill	28,024	10	-	-	28,034
Total capital assets, being depreciated	<u>73,484</u>	<u>1,066</u>	<u>(485)</u>	<u>359</u>	<u>74,424</u>
Less accumulated depreciation for:					
Buildings	(943)	(115)	-	-	(1,058)
Improvements other than buildings	(2,938)	(267)	-	-	(3,205)
Machinery and equipment	(14,485)	(1,084)	399	-	(15,170)
Transfer Stations	(12,726)	(696)	-	-	(13,422)
Landfill	(22,938)	1,036	-	-	(21,902)
Total accumulated depreciation	<u>(54,030)</u>	<u>(1,126)</u>	<u>399</u>	<u>-</u>	<u>(54,757)</u>
Total capital assets, being depreciated, net:	19,454	(60)	(86)	359	19,667
Business-type activities capital assets, net:	<u>\$ 24,278</u>	<u>\$ 354</u>	<u>\$ (86)</u>	<u>\$ -</u>	<u>\$ 24,546</u>

Depreciation, amortization, and depletion recovery were charged to current functions of the primary government during fiscal year 2023 as follows:

Governmental Activities:	
General Government	\$ 2,538,214
Public Works	735,506
Public Safety	3,616,446
Sanitation Weeds	338
Culture and Recreation	421,909
Total governmental activities current year depreciation and amortization expense	<u>\$ 7,312,413</u>
Business-Type Activity:	
Solid Waste - Depreciation	\$ 2,163,143
Solid Waste - Landfill depletion recovery	(1,035,900)
Total business-type activities current year depreciation and depletion recovery	<u>\$ 1,127,243</u>

Due to an increase in the landfill capacity and updates to the closure/postclosure costs from the studies performed in 2023, there were recoveries of prior year depletion on landfill assets.

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Discretely presented component unit Capital Asset Activity:

Activity for the Kootenai County Emergency Medical Services System for the year ended September 30, 2023, was as follows:

	Balance 9/30/2022	Additions	Deletions	Transfers	Balance 9/30/2023
KCEMSS Component Unit Activity					
Capital assets, not being depreciated:					
Land	\$ 403,990	\$ -	\$ -	\$ -	\$ 403,990
Construction in process	94,344	57,468	-	(94,344)	57,468
Total capital assets, not being depreciated	<u>498,334</u>	<u>57,468</u>	<u>-</u>	<u>(94,344)</u>	<u>461,458</u>
Capital assets, being depreciated:					
Building	1,294,996	-	-	-	1,294,996
Machinery and equipment	1,883,274	297,919	(29,307)	-	2,151,886
Vehicles	3,455,464	1,131,476	(36,997)	94,344	4,644,287
Total capital assets, being depreciated	<u>6,633,734</u>	<u>1,429,395</u>	<u>(66,304)</u>	<u>94,344</u>	<u>8,091,169</u>
Less accumulated depreciation for:					
Building	(487,017)	(56,036)	-	-	(543,053)
Machinery and equipment	(1,227,687)	(228,385)	24,073	-	(1,431,999)
Vehicles	(2,915,379)	(482,788)	36,997	-	(3,361,170)
Total accumulated depreciation	<u>(4,630,083)</u>	<u>(767,209)</u>	<u>61,070</u>	<u>-</u>	<u>(5,336,222)</u>
Total capital assets, being depreciated, net	<u>2,003,651</u>	<u>662,186</u>	<u>(5,234)</u>	<u>94,344</u>	<u>2,754,947</u>
KCEMSS activity capital assets, net	<u>\$ 2,501,985</u>	<u>\$ 719,654</u>	<u>\$ (5,234)</u>	<u>\$ -</u>	<u>\$ 3,216,405</u>

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Activity for the North Idaho Fair and Rodeo for the year ended December 31, 2022, was as follows:

	Balance 12/31/21	Additions	Deletions	Transfers	Balance 12/31/22
North Idaho Fair Component Unit Activity					
Capital assets not being depreciated:					
Construction in Progress	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets, not being depreciated	-	-	-	-	-
Capital assets, being depreciated:					
Machinery and Equipment	486,871	171,456	-	-	658,327
Improvements other than Buildings	1,718,555	81,310	-	-	1,799,865
Buildings	3,175,958	21,571	-	-	3,197,529
Total capital assets, being depreciated	5,381,384	274,337	-	-	5,655,721
Less accumulated depreciation for:					
Machinery and Equipment	(388,207)	(29,969)	-	-	(418,176)
Improvements other than Buildings	(209,524)	(63,499)	-	-	(273,023)
Buildings	(1,747,536)	(72,135)	-	-	(1,819,671)
Total accumulated depreciation	(2,345,267)	(165,603)	-	-	(2,510,870)
Total capital assets, being depreciated, net	3,036,117	108,734	-	-	3,144,851
North Idaho Fair activity capital assets, net	\$ 3,036,117	\$ 108,734	\$ -	\$ -	\$ 3,144,851

NOTE 6: LEASES AND SBITAS

Lessee Activity:

Governmental Activities

The County entered into a building lease agreeing to monthly principal and interest payments through July 2024 for the use of office space located at 1405 Northwest Blvd in Coeur d'Alene. As of September 30, 2023, the value of the lease liability is \$174,461. The County made monthly lease payments totaling \$206,660 during the fiscal year ended September 2023. The lease includes a 2% annual escalation provision effective every August. Future monthly payments are \$17,479 through July 2024. The lease has an implicit interest rate of 0.4080%.

The County entered into a land lease agreeing to monthly principal and interest payments through October 2023 to use a tower site on Killarney Mountain supporting Emergency 911 communications. As of September 30, 2023, the value of the lease liability is \$2,055. The County made monthly payments totaling \$26,304 per month during fiscal year 2023. Future monthly payments are \$2,079 per month from October 2023 to September 2024 and increases are based on the consumer price index. The County has 1 extension option for 60 months. The lease has an implicit interest rate of 0.3280%.

The County entered into two equipment leases agreeing to monthly principal and interest payments through November 2023 for the use of Xerox equipment for County Printing Services. As of September 30, 2023, the value of the lease liability is \$4,695. The County is required to make monthly fixed payments of \$2,816. The leases have an interest rate of 0.3280%.

The County entered into two equipment leases for the use of a Dishwasher Booster Heater and a Dishwasher for the Jail. The Dishwasher Booster Heater lease is an agreement to monthly principal and interest payments through August 2025. As of September 30, 2023, the value of the lease liability is \$2,775. The County is required to make monthly fixed payments of \$130. The lease has an interest rate of 3.1580%. The Dishwasher lease is an agreement to monthly principal and interest payments through August 2028. As of September 30, 2023, the value of the lease liability is \$22,822. The County is required to make monthly fixed payments of \$415. The lease has an interest rate of 2.8760%.

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Lessee Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 187,101	\$ 979	\$ 188,080
2025	5,791	489	6,280
2026	4,641	339	4,980
2027	4,776	204	4,980
2028	4,500	65	4,565
Total Principal Payments and Remaining Liability	\$ 206,809	\$ 2,076	\$ 208,885

Lessor Activity:

General and Airport Fund

The County has accrued a receivable for 160 leases related to the use of land, buildings, and infrastructure for the Airport (159 hangar leases) and North Idaho County Fair (1 land lease recorded in General Fund). The remaining receivable for these leases is \$16,007,069. Deferred inflows related to these leases were \$15,707,761. Interest revenue recognized on these leases was \$343,200 for the year ended September 30, 2023. Principal receipts of \$857,835 were recognized during the fiscal year. The interest rates on the leases ranged from 0.3828% - 3.634%. Final receipts on all Airport leases extends through fiscal year 2047. North Idaho County Fair land lease ends in 2070.

Fiscal Year	Governmental Activities - Future Lease Receivable from Lessors		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 817,257	\$ 336,093	\$ 1,153,350
2025	765,199	321,063	1,086,262
2026	774,294	305,959	1,080,253
2027	787,400	290,539	1,077,939
2028	779,074	274,961	1,054,035
2029 - 2033	3,713,509	1,141,932	4,855,441
2034 - 2038	3,537,884	760,118	4,298,002
2039 - 2043	3,216,920	379,244	3,596,164
2044 - 2048	1,475,995	77,439	1,553,434
2049 - 2053	35,368	12,272	47,640
2054 - 2058	27,068	9,412	36,480
2059 - 2063	29,903	6,577	36,480
2064 - 2068	33,035	3,445	36,480
2069 - 2070	14,163	429	14,592
Total	\$ 16,007,069	\$ 3,919,483	\$ 19,926,552

Subscription Based Information Technology Arrangements (SBITAs):

Governmental Activities

Key estimates and judgments related to SBITAs include how the County determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments. The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses US Treasury monthly average rate at the beginning of the year based on the term length with an adjustment for the risk-free rate. The SBITA term includes the non-cancellable period the County has the right to use the underlying IT Asset. Periods for which both the County and the SBITA vendor have an option to terminate the SBITA without permission from the other party (or if both parties have to agree to extend) are cancellable periods and are

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excluded from the subscription term. SBITA payments included in the measurement of the liability are comprised of qualifying implementation costs (typically post-selection expenses excluding training) and post implementation annual subscription costs. The County monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure any SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported as right-to-use along with other capital assets. SBITA liabilities are reported with long-term debt on the statement of net position.

The County has entered into various SBITA agreements with initial terms ranging from 24 months to 5 years. The various SBITAs terminate between December 2023 and December 2027. At September 30, 2023, the County has a balance of right-to-use IT subscription assets, net of accumulated amortization, of \$1,158,563 and an IT Subscription liability of \$1,101,631 related to these agreements. During the fiscal year, the County recorded \$260,085 in amortization expense and \$26,021 in interest expense. The County used discount rates ranging from 2.8220% to 3.4090% based on the County's incremental borrowing rate based on the term length as described above.

SBITA Principal and Interest Requirements to Maturity					
Fiscal Year	Governmental Activities				
	Principal Payments		Interest Payments		Total Payments
2024	\$	319,007	\$	14,940	\$ 333,947
2025		281,339		23,014	304,353
2026		287,299		14,611	301,910
2027		213,986		6,039	220,025
<hr/>					
Total Principle Payments and Remaining Liability	\$	1,101,631	\$	58,604	\$ 1,160,235

NOTE 7: GENERAL LONG-TERM OBLIGATIONS

Changes in Long-term Obligations:

During the year ended September 30, 2023, the following changes occurred with liabilities reported in the general long-term obligations:

	Restated Balance 9/30/2022	Additions	Reductions	Balance 9/29/2023	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
<i>Other Liabilities:</i>					
Compensated Absences	\$ 6,320,810	\$ 893,801	\$ 341,133	\$ 6,873,478	\$ 788,635
Leases and SBITAs	808,090	1,074,945	574,596	1,308,439	503,180
Governmental non-current liabilities	<u>\$ 7,128,900</u>	<u>\$ 1,968,746</u>	<u>\$ 915,729</u>	<u>\$ 8,181,917</u>	<u>\$ 1,291,815</u>
BUSINESS-TYPE ACTIVITIES					
Compensated Absences	\$ 366,138	\$ 56,779	\$ 4,067	\$ 418,850	\$ 39,035
Business-type non-current liabilities	<u>\$ 366,138</u>	<u>\$ 56,779</u>	<u>\$ 4,067</u>	<u>\$ 418,850</u>	<u>\$ 39,035</u>

At September 30, 2023, Countywide compensated absences, leases and SBITA payables total \$8,600,767. Of this liability, \$8,181,917 is governmental activity obligation, and \$418,850 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 \$341,133 for Governmental Fund employees, and \$4,067 for Business-type fund employees. Lease payments and SBITA during the year were liquidated by the general fund and airport fund in the amount \$574,596.

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, Fighting Creek Landfill recognized closure/post-closure expense of \$503,000 for the period ending September 30, 2023.

Closure-Post closure liability totaled \$14,504,000 at period end. The current liability balance is based on 44% utilization of the total landfill estimated capacity of 9,326,000 tons at final closure levels at net estimated closure and post-closure costs of \$32,859,000. This amount totals \$33,026,000, less a reduction for actual closure expenses incurred of \$167,000. The remainder of the estimated closure/post-closure costs of \$18,355,000 will be recognized, on a pro-rata basis, as the remaining usable landfill space in the current cell is filled. The current cell at Fighting Creek Landfill (East cell phase 2), is expected to reach interim close level sometime in 2027. However, the final closure of all permitted cells, which includes expansion into 3 additional undeveloped cells, prolongs the closure date of the landfill past the year 2040.

Funds totaling \$14,504,000 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 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. Human Resource directs a Compliance Generalist that 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 an agreement converting all policy years to a fixed premium amount. This means the County retains no loss liability exposures covered by the ICRMP policy.

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The ICRMP 2022-2023 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. Additionally, ICRMP provides \$2,000,000 in defense costs for claim litigation.

Kootenai County’s property insurance through ICRMP is subject to all applicable deductibles as listed on the county’s declaration pages of the policy. Unless otherwise stated, the per occurrence limit is \$200,000,000 for all ICRMP members collectively. The valuation of any loss is subject to the valuations condition in the property insurance section of the ICRMP policy, which provides replacement cost, the cost to repair, actual cash value or amount paid for the property, depending on the type of property involved in the loss. Certain types of property losses are also tied to the value the county places on the asset on the schedule of values.

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 September 30, 2023, the County had multiple outstanding claims, only one of which had more than remote possibility of adverse judgment against the County. The County is a defendant in a lawsuit related to property tax penalties and interest. Based on the current progress of the case to-date and facts known at this time, a loss contingency is reasonably possible, and a \$741,622 liability and offsetting restricted cash asset has been recorded to account for the claim. For all other 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, only a liability of \$741,622 for losses has been reported on the current year balance sheet.

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, 2023, 11 past employees have elected to pay the full premium cost to remain on the County’s health insurance plan.

The County’s self-funded health plan is administered on a contract basis by a third-party administrator. Claims are paid by the administrator and are reimbursed by the County. Reinsurance for both specific and annual aggregate stop-loss coverage limits the County’s liability against catastrophic claims. Specific stop-loss covers individual claims in excess of \$200,000 after exceeding a single aggregate claim amount of \$100,000. The current attachment point for annual aggregate stop-loss coverage has been set at \$13,931,894. Stop-loss claims received during FY23 totaled \$526,737, compared to FY22 Stop-loss claims of \$434,833. The Health Insurance Net Position at September 30, 2023, was \$3,796,999. Estimated claims outstanding (incurred but not reported – “IBNR”), as of fiscal year end was \$1,292,000 based on health plan consultant’s actuarial estimate.

Fiscal Year	Beginning IBNR	Claims Incurred	Payments on claims	Ending IBNR
2023	\$ 893,000	\$ 11,537,633	\$ 11,138,633	\$ 1,292,000
2022	\$ 807,000	\$ 9,963,624	\$ 9,877,624	\$ 893,000

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.

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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/firefighters) of the average monthly salary for the highest consecutive 42 months.

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

Member and Employer Contributions – Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board 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 has set contribution rates at the effective dates as follows:

Dates	General Member		Public Safety Member	
	Employee	Employer	Employee	Employer
7/1/2023	6.71%	11.18%	9.83%	13.26%
7/1/2022	7.16%	11.94%	9.13%	12.28%

Kootenai County contributions were \$6,493,630 for the year ended September 30, 2023.

<u>Employer PERSI Contributions</u>	
7/1/2022 to 6/30/2023	\$ 6,406,478
Less: PY Contributions from 7/1/2022 to 9/30/2022	(1,685,376)
Contributions from 7/1/2023 to 9/30/2023	1,772,528
Total Contributions 10/1/2022 to 9/30/2023	<u>\$ 6,493,630</u>

Pension Liabilities, Pension Expense (expense offset), and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions – At September 30, 2023, Kootenai County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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: 1.2619165% for 2023, 1.2167860% for 2022, and 1.2295121% for 2021.

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For the year ended September 30, 2023, Kootenai County recognized pension expense of \$7,274,857. At September 30, 2023, Kootenai County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 8,631,903	\$ -
Changes in Assumptions or other inputs	4,986,594	-
Net difference between projected and actual earnings on pension plan investments	4,726,926	-
Employer change in proportionate share	833,841	103,260
Employer contributions subsequent to the measurement date	1,772,528	-
Total	\$ 20,951,793	\$ 103,260

Kootenai County reported \$1,772,528 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, 2024.

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, 2022, the beginning of the measurement period ended June 30, 2023, is 4.4 years.

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

Year Ended September 30:	
2024	\$ 6,777,110
2025	\$ 3,283,394
2026	\$ 9,716,210
2027	\$ (700,709)

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

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	6.35%
Cost-of-living adjustments	1%

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Several different sets of mortality rates are used in the valuation for contributing members, members retired for service, and beneficiaries. The rates were adopted for the valuation dated July 1, 2021, and the following tables were adjusted to determine mortality:

General Employees and All Beneficiaries – Males	Pub 2010 General Tables, increased 11%
General Employees and All Beneficiaries – Females	Pub 2010 General Tables, increased 21%
Fire and Police – Males	Pub 2010 Safety Tables, increased 21%
Fire and Police – Females	Pub 2010 Safety Tables, increased 26%
Disabled Members – Males	Pub 2010 Disabled Tables, increased 38%
Disabled Members – Females	Pub 2010 Disabled Tables, increased 36%

Economic assumptions were studied in an experience study performed for the period 2015 through 2020. Demographic assumptions, including mortality were studied for the period 2015 through 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. 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	Long-Term Expected Real Rate of Return	
<u>Asset Class</u>	<u>Target Allocation</u>	<u>(Arithmetic)</u>
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	-0.25%
TIPS	10%	-0.30%
Real Estate	8%	3.75%
Private Equity	8%	6.00%

Discount Rate – The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate – The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 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 (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's net pension (asset) liability	\$ 90,572,609	\$ 50,358,930	\$ 17,491,789

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, 2023, Kootenai County had no reported payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 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	American Rescue Plan Act Fund (ARPA)
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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 period ending September 30, 2023.

NOTE 13: CHANGE TO FINANCIAL REPORTING ENTITY – AIRPORT

Airport Fund

During 2023 the Airport Fund, which was previously reported as a nonmajor governmental fund, met the quantitative threshold to be classified as a major fund. Nonmajor governmental fund balance will be restated to reflect this change and the Airport Fund will be presented in its own column.

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	Nonmajor Governmental Funds
Fund Balance - Beginning, as previously reported, September 30, 2022	\$ 11,388,032
Adjustment: Airport Fund Balance as Major Fund	(1,304,833)
Fund Balance - Beginning, as restated, September 30, 2022	\$ 10,083,199

NOTE 14: ADJUSTMENTS TO AND RESTATEMENT OF BEGINNING BALANCES

Opioid Litigation Settlement - The State of Idaho settled claims against certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failed to monitor for, detect and prevent diversion of the drugs. These claims were settled in Fiscal Year 2022, thus the County was entitled to recognize settlement claims of \$2,448,071. Therefore, beginning net position must be restated as follow:

	Government-Wide Governmental Activities
Net Position - Beginning, as previously reported September 30, 2022	\$ 100,527,342
Additions: Opioid litigation settlement claims	2,448,071
Net Position - Beginning, as restated, September 30, 2022	\$ 102,975,413

If Opioid litigation revenues had been properly recorded in the prior year, the change in net position amount would have been adjusted as follows for the year ended September 30, 2023.

	Government-Wide Governmental Activities
Change in Net Position - as previously reported September 30, 2022	\$ (2,736,690)
Opioid settlement claims	2,448,071
Change in Net Position - as restated, September 30, 2022	\$ (288,619)

NOTE 15: INTERNAL BALANCES AND INTERFUND TRANSFERS

The internal balances between funds as of September 30, 2023, are as follows:

<u>Receivable Fund</u>	<u>(Payable) Funds</u>	
<i>Major Fund:</i>		
General Fund		\$ 751,298
	<i>Other Governmental Funds:</i>	
	General Construction Fund	(751,298)
Total		\$ -

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

Interfund transfers:

		Transfer In				Total
		General Fund	Airport Fund	Other Governmental Funds	Enterprise Fund	
Transfer Out	General Fund	\$ (893,322)	\$ 37,276	\$ 852,512	\$ 3,534	\$ -
	Other Governmental Funds	39,545	-	(39,545)	-	-
	Enterprise Funds	848,920	-	44,996	(893,916)	-
	Internal Service Fund	-	-	-	-	-
	Airport Fund	-	-	-	-	-
	Total	\$ (4,857)	\$ 37,276	\$ 857,963	\$ (890,382)	\$ -
Rev-Exp Statement						
	Transfers in	\$ 888,465	\$ 37,276	\$ 897,508	\$ 3,534	\$ 1,826,783
	Transfers out	(893,322)	-	(39,545)	(893,916)	(1,826,783)
	Difference	\$ (4,857)	\$ 37,276	\$ 857,963	\$ (890,382)	\$ -

Significant interfund transfers during the fiscal year include:

- General fund transfers of \$364,800 to other governmental funds (North Idaho County Fair) for remitting lease proceeds received from KC Fire and Rescue for building a fire station on fairground property.
- General fund transfer to other governmental funds (Parks) of \$141,271 for an additional property tax allocation, and \$25,000 for open space initiative.
- General fund transfer of \$8,162 to Airport Fund and \$171,412 to other governmental funds for health insurance increases.
- General fund transfer of \$83,227 to other governmental funds (District Court) for contingency costs.
- General fund transfer of \$12,218 to Airport Fund and \$12,024 to other governmental funds for reimbursement of temporary staffing.
- General fund transfers to Airport Fund of \$16,896, to other governmental funds of \$44,778, and to Solid Waste of \$3,534, to provide for sick leave termination.
- General Fund transfer to support other governmental fund programs (Centennial Trail) for \$10,000.
- Other Governmental Fund (Aquifer Protection Fund) transfer to General Fund of \$36,052 as charges for administrative and overhead costs.
- Other Governmental Fund transfers of \$14,932 to General fund for other miscellaneous transfers.
- Solid Waste transfer to general government of \$848,920 for support of overhead activities.
- Solid Waste transfer of \$44,996 to other to other governmental funds (Health District) for indirect support.

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NOTE 16: FUND EQUITY

Fund Equity Balances:

At September 30, 2023, the details of fund equity balances are as follows:

Fund Balances:	General	Airport	Non-Major Other Govt	Total
Nonspendable				
Prepays	\$ 277,393	\$ 1,857	\$ 15,179	\$ 294,429
Total Nonspendable	<u>277,393</u>	<u>1,857</u>	<u>15,179</u>	<u>294,429</u>
Restricted				
Airport	-	1,935,418	-	1,935,418
Enhanced 9-1-1 Services	882,587	-	-	882,587
Court Facility Construction	1,047,983	-	-	1,047,983
Liability Insurance	366,353	-	-	366,353
Juvenile Justice Services	358,245	-	-	358,245
Sheriff Commissary	541,464	-	-	541,464
Sheriff Drug Seizure	107,490	-	-	107,490
Opioid Settlement	399,059	-	-	399,059
Appropriated for Capital Projects	915,000	92,685	-	1,007,685
Appropriated for Operations	88,618	199,405	10,490,254	10,778,277
Total Restricted	<u>4,706,799</u>	<u>2,227,508</u>	<u>10,490,254</u>	<u>17,424,561</u>
Committed				
Facilities Projects	803,921	-	-	803,921
Information Technology Projects	448,515	-	-	448,515
Fleet Purchases	334,292	-	-	334,292
Appropriated for Operations	563,943	-	-	563,943
Total Committed	<u>2,150,671</u>	<u>-</u>	<u>-</u>	<u>2,150,671</u>
Assigned				
Grant Match	500,000	-	-	500,000
Health Care	1,000,000	-	-	1,000,000
Capital Purchases	1,078,420	-	-	1,078,420
Capital Project Reserve-Facilities Master Plan	14,467,467	-	-	14,467,467
Information Technology Infrastructure	1,375,440	-	-	1,375,440
Total Assigned	<u>18,421,327</u>	<u>-</u>	<u>-</u>	<u>18,421,327</u>
Unassigned	30,950,779	-	(2,529)	30,948,250
Total fund balances	<u><u>\$ 56,506,969</u></u>	<u><u>\$ 2,229,365</u></u>	<u><u>\$ 10,502,904</u></u>	<u><u>\$ 69,239,238</u></u>

Required Supplementary Information

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 44,194,963	\$ 44,194,963	\$ 44,531,045	\$ 336,082
Licenses and permits	2,116,529	2,116,529	1,956,168	(160,361)
Intergovernmental	24,320,095	57,784,293	26,962,665	(30,821,628)
Interest	1,340,000	1,340,000	5,888,694	4,548,694
Fines and forfeitures	380,633	1,001,182	1,025,544	24,362
Charges for services	8,463,106	8,644,754	11,870,912	3,226,158
Miscellaneous	2,350,566	9,012,200	1,369,841	(7,642,359)
<i>Total Revenues</i>	<u>83,165,892</u>	<u>124,093,921</u>	<u>93,604,869</u>	<u>(30,489,052)</u>
Expenditures				
Current:				
General government				
Assessor	2,472,881	2,509,669	2,380,635	129,034
Building & grounds	856,213	862,047	821,426	40,621
County auto shop	267,344	270,821	259,978	10,843
County clerk	3,187,055	3,213,519	2,929,219	284,300
County commissioner	828,783	839,006	801,951	37,055
County grant writer	341,301	352,906	344,568	8,338
General accounts	2,426,099	4,399,877	2,506,300	1,893,577
Human resources	793,048	798,906	769,881	29,025
Information services	2,896,811	2,925,568	2,604,757	320,811
Liability insurance	924,758	921,258	858,624	62,634
Community development	3,572,416	3,611,594	3,535,238	76,356
Prosecuting attorney	7,078,454	7,398,582	6,148,247	1,250,335
Public defender	4,736,531	4,950,752	4,010,616	940,136
Reprographics/mail room	628,324	607,034	493,015	114,019
Treasurer	1,096,802	1,116,811	928,786	188,025
Veterans services	166,776	168,005	162,522	5,483

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<i>(Continued)</i>				
Public safety				
9-1-1	4,370,222	4,410,710	4,010,040	400,670
Adult misdemeanor probation	1,117,741	1,194,556	1,121,182	73,374
Coroner	619,396	630,142	634,397	(4,255)
Justice - general accounts	1,539,752	2,191,081	2,003,703	187,378
Juvenile detention center	3,425,670	3,570,312	3,169,798	400,514
Juvenile diversion	414,957	436,909	433,920	2,989
Juvenile probation	1,494,432	1,548,149	1,492,881	55,268
Office of emergency management	376,071	1,061,368	800,517	260,851
Sheriff	34,910,776	35,530,941	34,320,110	1,210,831
Debt Service:				
Principal retirement	-	-	562,596	(562,596)
Interest expense	-	-	27,339	(27,339)
Capital outlay:				
Capital expenditures - SBITA	-	-	1,062,945	(1,062,945)
Capital expenditures	3,133,449	11,355,045	5,502,667	5,852,378
Construction in progress	-	27,213,496	1,315,969	25,897,527
Total Expenditures	<u>83,676,062</u>	<u>124,089,064</u>	<u>86,013,827</u>	<u>38,075,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(510,170)</u>	<u>4,857</u>	<u>7,591,042</u>	<u>7,586,185</u>
Other Financing Sources (Uses)				
Proceeds from SBITA acquisitions	-	-	1,062,945	1,062,945
Transfers In	1,014,370	3,890,171	888,465	(3,001,706)
Transfers (out)	<u>(409,400)</u>	<u>(3,889,408)</u>	<u>(893,322)</u>	<u>2,996,086</u>
Total Other Financing Sources (Uses)	<u>604,970</u>	<u>763</u>	<u>1,058,088</u>	<u>1,057,325</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 94,800</u>	<u>\$ 5,620</u>	8,649,130	
Fund Balances Beginning of Year			<u>47,857,839</u>	
Fund Balances End of Year			<u>\$ 56,506,969</u>	

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Airport – Major Special Revenue Funds For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Under (Over)
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ 3,198	\$ 3,198
Charges for services	1,397,748	1,554,000	2,435,122	881,122
Miscellaneous	-	50,952	186,665	135,713
<i>Total Revenues</i>	1,397,748	1,604,952	2,624,985	1,020,033
Expenditures				
Current:				
Public works	1,397,748	1,449,024	1,443,171	5,853
Capital outlay:				
Lease payments	-	-	12,000	(12,000)
Capital expenditures	-	109,431	22,746	86,685
Construction in progress	-	83,773	259,812	(176,039)
<i>Total Expenditures</i>	1,397,748	1,642,228	1,737,729	(95,501)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(37,276)	887,256	924,532
Other Financing Sources				
Transfer in	-	37,276	37,276	-
<i>Total Other Financing Sources</i>	-	37,276	37,276	-
<i>Net Change in Fund Balances</i>	-	-	924,532	-
<i>Fund Balances Beginning of Year</i>	1,304,833	1,304,833	1,304,833	-
<i>Fund Balances End of Year</i>	\$ 1,304,833	\$ 1,304,833	\$ 2,229,365	\$ -

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, 2023

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 is 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 Annual Comprehensive Financial Report – FY 2023

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 2022. 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 North Idaho County Fair was balanced using this method.

Kootenai County Board of County Commissioners approved multiple unexpended capital projects totaling \$5,201,398 to be carried forward from the current fiscal year budget as allowed by Idaho Code Section 31, Chapter 16. The following schedule details the in-process projects in the current year to be carried forward into the next fiscal period:

	Prior Balance 9/30/2022	Appropriation FY 2023	Expenditures FY 2023	Carryforward Balance 9/30/2023
General Fund - 911 Infrastructure Projects	\$ 331,000	\$ 989,188	\$ 405,188	\$ 915,000
General Fund - Equipment	2,428,419	3,842,015	5,936,142	334,292
General Fund - Facilities	754,792	814,446	824,505	744,733
General Fund - IT Projects	367,545	1,221,111	1,140,140	448,516
General Fund - Software	46,835	-	46,835	-
Airport Fund - Equipment	-	53,250	-	53,250
Airport Fund - Infrastructure	117,208	(11,373)	66,400	39,435
District Court Fund - Facilities	6,339	-	6,339	-
Revaluation Fund - Equipment	64,000	-	64,000	-
Vessel Fund - Equipment	49,506	-	49,506	-
Vessel Fund - Facilities	39,449	-	39,449	-
Enterprise Fund - Equipment	225,857	1,225,000	421,690	1,029,167
Enterprise Fund - Facilities	707,915	1,290,691	753,639	1,244,967
Enterprise Fund - Infrastructure	817,730	392,038	817,730	392,038
Total Carryforward	\$ 5,956,595	\$ 9,816,368	\$ 10,571,564	\$ 5,201,398

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Employer’s Share of Net Pension Liability (Asset) - PERSI For the Year Ended September 30, 2023

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Proportion of the net pension liability (asset)	1.2024%	1.2650%	1.1721%	1.2015%	1.2080%	1.2077%	1.2295%	1.2168%	1.2619%
Proportionate share of the net pension liability (asset)	\$ 15,833	\$ 25,645	\$ 18,423	\$ 17,722	\$ 13,789	\$ 28,044	\$ (971)	\$ 47,926	\$ 50,359
Covered payroll	\$ 33,347	\$ 36,726	\$ 36,210	\$ 38,420	\$ 37,681	\$ 42,633	\$ 45,332	\$ 47,712	\$ 53,281
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	47.48%	69.83%	50.88%	46.13%	36.59%	65.78%	-2.14%	100.45%	94.52%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%	100.36%	83.09%	83.83%

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Employer’s Contributions For the Year Ended September 30, 2023

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contributions	\$ 3,881	\$ 4,059	\$ 4,173	\$ 4,447	\$ 4,735	\$ 5,238	\$ 5,767	\$ 5,882	\$ 6,494
Contributions in relation to the contractually required contributions	(3,881)	(4,059)	(4,173)	(4,447)	(4,735)	(5,238)	(5,767)	(5,882)	(6,494)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 34,023	\$ 35,591	\$ 36,489	\$ 39,061	\$ 41,077	\$ 43,404	\$ 47,725	\$ 48,959	\$ 54,101
Contributions as a percentage of covered payroll	11.41%	11.40%	11.44%	11.38%	11.53%	12.07%	12.08%	12.01%	12.00%

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

Amounts measured during the fiscal year ended 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.

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 Medical Service System (KCEMSS) Fund - accounts for the tax support passed through to the component organization that provides County-wide paramedic and ambulance services to citizens.

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 Annual Comprehensive Financial Report – FY 2023

**KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2023**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash in bank and investments	\$ 10,823,161	\$ -	\$ 10,823,161
Taxes delinquent-receivable	219,615	-	219,615
Accounts receivable (net)	77,034	-	77,034
Interest receivable	-	-	-
Grants receivable	987,930	5,536,708	6,524,638
Leases receivable	-	-	-
Prepays	15,179	-	15,179
<i>Total Assets</i>	<u><u>\$ 12,122,919</u></u>	<u><u>\$ 5,536,708</u></u>	<u><u>\$ 17,659,627</u></u>
 Liabilities			
Accounts payable	\$ 584,323	\$ 4,785,410	\$ 5,369,733
Advanced revenues-other	260,164	-	260,164
Advanced revenues-grants	582,610	-	582,610
Due to other funds	-	751,298	751,298
<i>Total Liabilities</i>	<u><u>1,427,097</u></u>	<u><u>5,536,708</u></u>	<u><u>6,963,805</u></u>
 Deferred Inflows of Resources			
Unavailable property taxes	192,918	-	192,918
Unavailable lease inflows	-	-	-
Total Deferred Inflows of Resources	<u><u>192,918</u></u>	<u><u>-</u></u>	<u><u>192,918</u></u>
 Fund Balances			
Nonspendable	15,179	-	15,179
Restricted	10,490,254	-	10,490,254
Committed	-	-	-
Assigned	-	-	-
Unassigned	(2,529)	-	(2,529)
<i>Total Fund Balances</i>	<u><u>10,502,904</u></u>	<u><u>-</u></u>	<u><u>10,502,904</u></u>
 <i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u><u>\$ 12,122,919</u></u>	<u><u>\$ 5,536,708</u></u>	<u><u>\$ 17,659,627</u></u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2023

	Centennial Trail	Tourism Promotion	County Fair	Noxious Weeds	Health District
Assets					
Cash in bank and investments	\$ 179,017	\$ 978	\$ 52,879	\$ 80,948	\$ 367,919
Taxes delinquent-receivable	-	-	1,873	4,759	20,413
Accounts receivable (net)	-	-	-	-	-
Grants receivable	-	-	-	-	-
Prepays	-	-	-	-	-
Total Assets	\$ 179,017	\$ 978	\$ 54,752	\$ 85,707	\$ 388,332
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 3,055	\$ -
Advanced revenues	-	-	-	-	-
Advanced grant revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	-	3,055	-
Deferred Inflows of Resources					
Unavailable property taxes	-	-	1,645	4,140	18,038
Unavailable lease inflows	-	-	-	-	-
Total deferred inflows of resources	-	-	1,645	4,140	18,038
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	179,017	978	53,107	78,512	370,294
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	179,017	978	53,107	78,512	370,294
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 179,017	\$ 978	\$ 54,752	\$ 85,707	\$ 388,332

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2023

	Historical		Parks		Snowmobile		County		Public
	Society						Vessel		Access
Assets									
Cash in bank and investments	\$ 16,206	\$	341,749	\$	68,285	\$	140,583	\$	44,579
Taxes delinquent-receivable	370		3,990		-		-		-
Accounts receivable (net)	-		-		-		18,127		-
Grants receivable	-		-		-		169,738		-
Prepays	-		-		445		8,170		-
Total Assets	\$ 16,576	\$	345,739	\$	68,730	\$	336,618	\$	44,579
Liabilities									
Accounts payable	\$ 11	\$	2,791	\$	2,161	\$	3,701	\$	-
Advanced revenues	-		6,931		-		-		-
Advanced grant revenues	-		-		-		-		-
Due to other funds	-		-		-		-		-
Total Liabilities	11		9,722		2,161		3,701		-
Deferred Inflows of Resources									
Unavailable property taxes	326		3,430		-		-		-
Unavailable lease inflows	-		-		-		-		-
Total deferred inflows of resources	326		3,430		-		-		-
Fund Balances:									
Nonspendable	-		-		445		8,170		-
Restricted	16,239		332,587		66,124		324,747		44,579
Committed	-		-		-		-		-
Assigned	-		-		-		-		-
Unassigned	-		-		-		-		-
Total Fund Balances	16,239		332,587		66,569		332,917		44,579
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,576	\$	345,739	\$	68,730	\$	336,618	\$	44,579

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2023

	Indigent	FTA Public Transit	District Court	Revaluation
Assets				
Cash in bank and investments	\$ 3,141,568	\$ 86,213	\$ 3,740,032	\$ 1,349,217
Taxes delinquent-receivable	-	-	89,583	41,775
Accounts receivable (net)	-	-	20	-
Grants receivable	-	818,192	-	-
Prepays	-	2,529	4,035	-
Total Assets	\$ 3,141,568	\$ 906,934	\$ 3,833,670	\$ 1,390,992
Liabilities				
Accounts payable	\$ 7,274	\$ 319,874	\$ 48,638	\$ 51,015
Advanced revenues	1,073	4,450	247,710	-
Advanced grant revenues	-	582,610	-	-
Due to other funds	-	-	-	-
Total Liabilities	8,347	906,934	296,348	51,015
Deferred Inflows of Resources				
Unavailable property taxes	-	-	78,200	36,433
Unavailable lease inflows	-	-	-	-
Total deferred inflows of resources	-	-	78,200	36,433
Fund Balances:				
Nonspendable	-	2,529	4,035	-
Restricted	3,133,221	-	3,455,087	1,303,544
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(2,529)	-	-
Total Fund Balances	3,133,221	-	3,459,122	1,303,544
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,141,568	\$ 906,934	\$ 3,833,670	\$ 1,390,992

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Special Revenue Funds September 30, 2023

	Kootenai Co EMS System	Aquifer Protections	Total Nonmajor Special Revenue Funds
Assets			
Cash in bank and investments	\$ 17,824	\$ 1,195,164	\$ 10,823,161
Taxes delinquent-receivable	40,221	16,631	219,615
Accounts receivable (net)	58,887	-	77,034
Grants receivable	-	-	987,930
Prepays	-	-	15,179
Total Assets	\$ 116,932	\$ 1,211,795	\$ 12,122,919
Liabilities			
Accounts payable	\$ 17,824	\$ 127,979	\$ 584,323
Advanced revenues	-	-	260,164
Advanced grant revenues	-	-	582,610
Due to other funds	-	-	-
Total Liabilities	17,824	127,979	1,427,097
Deferred Inflows of Resources			
Unavailable property taxes	34,936	15,770	192,918
Unavailable lease inflows	-	-	-
Total deferred inflows of resources	34,936	15,770	192,918
Fund Balances:			
Nonspendable	-	-	15,179
Restricted	64,172	1,068,046	10,490,254
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	(2,529)
Total Fund Balances	64,172	1,068,046	10,502,904
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 116,932	\$ 1,211,795	\$ 12,122,919

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Balance Sheet Non-Major Capital Projects Funds For the Year Ended September 30, 2023

	General Construction Capital Projects	Total Nonmajor Capital Project Fund
Assets		
Cash in bank and investments	\$ -	\$ -
Grants receivable	5,536,708	5,536,708
Prepays	-	-
<i>Total Assets</i>	\$ 5,536,708	\$ 5,536,708
 Liabilities		
Accounts payable	\$ 4,785,410	\$ 4,785,410
Advanced grant revenues	-	-
Due to other funds	751,298	751,298
<i>Total Liabilities</i>	5,536,708	5,536,708
 Fund Balances		
Unassigned	-	-
<i>Total Fund Balances</i>	-	-
 <i>Total Liabilities and Fund Balances</i>	 \$ 5,536,708	 \$ 5,536,708

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the Year Ended September 30, 2023

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Taxes	\$ 16,995,963	\$ -	\$ 16,995,963
Licenses and permits	148,964	-	148,964
Intergovernmental	4,840,003	6,561,866	11,401,869
Interest	1,026	-	1,026
Fines and forfeitures	936,887	-	936,887
Charges for services	1,476,214	-	1,476,214
Miscellaneous	483,180	389,173	872,353
<i>Total Revenues</i>	<u>24,882,237</u>	<u>6,951,039</u>	<u>31,833,276</u>
Expenditures			
Current:			
General government	10,712,551	14,500	10,727,051
Public works	-	1,644	1,644
Public safety	8,038,659	-	8,038,659
Sanitation	350,872	-	350,872
Health & welfare	2,451,533	-	2,451,533
Culture and recreation	1,483,569	-	1,483,569
Capital Outlay:			
Capital expenditures	1,557,913	174,302	1,732,215
Construction in progress	725,398	6,760,593	7,485,991
<i>Total Expenditures</i>	<u>25,320,495</u>	<u>6,951,039</u>	<u>32,271,534</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(438,258)</u>	<u>-</u>	<u>(438,258)</u>
Other Financing Sources (Uses)			
Transfers In	912,508	-	912,508
Transfers (out)	(54,545)	-	(54,545)
<i>Total Other Financing Sources (Uses)</i>	<u>857,963</u>	<u>-</u>	<u>857,963</u>
<i>Net Change in Fund Balances</i>	419,705	-	419,705
<i>Fund Balances Beginning of Year</i>	<u>10,083,199</u>	<u>-</u>	<u>10,083,199</u>
<i>Fund Balances End of Year</i>	<u><u>\$ 10,502,904</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,502,904</u></u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2023

	Centennial Trail	Tourism Promotion	County Fair	Noxious Weed	Health District
Revenues					
Taxes	\$ -	\$ -	\$ 152,074	\$ 389,573	\$ 1,650,283
Licenses and permits	-	-	-	-	-
Intergovernmental	-	461	11,135	-	-
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	20,000	-	-	97	-
Miscellaneous	-	-	24,759	-	-
<i>Total Revenues</i>	<u>20,000</u>	<u>461</u>	<u>187,968</u>	<u>389,670</u>	<u>1,650,283</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	350,872	-
Health & welfare	-	-	-	-	1,685,546
Culture and recreation	-	461	523,479	-	-
Capital outlay:					
Capital expenditures	73,546	-	-	-	-
Construction in progress	-	-	11,721	-	-
<i>Total Expenditures</i>	<u>73,546</u>	<u>461</u>	<u>535,200</u>	<u>350,872</u>	<u>1,685,546</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(53,546)</u>	<u>-</u>	<u>(347,232)</u>	<u>38,798</u>	<u>(35,263)</u>
Other Financing Sources (Uses)					
Proceeds from Insurance	-	-	-	-	-
Transfers in	10,000	-	364,800	3,483	44,996
Transfers (out)	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>10,000</u>	<u>-</u>	<u>364,800</u>	<u>3,483</u>	<u>44,996</u>
<i>Net Change in Fund Balances</i>	<u>(43,546)</u>	<u>-</u>	<u>17,568</u>	<u>42,281</u>	<u>9,733</u>
<i>Fund Balances Beginning of Year</i>	<u>222,563</u>	<u>978</u>	<u>35,539</u>	<u>36,231</u>	<u>360,561</u>
<i>Fund Balances End of Year</i>	<u>\$ 179,017</u>	<u>\$ 978</u>	<u>\$ 53,107</u>	<u>\$ 78,512</u>	<u>\$ 370,294</u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2023

	Historical Society	Parks	Snowmobile	County Vessel	Public Access
Revenues					
Taxes	\$ 28,425	\$ 330,494	\$ -	\$ -	\$ -
Licenses and permits	-	-	86,070	12,200	-
Intergovernmental	2,171	-	-	832,428	12,756
Interest	-	-	-	-	1,026
Fines and forfeitures	-	-	-	-	-
Charges for services	-	190,286	-	-	-
Miscellaneous	14,403	-	31,804	2,600	-
<i>Total Revenues</i>	44,999	520,780	117,874	847,228	13,782
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	-	-	23,793	347,823	-
Sanitation	-	-	-	-	-
Health & welfare	-	-	-	-	-
Culture and recreation	38,869	532,206	76,995	311,559	-
Capital outlay:					
Capital expenditures	-	235,266	22,240	289,827	-
Construction in progress	-	-	-	-	-
<i>Total Expenditures</i>	38,869	767,472	123,028	949,209	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	6,130	(246,692)	(5,154)	(101,981)	13,782
Other Financing Sources (Uses)					
Proceeds from Insurance	-	-	-	-	-
Transfers in	-	174,169	15,116	7,545	-
Transfers (out)	-	(9,000)	(6,000)	-	-
<i>Total Other Financing Sources</i>	-	165,169	9,116	7,545	-
<i>Net Change in Fund Balances</i>	6,130	(81,523)	3,962	(94,436)	13,782
<i>Fund Balances Beginning of Year</i>	10,109	414,110	62,607	427,353	30,797
<i>Fund Balances End of Year</i>	\$ 16,239	\$ 332,587	\$ 66,569	\$ 332,917	\$ 44,579

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2023

	Indigent	FTA Public Transportation	District Court	Revaluation
Revenues				
Taxes	\$ 48	\$ -	\$ 7,303,159	\$ 3,410,732
Licenses and permits	-	-	875	-
Intergovernmental	-	2,815,032	915,882	-
Interest	-	-	-	-
Fines and forfeitures	-	-	936,887	-
Charges for services	-	1,106,188	159,643	-
Miscellaneous	315	308,251	1,048	-
<i>Total Revenues</i>	<u>363</u>	<u>4,229,471</u>	<u>9,317,494</u>	<u>3,410,732</u>
Expenditures				
Current:				
General government	-	2,647,016	4,577,613	3,487,922
Public works	-	-	-	-
Public safety	-	-	4,074,522	-
Sanitation	-	-	-	-
Health & welfare	234,063	-	-	-
Culture and recreation	-	-	-	-
Capital outlay:				
Capital expenditures	-	868,778	-	68,256
Construction in progress	-	713,677	-	-
<i>Total Expenditures</i>	<u>234,063</u>	<u>4,229,471</u>	<u>8,652,135</u>	<u>3,556,178</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(233,700)</u>	<u>-</u>	<u>665,359</u>	<u>(145,446)</u>
Other Financing Sources (Uses)				
Proceeds from Insurance	-	-	-	-
Transfers in	14,351	-	216,582	61,466
Transfers (out)	-	-	(3,495)	-
<i>Total Other Financing Sources</i>	<u>14,351</u>	<u>-</u>	<u>213,087</u>	<u>61,466</u>
<i>Net Change in Fund Balances</i>	<u>(219,349)</u>	<u>-</u>	<u>878,446</u>	<u>(83,980)</u>
<i>Fund Balances Beginning of Year</i>	<u>3,352,570</u>	<u>-</u>	<u>2,580,676</u>	<u>1,387,524</u>
<i>Fund Balances End of Year</i>	<u>\$ 3,133,221</u>	<u>\$ -</u>	<u>\$ 3,459,122</u>	<u>\$ 1,303,544</u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds For the Year Ended September 30, 2023

	Kootenai Co EMS System	Aquifer Protection District	Total Non-Major
Revenues			
Taxes	\$ 3,296,631	\$ 434,544	\$ 16,995,963
Licenses and permits	49,819	-	148,964
Intergovernmental	250,138	-	4,840,003
Interest	-	-	1,026
Fines and forfeitures	-	-	936,887
Charges for services	-	-	1,476,214
Miscellaneous	-	100,000	483,180
<i>Total Revenues</i>	3,596,588	534,544	24,882,237
Expenditures			
Current:			
General government	-	-	10,712,551
Public works	-	-	-
Public safety	3,592,521	-	8,038,659
Sanitation	-	-	350,872
Health & welfare	-	531,924	2,451,533
Culture and recreation	-	-	1,483,569
Capital outlay:			
Capital expenditures	-	-	1,557,913
Construction in progress	-	-	725,398
<i>Total Expenditures</i>	3,592,521	531,924	25,320,495
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	4,067	2,620	(438,258)
Other Financing Sources (Uses)			
Proceeds from Insurance	-	-	-
Transfers in	-	-	912,508
Transfers (out)	-	(36,050)	(54,545)
<i>Total Other Financing Sources (Uses)</i>	-	(36,050)	857,963
<i>Net Change in Fund Balances</i>	4,067	(33,430)	419,705
<i>Fund Balances Beginning of Year</i>	60,105	1,101,476	10,083,199
<i>Fund Balances End of Year</i>	\$ 64,172	\$ 1,068,046	\$ 10,502,904

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Capital Project Funds For the Year Ended September 30, 2023

	General Construction Capital Projects	Total Nonmajor Capital Project Fund
Revenues		
Intergovernmental	\$ 6,561,866	\$ 6,561,866
Miscellaneous	389,173	389,173
<i>Total Revenues</i>	6,951,039	6,951,039
Expenditures		
Current:		
General government	14,500	14,500
Public works	1,644	1,644
Public safety	-	-
Culture and recreation	-	-
Capital outlay:		
Capital expenditures	174,302	174,302
Construction in progress	6,760,593	6,760,593
<i>Total Expenditures</i>	6,951,039	6,951,039
<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 Annual Comprehensive Financial Report – FY 2023

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, 2023

	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	\$ -	\$ -	\$ -	\$ 1,500	\$ 461	\$ (1,039)
Charges for services	20,000	20,000	-	-	-	-
Miscellaneous	73,500	-	(73,500)	-	-	-
<i>Total Revenues</i>	<u>93,500</u>	<u>20,000</u>	<u>(73,500)</u>	<u>1,500</u>	<u>461</u>	<u>(1,039)</u>
Expenditures						
Current:						
Culture and recreation	6,500	-	6,500	1,500	461	1,039
Capital outlay:						
Capital expenditures	97,000	73,546	23,454	-	-	-
<i>Total Expenditures</i>	<u>103,500</u>	<u>73,546</u>	<u>29,954</u>	<u>1,500</u>	<u>461</u>	<u>1,039</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(10,000)</u>	<u>(53,546)</u>	<u>(43,546)</u>	<u>-</u>	<u>-</u>	<u>-</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>(43,546)</u>	<u>(43,546)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances Beginning of Year</i>	<u>222,563</u>	<u>222,563</u>	<u>-</u>	<u>978</u>	<u>978</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 222,563</u>	<u>\$ 179,017</u>	<u>\$ (43,546)</u>	<u>\$ 978</u>	<u>\$ 978</u>	<u>\$ -</u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual County Fair and Noxious Weeks Special Revenue Funds For the Year Ended September 30, 2023

	County Fair			Noxious Weeds		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Taxes	\$ 150,000	\$ 152,074	\$ 2,074	\$ 382,876	\$ 389,573	\$ 6,697
Intergovernmental	11,216	11,135	(81)	-	-	-
Charges for services	-	-	-	200	97	(103)
Miscellaneous	792	24,759	23,967	-	-	-
<i>Total Revenues</i>	<u>162,008</u>	<u>187,968</u>	<u>25,960</u>	<u>383,076</u>	<u>389,670</u>	<u>6,594</u>
Expenditures						
Current:						
Sanitation	-	-	-	386,559	350,872	35,687
Culture and recreation	514,800	523,479	(8,679)	-	-	-
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
Construction in progress	12,008	11,721	287	-	-	-
<i>Total Expenditures</i>	<u>526,808</u>	<u>535,200</u>	<u>(8,392)</u>	<u>386,559</u>	<u>350,872</u>	<u>35,687</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(364,800)</u>	<u>(347,232)</u>	<u>17,568</u>	<u>(3,483)</u>	<u>38,798</u>	<u>42,281</u>
Other Financing Sources						
Transfer in	364,800	364,800	-	3,483	3,483	-
<i>Total Other Financing Sources</i>	<u>364,800</u>	<u>364,800</u>	<u>-</u>	<u>3,483</u>	<u>3,483</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>17,568</u>	<u>17,568</u>	<u>-</u>	<u>42,281</u>	<u>42,281</u>
<i>Fund Balances Beginning of Year</i>	<u>35,539</u>	<u>35,539</u>	<u>-</u>	<u>36,231</u>	<u>36,231</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 35,539</u>	<u>\$ 53,107</u>	<u>\$ 17,568</u>	<u>\$ 36,231</u>	<u>\$ 78,512</u>	<u>\$ 42,281</u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Health District and Historical Society Special Revenue Funds For the Year Ended September 30, 2023

	Health District			Historical Society		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Taxes	\$ 1,640,550	\$ 1,650,283	\$ 9,733	\$ 28,035	\$ 28,425	\$ 390
Intergovernmental	-	-	-	15,000	2,171	(12,829)
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	15,000	14,403	(597)
<i>Total Revenues</i>	1,640,550	1,650,283	9,733	58,035	44,999	(13,036)
Expenditures						
Current:						
Health & welfare	1,685,546	1,685,546	-	-	-	-
Culture and recreation	-	-	-	58,035	38,869	19,166
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	1,685,546	1,685,546	-	58,035	38,869	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(44,996)	(35,263)	9,733	-	6,130	(13,036)
Other Financing Sources						
Transfer in	44,996	44,996	-	-	-	-
Transfer out	-	-	-	-	-	-
<i>Total Other Financing Sources</i>	44,996	44,996	-	-	-	-
<i>Net Change in Fund Balances</i>	-	9,733	9,733	-	6,130	(13,036)
<i>Fund Balances Beginning of Year</i>	360,561	360,561	-	10,109	10,109	-
<i>Fund Balances End of Year</i>	\$ 360,561	\$ 370,294	\$ 9,733	\$ 10,109	\$ 16,239	\$ (13,036)

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Parks and Snowmobile Special Revenue Funds For the Year Ended September 30, 2023

	Parks Fund			Snowmobile		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Taxes	\$ 322,374	\$ 330,494	\$ 8,120	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	109,300	86,070	(23,230)
Charges for services	206,500	190,286	(16,214)	-	-	-
Miscellaneous	103,712	-	(103,712)	18,516	31,804	13,288
<i>Total Revenues</i>	<u>632,586</u>	<u>520,780</u>	<u>(111,806)</u>	<u>127,816</u>	<u>117,874</u>	<u>(9,942)</u>
Expenditures						
Current:						
Public safety				22,000	23,793	(1,793)
Culture and recreation	561,772	532,206	29,566	92,758	76,995	15,763
Capital outlay:						
Capital expenditures	235,983	235,266	717	22,174	22,240	(66)
Construction in Progress	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>797,755</u>	<u>767,472</u>	<u>30,283</u>	<u>136,932</u>	<u>123,028</u>	<u>13,904</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(165,169)</u>	<u>(246,692)</u>	<u>(81,523)</u>	<u>(9,116)</u>	<u>(5,154)</u>	<u>3,962</u>
Other Financing Sources (Uses)						
Transfers in	174,169	174,169	-	15,116	15,116	-
Transfers (out)	(9,000)	(9,000)	(18,000)	(6,000)	(6,000)	-
<i>Total Other Financing Sources</i>	<u>165,169</u>	<u>165,169</u>	<u>(18,000)</u>	<u>9,116</u>	<u>9,116</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	-	(81,523)	(99,523)	-	3,962	3,962
<i>Fund Balances Beginning of Year</i>	<u>414,110</u>	<u>414,110</u>	<u>-</u>	<u>62,607</u>	<u>62,607</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 414,110</u>	<u>\$ 332,587</u>	<u>\$ (99,523)</u>	<u>\$ 62,607</u>	<u>\$ 66,569</u>	<u>\$ 3,962</u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual County Vessel and Public Access Special Revenue Funds For the Year Ended September 30, 2023

	County Vessel			Public Access		
	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	\$ -	\$ 12,200	\$ 12,200	\$ -	\$ -	\$ -
Intergovernmental	932,406	832,428	(99,978)	7,500	12,756	5,256
Interest				-	1,026	1,026
Miscellaneous	117,266	2,600	(114,666)	(7,500)	-	7,500
<i>Total Revenues</i>	<u>1,049,672</u>	<u>847,228</u>	<u>(202,444)</u>	<u>-</u>	<u>13,782</u>	<u>13,782</u>
Expenditures						
Current:						
Public safety	372,712	347,823	24,889	-	-	-
Culture and recreation	373,005	311,559	61,446	-	-	-
Capital outlay:						
Capital expenditures	311,500	289,827	21,673	-	-	-
Construction in progress	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>1,057,217</u>	<u>949,209</u>	<u>108,008</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(7,545)</u>	<u>(101,981)</u>	<u>(94,436)</u>	<u>-</u>	<u>13,782</u>	<u>13,782</u>
Other Financing Sources						
Transfer in	7,545	7,545	-	-	-	-
Transfer (out)	-	-	-	-	-	-
<i>Total Other Financing Sources</i>	<u>7,545</u>	<u>7,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>(94,436)</u>	<u>(94,436)</u>	<u>-</u>	<u>13,782</u>	<u>13,782</u>
<i>Fund Balances Beginning of Year</i>	<u>427,353</u>	<u>427,353</u>	<u>-</u>	<u>30,797</u>	<u>30,797</u>	<u>-</u>
<i>Fund Balances End of Year (deficit)</i>	<u>\$ 427,353</u>	<u>\$ 332,917</u>	<u>\$ (94,436)</u>	<u>\$ 30,797</u>	<u>\$ 44,579</u>	<u>\$ 13,782</u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Indigent and FTA Public Transportation Special Revenue Funds For the Year Ended September 30, 2023

	Indigent			FTA Public Transportation		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues						
Taxes	\$ -	\$ 48	\$ 48	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	9,277,475	2,815,032	(6,462,443)
Charges for services	-	-	-	1,102,443	1,106,188	3,745
Miscellaneous	335,189	315	(334,874)	1,506,622	308,251	(1,198,371)
<i>Total Revenues</i>	335,189	363	(334,826)	11,886,540	4,229,471	(7,657,069)
Expenditures						
Current:						
General government	-	-	-	8,628,650	2,647,016	5,981,634
Health & welfare	349,540	234,063	115,477	-	-	-
Capital outlay:						
Capital expenditures	-	-	-	2,304,694	868,778	1,435,916
Construction in progress	-	-	-	953,196	713,677	239,519
<i>Total Expenditures</i>	349,540	234,063	115,477	11,886,540	4,229,471	7,657,069
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(14,351)	(233,700)	(219,349)	-	-	-
Other Financing Sources						
Transfer in	14,351	14,351	-	-	-	-
Transfers (out)	-	-	-	-	-	-
<i>Total Other Financing Sources</i>	14,351	14,351	-	-	-	-
<i>Net Change in Fund Balances</i>	-	(219,349)	(219,349)	-	-	-
<i>Fund Balances Beginning of Year</i>	3,352,570	3,352,570	-	-	-	-
<i>Fund Balances End of Year</i>	\$ 3,352,570	\$ 3,133,221	\$ (219,349)	\$ -	\$ -	\$ -

Kootenai County Annual Comprehensive Financial Report – FY 2023

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, 2023

	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	\$ 7,192,196	\$ 7,303,159	\$ 110,963	\$ 3,354,207	\$ 3,410,732	\$ 56,525
Licenses and permits	-	875	875	-	-	-
Intergovernmental	980,461	915,882	(64,579)	-	-	-
Fines and forfeitures	755,700	936,887	181,187	-	-	-
Charges for services	125,500	159,643	34,143	-	-	-
Miscellaneous	115,008	1,048	(113,960)	769,176	-	(769,176)
<i>Total Revenues</i>	<u>9,168,865</u>	<u>9,317,494</u>	<u>148,629</u>	<u>4,123,383</u>	<u>3,410,732</u>	<u>(712,651)</u>
Expenditures						
Current:						
General government	5,320,100	4,577,613	742,487	4,116,593	3,487,922	628,671
Public safety	4,061,852	4,074,522	(12,670)	-	-	-
Capital outlay:						
Capital expenditures	-	-	-	68,256	68,256	-
<i>Total Expenditures</i>	<u>9,381,952</u>	<u>8,652,135</u>	<u>729,817</u>	<u>4,184,849</u>	<u>3,556,178</u>	<u>628,671</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(213,087)</u>	<u>665,359</u>	<u>878,446</u>	<u>(61,466)</u>	<u>(145,446)</u>	<u>(83,980)</u>
Other Financing Sources (Uses)						
Transfer in	216,582	216,582	-	61,466	61,466	-
Transfer (out)	(3,495)	(3,495)	-	-	-	-
<i>Total Other Financing Sources</i>	<u>213,087</u>	<u>213,087</u>	<u>-</u>	<u>61,466</u>	<u>61,466</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>878,446</u>	<u>878,446</u>	<u>-</u>	<u>(83,980)</u>	<u>(83,980)</u>
<i>Fund Balances Beginning of Year</i>	<u>2,580,676</u>	<u>2,580,676</u>	<u>-</u>	<u>1,387,524</u>	<u>1,387,524</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u><u>\$ 2,580,676</u></u>	<u><u>\$ 3,459,122</u></u>	<u><u>\$ 878,446</u></u>	<u><u>\$ 1,387,524</u></u>	<u><u>\$ 1,303,544</u></u>	<u><u>\$ (83,980)</u></u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

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, 2023

	Kootenai County EMS System			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	\$ 3,284,147	\$ 3,296,631	\$ 12,484	\$ 435,569	\$ 434,544	\$ (1,025)
Licenses and permits	40,000	49,819	9,819	-	-	-
Intergovernmental	1,209,943	250,138	(959,805)	-	-	-
Miscellaneous	-	-	-	269,032	100,000	(169,032)
<i>Total Revenues</i>	<u>4,534,090</u>	<u>3,596,588</u>	<u>(937,502)</u>	<u>704,601</u>	<u>534,544</u>	<u>(170,057)</u>
Expenditures						
Current:						
Public safety	4,534,090	3,592,521	941,569	-	-	-
Health & welfare	-	-	-	668,551	531,924	136,627
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>4,534,090</u>	<u>3,592,521</u>	<u>941,569</u>	<u>668,551</u>	<u>531,924</u>	<u>136,627</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>4,067</u>	<u>4,067</u>	<u>36,050</u>	<u>2,620</u>	<u>(33,430)</u>
Other Financing (Uses)						
Transfer out	-	-	-	(36,050)	(36,050)	-
<i>Total Other Financing (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,050)</u>	<u>(36,050)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>-</u>	<u>4,067</u>	<u>4,067</u>	<u>-</u>	<u>(33,430)</u>	<u>(33,430)</u>
<i>Fund Balances Beginning of Year</i>	<u>60,105</u>	<u>60,105</u>	<u>-</u>	<u>1,101,476</u>	<u>1,101,476</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 60,105</u>	<u>\$ 64,172</u>	<u>\$ 4,067</u>	<u>\$ 1,101,476</u>	<u>\$ 1,068,046</u>	<u>\$ (33,430)</u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Construction Fund For the Year Ended September 30, 2023

	General Construction Capital Projects Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Under (Over)
Revenues			
Intergovernmental	\$ 8,778,326	\$ 6,561,866	\$ (2,216,460)
Charges for services	-	-	-
Miscellaneous	460,525	389,173	(71,352)
<i>Total Revenues</i>	9,238,851	6,951,039	(2,287,812)
Expenditures			
Current:			
General government	500,000	14,500	485,500
Public works	525	1,644	(1,119)
Public safety	-	-	-
Culture and recreation	-	-	-
Capital outlay:			
Capital expenditures	174,302	174,302	-
Construction in progress	8,564,024	6,760,593	1,803,431
<i>Total Expenditures</i>	9,238,851	6,951,039	2,287,812
<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

The County's Fiduciary Funds are all custodial funds that hold assets payable to outside individuals or entities. As Custodial Funds, no trust agreements exist. All amounts received into these funds are due to other parties when received and are therefore held as liabilities.

State of Idaho Custodial Fund – monthly pass-through fines, fees, and charges collected on behalf of the State through County operations. County departments passing through State receipts include District Court, Vehicle and Driver Licensing, and Tax Collector for Forest Protection fees.

Taxing Districts Custodial 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 Custodial Funds – pass through monies collected on behalf of other individuals and governmental entities. These custodial monies include daily receipts awaiting disbursement from tax collections, district court receipts, law enforcement seizure collections, and unclaimed property.

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023
With Comparative Totals for September 30, 2022

	Custodial Funds			
	State of Idaho	Cities	Highway Districts	School Districts
Assets				
Cash in bank and investments	\$ 2,060,812	\$ 204,649	\$ 44,956	\$ 167,354
Receivables:				
Taxes delinquent	320,639	457,563	268,016	693,923
Total Assets	\$ 2,381,451	\$ 662,212	\$ 312,972	\$ 861,277
Liabilities				
Due to other governments	\$ 2,381,451	\$ 662,212	\$ 312,972	\$ 861,277
Total Liabilities	2,381,451	662,212	312,972	861,277
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023
With Comparative Totals for September 30, 2022

	Custodial Funds			
	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
Assets				
Cash in bank and investments	\$ 164,254	\$ 18,119	\$ 2,757	\$ 63,022
Receivables:				
Taxes delinquent	591,218	293,188	14,541	215,736
Total Assets	\$ 755,472	\$ 311,307	\$ 17,298	\$ 278,758
Liabilities				
Due to other governments	755,472	311,307	17,298	278,758
Total Liabilities	755,472	311,307	17,298	278,758
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023
With Comparative Totals for September 30, 2022

	Custodial Funds		Totals	
	Urban Renewal Districts	Unapportioned Agencies	2023	2022
Assets				
Cash in bank and investments	\$ 4,289	\$ 8,749,222	\$ 11,479,434	\$ 10,945,282
Receivables:				
Taxes delinquent	129,542	-	2,984,366	2,618,441
Accounts receivable, (net)	-	49,333	49,333	31,391
	\$ 133,831	\$ 8,798,555	\$ 14,513,133	\$ 13,595,114
Liabilities				
Accounts payable	\$ -	\$ 50,647	\$ 50,647	\$ 105,972
Due to other governments	133,831	310,620	6,025,198	6,015,216
Advanced property tax	-	98,008	98,008	286,375
Due to other individuals	-	8,339,280	8,339,280	7,187,551
	133,831	8,798,555	14,513,133	13,595,114
Net Position				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Changes in Net Position
Fiduciary Funds
For the Year Ended September 30, 2023
With Comparative Totals for September 30, 2022

	Custodial Funds			
	State of Idaho	Cities	Highway Districts	School Districts
Additions				
Tax collections for other governments	\$ 1,412,804	\$ 47,549,680	\$ 12,544,468	\$ 47,827,152
Collections for services provided to other governments	21,725,090	-	-	-
Fines forfeitures and penalties	-	679,944	-	-
Charges for Services	-	-	-	-
Total additions	23,137,894	48,229,624	12,544,468	47,827,152
Deductions				
Payments of taxes to other governments	1,412,804	47,549,680	12,544,468	47,827,152
Payments of services to other governments	21,725,090	-	-	-
Public safety	-	679,944	-	-
Payment to individuals	-	-	-	-
Total deductions	23,137,894	48,229,624	12,544,468	47,827,152
Change in Net Position	-	-	-	-
Net Position - Beginning	-	-	-	-
Net Position - Ending	\$ -	\$ -	\$ -	\$ -

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Changes in Net Position
Fiduciary Funds
For the Year Ended September 30, 2023
With Comparative Totals for September 30, 2022

	Custodial Funds			
	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
Additions				
Tax collections for other governments	\$ 25,687,983	\$ 5,576,002	\$ 656,691	\$ 19,162,976
Collections for services provided to other governments	-	-	-	-
Fines forfeitures and penalties	-	-	-	-
Charges for Services	-	-	-	-
Total additions	25,687,983	5,576,002	656,691	19,162,976
Deductions				
Payments of taxes to other governments	25,687,983	5,576,002	656,691	19,162,976
Payments of services to other governments	-	-	-	-
Public safety	-	-	-	-
Payment to individuals	-	-	-	-
Total deductions	25,687,983	5,576,002	656,691	19,162,976
Change in Net Position	-	-	-	-
Net Position - Beginning	-	-	-	-
Net Position - Ending	\$ -	\$ -	\$ -	\$ -

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Combining Statement of Fiduciary Changes in Net Position Fiduciary Funds For the Year Ended September 30, 2023 With Comparative Totals for September 30, 2022

	Custodial Funds			Totals	
	Public Hospital	Urban Renewal Districts	Unapportioned Agencies	2023	2022
Additions					
Tax collections for other governments	\$ -	\$ 9,644,113	\$ 3,994,610	\$ 174,056,479	\$ 173,181,432
Collections for services provided to other governments	12,576	-	626,168	22,363,834	27,669,402
Fines forfeitures and penalties	-	-	12,743,074	13,423,018	12,627,289
Charges for Services	-	-	2,675,534	2,675,534	2,964,899
Total additions	12,576	9,644,113	20,039,386	212,518,865	216,443,022
Deductions					
Payments of taxes to other governments	-	9,644,113	3,307,785	173,369,654	172,995,065
Payments of services to other governments	12,576	-	1,827,895	23,565,561	27,937,505
Public safety	-	-	13,244,732	13,924,676	14,271,398
Payment to individuals	-	-	1,658,974	1,658,974	1,239,054
Total deductions	12,576	9,644,113	20,039,386	212,518,865	216,443,022
Change in Net Position	-	-	-	-	-
Net Position - Beginning	-	-	-	-	-
Net Position - Ending	\$ -	\$ -	\$ -	\$ -	\$ -

Statistical Section

STATISTICAL SECTION

This part of Kootenai County's Annual Comprehensive 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.

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Financial Trends	125
<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	131
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.</i>	
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<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	142
<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>	
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<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 Annual Comprehensive Financial Report – FY 2023

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 52,716	\$ 50,379	\$ 48,152	\$ 49,060	\$ 59,959	\$ 58,895	\$ 60,270	\$ 63,174	\$ 64,526	\$ 74,263
Restricted	5,443	7,228	9,236	10,669	10,496	10,258	11,034	13,638	14,737	17,424
Unrestricted	31,379	20,165	21,672	21,145	11,481	17,496	15,886	26,452	21,264	23,303
Total governmental activities net position	<u>\$ 89,538</u>	<u>\$ 77,772</u>	<u>\$ 79,060</u>	<u>\$ 80,874</u>	<u>\$ 81,936</u>	<u>\$ 86,649</u>	<u>\$ 87,190</u>	<u>\$ 103,264</u>	<u>\$ 100,527</u>	<u>\$ 114,990</u>
Business-type activities										
Net investment in capital assets	\$ 28,752	\$ 28,059	\$ 26,765	\$ 27,405	\$ 27,857	\$ 27,872	\$ 27,748	\$ 25,825	\$ 24,280	\$ 24,546
Restricted	1,777	1,468	2,955	4,410	5,803	4,690	-	4,228	5,425	19,587
Unrestricted	21,074	17,461	18,994	18,875	19,542	22,585	28,199	27,232	28,724	18,419
Total business-type activities net position	<u>\$ 51,603</u>	<u>\$ 46,988</u>	<u>\$ 48,714</u>	<u>\$ 50,690</u>	<u>\$ 53,202</u>	<u>\$ 55,147</u>	<u>\$ 55,947</u>	<u>\$ 57,285</u>	<u>\$ 58,429</u>	<u>\$ 62,552</u>
Primary government										
Net investment in capital assets	\$ 81,468	\$ 78,438	\$ 74,917	\$ 76,465	\$ 87,816	\$ 86,767	\$ 88,018	\$ 88,999	\$ 88,806	\$ 98,809
Restricted	7,220	8,696	12,191	15,079	16,299	14,948	11,034	17,866	20,162	37,011
Unrestricted	52,453	37,626	40,666	40,020	31,023	40,081	44,085	53,684	49,988	41,722
Total primary government net position	<u>\$ 141,141</u>	<u>\$ 124,760</u>	<u>\$ 127,774</u>	<u>\$ 131,564</u>	<u>\$ 135,138</u>	<u>\$ 141,796</u>	<u>\$ 143,137</u>	<u>\$ 160,549</u>	<u>\$ 158,956</u>	<u>\$ 177,542</u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

Expenses	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government	\$ 24,614	\$ 27,129	\$ 27,344	\$ 26,963	\$ 29,821	\$ 30,684	\$ 34,521	\$ 32,365	\$ 36,606	\$ 46,016
Public works	2,814	2,564	2,629	3,073	3,466	3,088	2,988	2,540	3,911	2,289
Public safety	36,578	37,411	39,748	41,509	44,378	46,274	52,553	49,799	58,804	63,098
Sanitation weed control	303	321	335	356	345	319	404	320	425	378
Health and welfare	3,834	3,127	2,761	2,419	2,610	2,300	2,046	1,696	1,961	2,450
Culture and recreation	1,040	1,049	1,285	1,247	1,355	1,213	1,874	1,852	2,053	2,330
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	69,183	71,601	74,102	75,567	81,975	83,878	94,386	88,572	103,760	116,561
Business-type activities:										
Solid waste and landfill	8,852	9,027	10,134	10,336	10,706	11,831	13,148	12,694	14,715	12,110
Total business-type activities expenses	8,852	9,027	10,134	10,336	10,706	11,831	13,148	12,694	14,715	12,110
Total primary government expenses	\$ 78,035	\$ 80,628	\$ 84,236	\$ 85,903	\$ 92,681	\$ 95,709	\$ 107,534	\$ 101,266	\$ 118,475	\$ 128,671
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 8,401	\$ 8,627	\$ 10,274	\$ 10,833	\$ 11,776	\$ 11,345	\$ 12,795	\$ 14,233	\$ 14,517	\$ 19,093
Public safety	11,480	11,539	10,903	11,476	11,564	13,107	13,677	16,679	18,740	21,070
Culture and recreation	448	447	409	490	505	640	1,052	674	654	611
Other activities	821	879	862	851	1,707	994	1,057	1,329	2,255	2,436
Operating grants and contributions	2,814	2,789	2,000	2,322	2,889	4,536	5,181	10,113	5,644	7,211
Capital grants and contributions	1,549	1,372	1,666	646	2,465	706	1,907	2,955	1,641	7,827
Total governmental activities program revenue	25,513	25,653	26,114	26,618	30,906	31,328	35,669	45,983	43,451	58,248
Business-type activities:										
Charges for services:										
Solid waste and landfill	11,451	12,021	12,604	12,907	13,630	14,258	14,576	15,817	16,446	16,856
Operating grants and contributions	-	-	-	73	113	-	22	101	7	-
Total business-type activities program revenue	11,451	12,021	12,604	12,980	13,743	14,258	14,598	15,918	16,453	16,856
Total primary government program revenues	\$ 36,964	\$ 37,674	\$ 38,718	\$ 39,598	\$ 44,649	\$ 45,586	\$ 50,267	\$ 61,901	\$ 59,904	\$ 75,104

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense)/revenue										
Governmental activities	\$(43,670)	\$(45,948)	\$(47,988)	\$(48,949)	\$(51,069)	\$(52,550)	\$(58,717)	\$(42,589)	\$(60,309)	\$(58,313)
Business-type activities	2,599	2,994	2,470	2,644	3,037	2,427	1,450	3,224	1,738	4,746
Total primary government net (expense)/revenue	<u>\$(41,071)</u>	<u>\$(42,954)</u>	<u>\$(45,518)</u>	<u>\$(46,305)</u>	<u>\$(48,032)</u>	<u>\$(50,123)</u>	<u>\$(57,267)</u>	<u>\$(39,365)</u>	<u>\$(58,571)</u>	<u>\$(53,567)</u>
General Revenues and other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 43,357	\$ 44,076	\$ 45,283	\$ 47,659	\$ 49,371	\$ 51,277	\$ 54,213	\$ 55,863	\$ 57,695	\$ 61,749
Miscellaneous	344	559	2,110	1,748	1,656	1,337	1,312	1,902	1,559	1,379
Interest and investment earnings	81	773	1,086	487	334	4,073	2,914	-	(2,679)	5,890
Gain (Loss) on sale of assets/property	(47)	110	38	135	12	-	18	112	53	420
Transfers	543	6,507	759	734	757	577	801	786	946	890
Total governmental activities	<u>\$ 44,278</u>	<u>\$ 52,025</u>	<u>\$ 49,276</u>	<u>\$ 50,763</u>	<u>\$ 52,130</u>	<u>\$ 57,264</u>	<u>\$ 59,258</u>	<u>\$ 58,663</u>	<u>\$ 57,574</u>	<u>\$ 70,328</u>
Business-type activities:										
Miscellaneous	357	-	-	227	213	58	102	335	318	267
Interest and investment earnings	71	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of assets/property	(135)	99	14	(161)	20	37	49	15	33	-
Transfers	(543)	(6,507)	(759)	(734)	(757)	(577)	(801)	(786)	(946)	(890)
Total business-type activities	<u>(250)</u>	<u>(6,408)</u>	<u>(745)</u>	<u>(668)</u>	<u>(524)</u>	<u>(482)</u>	<u>(650)</u>	<u>(436)</u>	<u>(595)</u>	<u>(623)</u>
Total primary government	<u>\$ 44,028</u>	<u>\$ 45,617</u>	<u>\$ 48,531</u>	<u>\$ 50,095</u>	<u>\$ 51,606</u>	<u>\$ 56,782</u>	<u>\$ 58,608</u>	<u>\$ 58,227</u>	<u>\$ 56,979</u>	<u>\$ 69,705</u>
Change in Net Position										
Governmental activities	\$ 608	\$ 6,077	\$ 1,288	\$ 1,814	\$ 1,061	\$ 4,714	\$ 541	\$ 16,074	\$ (2,735)	\$ 12,015
Business-type activities	2,349	(3,414)	1,725	1,976	2,513	1,945	800	2,788	1,143	4,123
Total primary government	<u>\$ 2,957</u>	<u>\$ 2,663</u>	<u>\$ 3,013</u>	<u>\$ 3,790</u>	<u>\$ 3,574</u>	<u>\$ 6,659</u>	<u>\$ 1,341</u>	<u>\$ 18,862</u>	<u>\$ (1,592)</u>	<u>\$ 16,138</u>

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

Fiscal Year	Property Tax
2014	\$ 43,357
2015	44,075
2016	45,283
2017	47,659
2018	49,371
2019	51,277
2020	54,213
2021	55,863
2022	57,695
2023	61,749

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

	2014	2015	2016 ^a	2017	2018	2019	2020	2021	2022	2023 ^b
General Fund										
Nonspendable	\$ 146	\$ 99	\$ 499	\$ 489	\$ 56	\$ 55	\$ 227	\$ 364	\$ 291	\$ 277
Restricted	3,613	3,874	4,210	4,307	4,628	3,606	2,267	3,125	3,364	4,707
Committed	13,796	20,082	26,115	14,777	3,839	8,096	7,786	2,744	3,929	2,151
Assigned	655	-	-	12,569	13,247	7,115	13,275	14,189	14,966	18,421
Unassigned	16,378	18,987	15,511	12,607	12,333	20,732	20,301	27,390	25,308	30,951
Total General Fund	34,588	43,042	46,335	44,749	34,103	39,604	43,856	47,812	47,858	56,507
Airport Fund										
Nonspendable	-	-	-	-	-	-	-	-	-	2
Restricted	-	-	-	-	-	-	-	-	-	2,227
Total Airport Fund	-	-	-	-	-	-	-	-	-	2,229
All Other Governmental Funds										
Nonspendable	\$ 14	\$ 1	\$ 1	\$ 11	\$ 2	\$ 13	\$ 21	\$ 30	\$ 17	\$ 15
Restricted	1,830	3,353	5,026	6,363	6,560	6,652	8,769	10,513	11,371	10,490
Committed	1,726	1,077	888	287	965	1,609	-	-	-	-
Assigned	115	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(8)	-	(2)	(2)	-	(2)
Total All Other Governmental Funds	\$ 3,685	\$ 4,431	\$ 5,915	\$ 6,661	\$ 7,519	\$ 8,274	\$ 8,788	\$10,541	\$11,388	\$10,503
Total of All Governmental Funds	\$38,273	\$47,473	\$52,250	\$51,410	\$41,622	\$47,878	\$52,644	\$58,353	\$59,246	\$69,239

Notes:

a) 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.

b) In 2023, the Airport was split from "All Other Government Funds" as its own fund when it met the criteria as a major fund.

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$43,496	\$ 44,236	\$45,252	\$47,625	\$49,517	\$ 51,196	\$ 54,553	\$ 55,909	\$57,313	\$61,530
Licenses and permits	1,462	1,518	1,573	1,571	1,580	1,633	1,441	1,591	2,109	2,105
Intergovernmental	13,792	13,729	14,357	14,490	16,938	18,375	21,389	30,461	26,415	38,365
Interest	81	773	1,086	487	334	4,073	2,914	-	(2,679)	5,890
Fines and forfeitures	1,369	1,351	1,318	1,264	1,733	1,331	1,190	1,178	1,369	1,962
Charges for services	7,814	8,532	8,635	8,928	10,270	9,669	10,846	12,311	13,126	15,782
Miscellaneous	1,516	1,615	1,678	1,632	2,142	1,650	2,224	2,876	2,093	2,429
Total revenues	69,530	71,754	73,899	75,997	82,514	87,927	94,557	104,326	99,746	128,063
Expenditures										
General government	23,325	24,644	24,866	26,580	28,335	29,104	31,772	32,962	35,140	40,283
Public works	800	863	916	1,036	1,628	1,199	1,175	1,023	1,265	1,445
Public safety	34,136	34,734	36,675	39,474	42,026	43,333	47,053	50,171	51,913	56,025
Sanitation	304	315	326	351	348	305	328	319	342	350
Health & welfare	3,836	3,143	2,764	2,422	2,610	2,303	2,039	1,705	1,945	2,451
Culture and recreation	764	694	911	851	1,114	855	1,623	1,049	1,130	1,484
Debt Service:										
Principal retirement	-	-	-	-	-	-	-	654	666	305
Interest expense	-	-	-	-	-	-	-	26	16	27
Capital Outlay:										
Lease payments	-	-	-	-	-	-	-	-	234	270
Capital expenditures	2,860	2,914	2,007	3,413	3,492	2,537	5,701	7,828	3,301	7,258
Construction in progress	2,372	1,284	1,165	3,445	13,507	2,990	2,222	3,666	3,847	9,062
Total expenditures	68,397	68,591	69,630	77,572	93,060	82,626	91,913	99,403	99,799	118,960
<i>Excess of revenues over (under) expenditures</i>	1,133	3,163	4,269	(1,575)	(10,546)	5,301	2,644	4,923	(53)	9,103
Other financing sources (uses)										
Proceeds capital leases	-	-	-	-	-	-	1,320	-	-	-
Proceeds insurance	14	-	-	-	-	-	-	-	-	-
Transfers in	844	7,703	1,608	1,162	1,109	1,701	4,547	1,192	2,382	1,838
Transfers out	(301)	(1,666)	(1,099)	(427)	(352)	(745)	(3,746)	(406)	(1,436)	(948)
Total other financing sources (uses)	557	6,037	509	735	757	956	2,121	786	946	890
Net change in fund balances	\$ 1,690	\$ 9,200	\$ 4,778	\$ (840)	\$(9,789)	\$ 6,257	\$ 4,765	\$ 5,709	\$ 893	\$ 9,993

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
2014	43,496
2015	44,236
2016	45,252
2017	47,625
2018	49,517
2019	51,196
2020	54,553
2021	55,909
2022	57,313
2023	61,530

Kootenai County Annual Comprehensive Financial Report – FY 2023

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	
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	4,145,337,164	20,108,639,485	2,798,813,745	16.17%	2.49
2020	26,989,374,895	4,297,133,247	22,692,241,648	2,583,602,163	12.85%	2.27
2021	32,232,691,201	5,516,502,877	26,716,188,324	4,023,946,676	17.73%	1.99
2022	51,461,129,378	5,707,215,455	45,753,913,923	19,037,725,599	71.26%	1.23

Notes:

Values based on 2022 December values certified by the State Tax Commission.

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

	2014	2015	2016	2017	2018	2019	2020 ^(a)	2021	2022	2023
County Direct Rates										
Current Expense	0.82	0.70	0.78	0.72	0.54	0.57	0.30	0.25	0.20	0.18
Liability Insurance	0.05	0.05	0.05	0.02	0.04	0.03	0.03	0.03	0.02	0.02
Airport Fund	0.03	0.02	0.02	0.03	0.02	0.02	0.01	-	-	-
Indigent Fund	0.06	0.09	0.02	0.06	-	-	-	-	-	-
District Court Fund	0.09	0.11	0.10	0.09	0.09	0.09	0.26	0.23	0.16	0.16
County Fair	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	-
Health District Fund	0.05	0.06	0.05	0.05	0.04	0.04	0.03	0.03	0.04	0.04
Historical Society	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Noxious Weed Control	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01
Parks Fund	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.01
Revaluation Fund	0.18	0.18	0.17	0.16	0.16	0.13	0.12	0.11	0.07	0.08
Justice Fund	1.95	1.92	1.89	1.79	1.81	1.57	1.48	1.31	0.72	0.77
County Direct Rate	3.28	3.18	3.13	2.97	2.74	2.49	2.27	1.99	1.23	1.26
City Rates										
Athol	3.63	3.57	3.54	3.46	3.40	3.01	2.68	2.34	1.59	1.47
Coeur d'Alene	6.46	6.09	5.90	5.51	4.97	4.46	3.11	3.60	2.21	2.28
Dalton Gardens	0.52	0.54	0.49	0.48	0.45	0.40	0.38	0.33	0.20	0.21
Fernan	1.36	1.35	1.19	1.17	1.63	1.34	1.28	1.16	0.71	0.77
Harrison	4.03	3.76	3.89	3.84	3.74	3.39	3.29	2.99	1.81	1.84
Hauser Lake	0.58	0.57	0.57	0.54	0.48	0.44	0.39	0.32	0.19	0.16
Hayden	1.29	1.30	1.28	1.23	1.15	1.02	0.94	0.86	0.55	0.76
Hayden Lake	0.75	0.74	0.75	0.66	0.63	0.59	0.56	0.36	0.54	0.59
Huetter	5.93	5.52	5.35	4.97	4.52	4.30	4.07	3.74	-	2.06
Post Falls	5.55	5.45	5.59	5.25	4.83	4.26	3.91	3.41	2.09	2.12
Rathdrum	5.67	5.69	5.77	5.52	5.22	4.49	3.23	3.57	2.05	2.09
Spirit Lake	6.65	6.94	6.48	5.93	5.33	4.42	4.09	3.12	1.93	2.03
Worley	4.74	4.34	5.05	5.07	4.65	3.81	3.47	3.06	2.00	2.05
School District Rates^(c)										
Coeur d'Alene #271	2.11	2.38	2.31	2.31	2.23	1.96	1.79	1.56	0.96	0.95
Lakeland #272	3.31	3.19	3.44	4.53	4.12	3.48	2.72	2.25	1.18	1.09
Post Falls #273	3.08	2.82	2.63	2.44	2.08	2.07	1.70	1.39	0.84	0.46
Kootenai #274	2.20	2.13	1.61	1.75	1.58	1.45	1.30	0.99	0.62	0.80
Kellogg #391	6.73	6.92	6.76	6.26	6.29	5.32	5.25	4.92	3.26	2.51
Plummer-Worley #44 ^(b)	2.68	2.72	2.70	2.80	2.54	2.86	2.35	1.40	1.20	0.42

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

	2014	2015	2016	2017	2018	2019	2020 ^(a)	2021	2022	2023
Highway District Rates										
Post Falls #1	0.67	0.65	0.61	0.57	0.51	0.45	0.40	0.35	0.20	0.20
Lakes #2	0.78	0.76	0.74	0.69	0.63	0.58	0.51	0.44	0.27	0.28
Eastside #3	0.66	0.65	0.64	0.63	0.58	0.54	0.50	0.45	0.26	0.26
Worley #4	1.26	1.25	1.24	1.21	1.16	1.09	1.04	0.90	0.53	0.53
Fire District Rates										
Eastside	0.89	0.89	0.89	0.91	0.86	0.83	0.77	0.69	0.41	0.37
Hauser Lake	1.38	1.39	1.39	1.28	1.14	1.00	0.92	0.80	0.50	0.51
Northern Lakes	1.42	1.41	1.40	1.33	1.25	1.13	1.06	0.94	0.58	0.62
KC Fire & Rescue	1.92	1.93	1.89	1.89	1.88	1.70	1.59	1.62	0.99	1.01
Mica Kidd Island	0.65	0.64	0.64	0.63	0.61	0.57	0.56	0.50	0.29	0.29
Shoshone County #2	2.08	2.09	2.15	2.15	2.54	2.21	1.57	1.78	1.23	1.10
Spirit Lake	1.24	1.27	1.27	1.21	1.07	0.98	0.92	0.78	0.50	0.49
St. Maries	1.01	1.01	1.05	1.03	0.95	0.92	0.92	0.81	0.54	0.55
Timberlake	1.33	1.34	1.31	1.25	1.15	1.05	0.98	0.83	0.51	0.52
Worley	1.02	1.02	1.02	1.01	0.97	0.92	0.89	0.74	0.47	0.47
Water/Sewer District Rates										
Cataldo Water	0.53	0.52	0.51	0.51	0.52	0.47	0.42	0.41	0.23	0.23
Cleland Bay Sewer	0.43	0.42	0.42	0.41	0.39	0.39	0.41	0.33	0.22	0.21
Greenferry Sewer ^(d)	-	-	-	-	-	-	-	-	-	0.85
Hayden Lake Sewer	0.06	0.06	0.06	0.05	0.05	0.05	0.04	0.04	0.02	0.02
Kidd Island Bay Sewer	0.66	0.69	0.68	0.66	0.65	0.62	0.61	0.50	0.30	0.29
Kingston-Cataldo Sewer	0.70	0.71	0.70	0.71	0.72	0.63	0.58	0.55	0.32	0.31
Kootenai Water #1	2.00	1.78	1.59	1.47	1.38	1.20	1.14	0.98	0.55	0.59
Other Special District Rates										
Community Library Network	0.41	0.40	0.40	0.38	0.36	0.32	0.29	0.25	0.15	0.15
KCEMSS	0.17	0.17	0.17	0.16	0.15	0.14	0.13	0.11	0.07	0.07
North Idaho College	1.12	1.10	1.04	0.98	0.89	0.80	0.75	0.65	0.38	0.38
Flood Control #17	0.20	0.19	0.18	0.17	0.14	0.14	0.12	0.11	0.06	0.06
Hayden Lake Watershed Improver	0.13	0.12	0.12	0.11	0.10	0.09	0.08	0.07	0.04	0.04

Notes:

All Urban Renewal Districts have been omitted from this schedule.

^(a) In 2020, there was a Governor's Public Safety Grant Initiative for Cities and Counties for public safety whose 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 forgone 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.

^(b) In 2010, the Idaho State Board of Education approved School District 44J's application for State financial support c 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. This support concluded in 2022.

^(c) In 2023, HB292 granted property tax relief by creating the School District Facilities Fund. These funds were distribut to the schools to reduce property taxes charged to citizens for Bonds, Supplementals, and Plant Facilities.

^(d) Greenferry Sewer & Water levied for the first time in 2023.

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

Cumulative levy totals for all agencies within each classification

Property Tax Year	County	Cities	Highways	Schools	Fire Districts	Water and Sewer Districts	Other Districts
2014	0.003283784	0.047154592	0.003358059	0.020112143	0.012947053	0.004378301	0.002029675
2015	0.003178062	0.045863086	0.003305299	0.020160875	0.012996882	0.004164335	0.001989221
2016	0.003128520	0.045865262	0.003230770	0.019463275	0.013015654	0.003950021	0.001904676
2017	0.002970344	0.043635763	0.003100654	0.020099903	0.012697494	0.003805762	0.001802516
2018	0.002737167	0.040992691	0.002882903	0.018834746	0.012415637	0.003713929	0.001633429
2019	0.002488493	0.035930178	0.002627921	0.017139170	0.011298161	0.003354613	0.001488746
2020	0.002267729	0.031403796	0.002459463	0.015106570	0.010175341	0.003194037	0.001370433
2021	0.001988108	0.028866831	0.002138263	0.012521550	0.009495651	0.002809055	0.001190860
2022	0.001227184	0.015886219	0.001258063	0.008068331	0.006023935	0.001645067	0.000708604
2023	0.001262428	0.018430487	0.001263821	0.006236376	0.005932263	0.002500687	0.000844311

Tax Year 2023	Cities	Highways	Schools	Fire	Water & Sewer	Other
Number of taxing districts	13	4	6	10	7	5
Average tax rate per district	0.016542351	0.000315955	0.001039396	0.000593226	0.000357241	0.000140797
Minimum levy rate	0.000163302	0.000200576	0.000422106	0.000292903	0.000024460	0.000040674
Maximum levy rate	0.002277517	0.000527503	0.002513112	0.001098788	0.000850930	0.000375315

Notes:

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

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

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

2023 levy rates as of 11/30/23.

The City of Huetter did not levy in 2022 (only 12 cities are included in the average).

Greenferry Sewer & Water levied for the first time in 2023.

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Principal Property Taxpayers, Current Year and Nine Years Ago September 30, 2023

Taxpayer	FY 2023 ¹			FY 2014		
	Net Taxes Due	Rank	Percentage of Total Net Taxes Due	Net Taxes Due	Rank	Percentage of Total Net Taxes Due
Avista Corporation	\$ 1,509,876	1	0.68%	\$ 2,567,935	1	6.33%
Hagadone Hospitality Co., Hagadone Holdings, LLP	883,822	2	0.40%	1,436,164	2	3.54%
Cottages, Residence, Parkside at Tullamore One LLC	492,169	3	0.22%	-	-	-
1124 E 4th (Post Falls) LLC	387,628	4	0.17%	-	-	-
Burlington No & Santa Fe RR/BNFS Railway Co.	379,957	5	0.17%	310,066	12	0.76%
Anderl Development LLC	359,538	6	0.16%	-	-	-
Rathdrum Power, LLC	322,735	7	0.15%	1,349,230	3	3.32%
Spencer Place Apartments LLC	303,797	8	0.14%	-	-	-
Crown Pointe Apartments LLC	295,232	9	0.13%	-	-	-
Wal-Mart Real Estate Business & Trust, Wal-Mart Stores Inc.	294,671	10	0.13%	590,312	4	1.45%
Riverview Venture LLC	281,925	11	0.13%	-	-	-
Gas Transmission Northwest	277,753	12	0.12%	-	-	-
Post Falls Retirement Real Estate Investors LLC	274,770	13	0.12%	470,940	8	1.16%
Union Pacific Railroad Co.	268,074	14	0.12%	561,657	5	1.38%
Fieldstone Apartments LLC	259,266	15	0.12%	-	-	-
Idaho Forest Group	-	-	-	508,897	6	1.25%
Frontier Communications / formerly Verizon	-	-	-	483,541	7	1.19%
Kimball Furniture Group /Kimball International Market	-	-	-	456,468	9	1.12%
Glacier 400 Wilbur LLC, Glacier 600 LLC, Glacier 700 LLC	-	-	-	391,839	10	0.97%
Silverwood Inc.	-	-	-	310,458	11	0.76%
CDA Courthouse LLC C/o JDL Enterprises LLC	-	-	-	307,517	13	0.76%
North Idaho Surgical Hospital Bldg LLC	-	-	-	304,301	14	0.75%
DBH Properties	-	-	-	277,674	15	0.68%
Sub Total	6,591,213		2.96%	10,326,999		25.42%
All Other Taxpayers	215,614,210		97.04%	150,323,743		74.58%
Total Net Taxes For All Taxing Districts in Kootenai County	\$ 222,205,423		100.00%	\$ 160,650,742		100.00%
Total Net Taxes Due to Kootenai County	\$ 59,416,243			\$ 40,587,506		

Notes:

¹ Based on 2022 Net Taxes billed in FY 2023.

Kootenai County Annual Comprehensive Financial Report – FY 2023

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
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%	148,578	49,926,627	100.00%
2021	51,314,811	51,228,197	99.83%	86,614	51,314,811	100.00%
2022	52,989,078	52,519,564	99.11%	469,514	52,989,078	100.00%
2023	56,190,801	55,498,906	98.77%	71,341	55,570,247	98.90%

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

Property Tax Year	Real Property	Personal Property	Operating Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (per \$1,000 of assessed value)
2014	\$ 14,372,373	\$ 253,064	\$ 451,240	\$ 2,716,694	\$ 12,359,983	3.28
2015	14,267,668	297,243	471,392	1,948,409	13,087,894	3.18
2016	15,203,206	339,841	480,106	2,008,886	14,014,267	3.13
2017	16,562,359	315,340	522,114	2,103,454	15,296,359	2.97
2018	18,633,420	330,296	563,729	2,247,066	17,280,379	2.74
2019	21,688,804	321,067	578,977	2,525,850	20,062,998	2.49
2020	24,350,810	348,508	644,413	2,715,444	22,628,287	2.27
2021	28,627,757	363,416	652,835	2,990,997	26,653,011	1.99
2022	48,897,299	314,163	714,316	4,181,474	45,744,304	1.23
2023	50,571,670	340,975	669,682	4,517,257	47,065,070	1.26

Notes:

Real and Personal Property values include the Estimated Subroll. These are the rolls/values that are used to set the levy rates.

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, IDAHO
Schedule of Forgone Amounts
as of the 2022 Tax Year**

<u>District</u>	<u>Forgone Amount</u>
Kootenai County	\$ 11,441,505
City of Coeur d'Alene	7,056,620
City of Dalton Gardens	352
City of Harrison	21,115
City of Hauser Lake	1,999
City of Hayden	38
City of Hayden Lake	614
City of Huetter	3,329
City of Post Falls	3,454,523
City of Rathdrum	607,678
City of Spirit Lake	74,789
KC Emergency Medical Services System	180,647
Eastside Fire	126,267
Kootenai County Fire & Rescue	239,352
Northern Lakes Fire	153
Shoshone Fire #2	103
St. Maries Fire	13,979
Timberlake Fire	6
Worley Fire	14,146
Twin Lakes-Rathdrum Flood Control #17	28,618
Post Falls Highway #1	1,156,781
Lakes Highway #2	1,685,056
Eastside Hwy #3	48,219
Worley Highway #4	122,131
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 Improvement	27,220

Note: Forgone is defined as the amount of a previously allowable increase in the non-exempt property tax portion of the budget that was not taken. This amount is available for the district to add to the regular budget increase calculation and can be levied in subsequent years, provided that a reserve resolution was passed, published, and presented at a public hearing if required per district.

*Due to the HB 389 Guidance Note established in 2021, districts have thru December 31 of each year to reserve forgone for the amount they didn't levy in September of that year. At the time of this publication, the adjusted forgone amounts were unavailable and therefore reflect the forgone balances reported in the prior year's Maximum Budget and Forgone Amount Worksheet issued by the Idaho State Tax Commission.

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Legal Debt Margin Information Last Ten Property Tax Years (in thousands)

Legal Debt Margin Calculation For Property Tax Year 2023

Assessed Valuations:

Assessed Value	\$54,697,610,110
Add Back Homestead Exemptions	<u>5,803,629,934</u>
Total Assessed Value ¹	<u><u>\$60,501,240,044</u></u>

Legal Debt Margin

Debt Limitation*: 2% of assessed market value	\$1,210,024,801
Less: Debt applicable to limitation	<u>-</u>
Legal Debt Margin	<u><u>\$1,210,024,801</u></u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$329,958,607	\$390,188,661	\$413,970,564	\$451,644,044	\$504,241,245	\$577,357,454	\$638,165,469	\$751,604,473	\$1,188,841,264	\$1,210,024,801
Total net debt applicable to limit	-	-	-	-	-	-	-	-	438,151	1,308,439
Legal debt margin	\$329,958,607	\$390,188,661	\$413,970,564	\$451,644,044	\$504,241,245	\$577,357,454	\$638,165,469	\$751,604,473	\$1,188,403,113	\$1,208,716,362
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%	0.04%	0.11%

¹ Assessed Values released as of July 2023 for Tax Year 2023

*Idaho Code: §31-1901;§50-1019

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Direct and Overlapping Debt September 30, 2023

Jurisdiction	Voter Approved Debt Outstanding	Lease Liability Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Direct Debt:				
Kootenai County ⁽²⁾	\$ -	\$ 1,308,439	100%	\$ 1,308,439
Subtotal, Direct Debt	<u>-</u>	<u>1,308,439</u>		<u>1,308,439</u>
Overlapping Debt:				
City of Coeur d'Alene	1,701,117	414,883	100%	2,116,000
City of Hayden	-	401,136	100%	401,136
City of Rathdrum	197,219	-	100%	197,219
City of Spirit Lake	-	130,786	100%	130,786
City of Worley	674,044	-	100%	674,044
Lakeland SD #272	1,030,000	-	100%	1,030,000
Kellogg SD #391	2,740,000	369,446	16%	497,511
Kootenai County Emergency Services	-	60,668	100%	60,668
Kootenai County Fire & Rescue	10,600,000	269,149	100%	10,869,149
Spirit Lake Fire	-	336,191	49%	164,734
Worley Fire	-	308,522	100%	308,522
Eastside Highway #3	-	36,043	100%	36,043
Community Library Network	520,000	-	98%	509,600
Kingston - Cataldo Sewer District	550,753	-	4%	22,030
Subtotal, Overlapping Debt	<u>18,013,133</u>	<u>2,326,824</u>		<u>17,017,442</u>
Total Overlapping & Underlying Debt	<u>\$ 18,013,133</u>	<u>\$ 3,635,263</u>		<u>\$ 18,325,881</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⁾ Kootenai County's Net Debt Outstanding and Estimated Share of Overlapping Debt includes lease liability as of 9/30/23, due to provisions from Governmental Accounting Standards Board (GASB No. 87) for lease accounting. Kootenai County combines all leases for this schedule as one issue.

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

Population ^(a)					
Year	Kootenai County	Change from prior year ¹	State of Idaho ¹	Change from prior year	
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	2.7%	1,839,106	2.9%	
2021	174,673	2.6%	1,904,314	3.5%	
2022	179,789	2.9%	1,939,033	1.8%	
2023	183,578	2.1%	1,964,726	1.3%	

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
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%	6,521,443	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	48,953	48,759	100.4%	8,352,701	6.3%
2021	54,406	52,369	103.9%	9,781,680	3.1%
2022	60,474	56,614	106.8%	11,101,780	3.1%
2023	N/A	N/A	N/A	N/A	4.0%

Regular High School Diplomas ^{(c) 4}					
Year	School Enrollment ^{(c) 3}	Regular High School Diplomas ^{(c) 4}	Year	Median Age Kootenai County (a)	State of Idaho (a)
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	40.2	35.7
2021	22,708	1,614	2021	40.2	35.7
2022	22,674	1,635	2022	40.4	36.8
2023	23,855	1,620	2023	40.7	35.7

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 44, 271, 272, 273, 274, and 391, of which, 44 and 391 are joint districts and partially located in Kootenai County. Joint district enrollment is accounted for based on the portion of total tax dollars received by Kootenai County. It also includes all charter academies, in the County, except for the Idaho Distance Education Academy Resource Center in Post Falls, ID.

⁴ Regular high school diplomas includes those from alternative high schools and charter academies.

⁵ Annual average is calculated as the monthly average unemployment rate over the fiscal year period.

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

Employer	2023			2014		
	Range of Employees	Rank	Percentage of Total County Employment	Range of Employees	Rank	Percentage of Total County Employment
Kootenai Health	2,500 - 4,999	1	2.1 - 4.1%	2,000 - 2,999	1	3.48 - 5.22%
CDA School District	1,000 - 2,499	2	0.8 - 2.1%	1,000 - 1,499	2	1.74 - 2.61%
Wal-Mart	1,000 - 2,499	3	0.8 - 2.1%	800 - 899	7	1.39 - 1.57%
Hagadone Hospitality Co.	1,000 - 2,499	4	0.8 - 2.1%	1,000 - 1,499	4	1.74 - 2.61%
Kootenai County	500 - 999	5	0.4 - 0.8%	700 - 799	8	1.22 - 1.38%
Post Falls School District	500 - 999	6	0.4 - 0.8%	700 - 799	10	1.22 - 1.38%
North Idaho College	500 - 999	7	0.4 - 0.8%	700 - 799	9	1.22 - 1.38%
Lakeland School District	500 - 999	8	0.4 - 0.8%			
Coeur d'Alene Casino (Tribe)	500 - 999	9	0.4 - 0.8%	900 - 999	5	1.57 - 1.74%
Silverwood Theme Park	500 - 999	10	0.4 - 0.8%	800 - 899	6	1.39 - 1.57%
Qualfon / Center Partners (CDA)				1,000 - 1,499	3	1.74 - 2.61%
Average employment size of the 10 largest employers	1,350			1,050		
Kootenai County Non-Farm Payroll Employment Total ¹	84,507			57,400		

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 Annual Comprehensive Financial Report – FY 2023

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	Deposits									
			2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<i>(1) Data as of June 30th</i>												
Commercial Banks	36	-	6,019	8,931	5,994	4,387	3,391	3,315	3,261	2,764	2,182	2,018
FDIC Savings Banks	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal FDIC- Insured Institutions	36	-	6,019	8,931	5,994	4,387	3,391	\$3,315	\$3,261	\$2,764	\$2,182	\$2,018
Branch Locations - Credit Unions												
<i>(2) (3) Data as of September 30th</i>			2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Credit Unions	23	-	23	14	14	14	13	17	9	9	9	9

Kootenai County's total deposit market share for all FDIC-Insured institutions represent 15.43% of the total deposits at like institutions within the State of Idaho during FY23.

Prior to 2023, Kootenai County excluded branch locations with mailing addresses that were not within Kootenai County, this inadvertently excluded branch locations with physical locations within Kootenai County but a mailing address at their corporate headquarters outside of Kootenai County. Starting in FY23, branch count includes all branches with a physical address in Kootenai County.

- (1) Source: Federal Deposit Insurance Corporation (FDIC)*
- (2) Source: Local Credit Union listing online research - 2022 and earlier*
- (3) Source: National Credit Union Administration (NCUA) - 2023*

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Assessor	61	59	61	63	63	66	65	66	68	72
Clerk	79	85	85	85	87	83	86	94	101	103
Commissioners	100	107	109	109	110	113	111	117	119	121
Prosecuting Attorney	44	44	41	41	50	50	56	56	57	54
Sheriff	4	4	4	3	3	3	14	21	18	22
Treasurer	7	7	7	8	8	7	8	8	8	9
Public Safety										
Commissioners	65	65	64	65	67	73	72	86	91	87
Coroner	2	3	3	3	3	3	3	3	4	5
Sheriff	161	165	167	172	173	176	169	164	176	181
Jail (Sheriff)	126	121	120	120	130	135	134	130	134	133
Prosecuting Attorney	-	-	4	4	5	8	5	5	5	5
District Court Judges	34	32	33	33	34	34	36	36	36	37
Culture and Recreation										
Commissioners	6	8	8	8	8	8	8	8	18	17
Public Works										
Commissioners	8	10	8	8	10	10	10	10	10	10
Health and Welfare										
Clerk	7	6	6	6	6	6	6	5	4	1
Sanitation										
Commissioners	2	5	3	3	3	3	3	3	3	3
Solid Waste										
Commissioners	58	58	59	60	60	62	62	63	65	64
Total	764	779	782	791	820	840	848	875	917	924

Source: Kootenai County Adopted Budget Documents and Payroll Data

Temporary & Seasonal employees are accounted for as a single position within a department budget

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Physical arrests	6,983	7,936	8,423	8,055	8,542	7,998	6,120	6,591	7,076	7,381
District Court Caseload										
Felonies	1,114	1,091	1,325	1,415						
Misdemeanors	6,893	8,397	7,488	7,778						
Infractions ¹	16,489	16,246	17,542	15,901	12,770	14,191	13,478	14,481	14,407	15,735
Criminal ¹					8,916	7,490	7,177	7,218	7,551	6,260
Civil ¹					9,910	9,316	8,295	8,612	7,768	15,735
Refuse Collection										
Landfilled refuse ²	133	137	155	162	174	181	196	211	218	215
Refuse collected ²	159	168	188	191	203	212	224	243	238	240
Recyclables collected ²	15	17	24	16	19	19	21	24	19	19
Parks and Waterways										
Improved facilities	24	24	24	24	24	24	24	24	24	24
Airport										
Buildings ³	95	95	99	103	106	108	110	118	125	132

Sources: Various County Departments

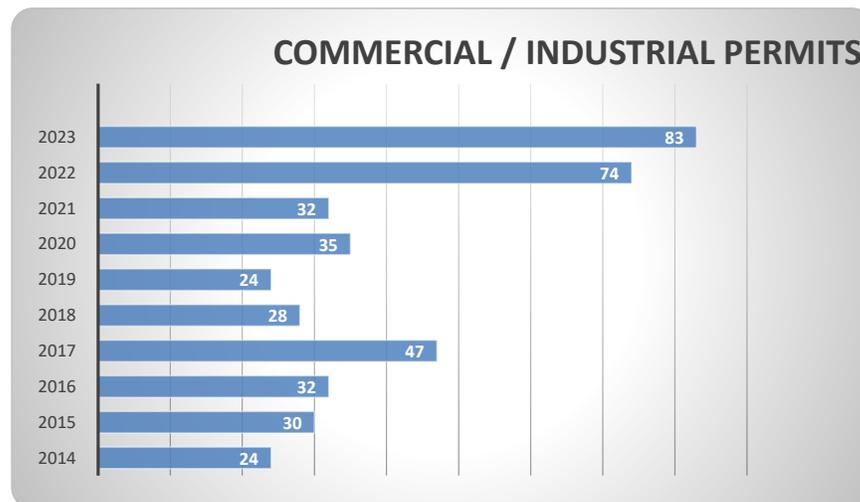
¹ The Idaho Supreme Court changed case management systems in April 2018. The new system combines certain types of cases for reporting which may not be comparable to pre-2018 case counts. Additionally, case counts do not account for the complexity and length of certain types of cases. Juvenile cases are excluded from 2022's totals.

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

Year	Residential		Commercial/Industrial	
	Permits	Value	Permits	Value
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
2021	462	164,090,936	32	8,969,474
2022	407	214,622,892	74	23,398,203
2023	430	245,853,772	83	29,676,477



Notes:

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

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government:										
Land	\$ 3,847	\$ 3,838	\$ 3,973	\$ 4,342	\$ 4,342	\$ 4,342	\$ 3,437	\$ 4,066	\$ 4,066	\$ 4,066
Buildings	15,938	17,196	17,461	18,057	18,671	18,539	21,332	24,967	25,052	31,571
Improvements	1,915	2,651	2,770	2,856	4,627	5,030	5,980	5,987	5,834	6,102
Machinery and equipmen	12,463	11,582	10,066	10,845	11,283	11,332	12,416	12,947	12,925	12,858
Public works:										
Land	1,828	2,437	2,437	2,437	3,233	3,233	3,233	3,233	3,233	3,233
Buildings	562	1,888	2,357	2,357	2,357	2,357	1,965	1,965	1,959	1,946
Improvements	32,131	32,491	33,780	34,330	34,182	34,830	26,235	26,235	26,855	26,855
Machinery and equipmen	2,391	2,015	2,497	2,964	2,979	2,868	2,889	2,969	2,988	3,011
Public safety:										
Land	108	107	107	107	107	107	107	107	107	107
Buildings	23,245	23,294	23,294	23,366	23,738	35,905	36,572	36,470	37,009	31,005
Improvements	3,913	4,647	4,667	4,667	4,676	4,646	4,919	4,336	4,406	4,406
Machinery and equipmen	15,454	12,958	14,953	16,039	16,695	17,211	18,274	22,015	22,778	26,453
Sanitation:										
Land	1,747	1,747	1,751	1,896	1,896	1,896	1,896	1,896	1,896	1,896
Buildings	818	838	873	935	935	989	2,553	2,551	2,552	2,563
Improvements	45,012	45,295	46,272	46,672	47,899	50,179	51,663	52,027	52,817	53,031
Machinery and equipmen	12,085	12,556	13,555	13,905	14,375	14,929	16,361	17,300	18,290	19,004
Health & welfare:										
Machinery and equipmen	16	11	9	9	-	-	-	-	-	-
Culture and recreation:										
Land	249	249	249	249	249	249	1,155	1,155	1,155	1,155
Buildings	410	397	457	457	457	457	547	547	547	341
Improvements	3,516	3,521	3,444	3,667	4,090	4,974	4,982	6,877	6,801	7,339
Machinery and equipmen	1,114	1,118	1,021	1,035	1,128	1,147	926	972	1,206	2,032
Capital projects:										
Construction in progress	3,580	2,247	953	4,788	17,247	6,873	7,487	7,427	10,825	18,888
	<u>\$ 175,854</u>	<u>\$ 182,343</u>	<u>\$ 183,084</u>	<u>\$ 186,945</u>	<u>\$ 195,983</u>	<u>\$ 215,168</u>	<u>\$ 222,097</u>	<u>\$ 224,931</u>	<u>\$ 243,301</u>	<u>\$ 257,862</u>

Kootenai County Annual Comprehensive Financial Report – FY 2023

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

Function	2014	2015	2016	2017	2018	2019 ¹	2020	2021	2022	2023
General Government:										
Vehicles	-	-	-	38	36	42	47	49	40	42
Public safety:										
Kootenai County Sheriff										
Patrol Units - Vehicle	81	77	73	72	71	69	82	78	76	105
Patrol Units - Boat	10	10	10	10	11	11	11	12	12	12
Certified Jail Beds	-	327	327	327	452	452	452	451	451	451
Juvenile Detention Center Beds	-	53	53	53	53	53	53	53	53	53
Public Works:										
Airport										
Acreage	1,140	1,198	1,198	1,235	1,235	1,235	1,233	1,233	1,233	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	70	70	70	70	57	57
Sanitation:										
Solid Waste										
Transfer Trailers	32	34	38	37	40	43	42	44	47	51
Landfill Available Capacity (in 1,000 tons)	2,471	2,073	1,918	1,756	1,583	1,402	1,206	1,006	1,224	1,224
Rural Sites	13	13	13	13	12	12	12	12	12	12
Culture and Recreation:										
Waterways/Park & Recreation										
Parks	-	-	-	10	10	10	10	10	10	10
Boat Launches	-	-	-	22	22	22	22	22	22	22
Dock Sq. Feet	-	-	-	52,800	52,800	52,800	50,240	50,240	50,240	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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the County) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated May 7, 2024.

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 and North Idaho Fair & Rodeo, as described in our report on the County’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or reporting on compliance and other matter that are reported on separately by those auditors.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

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Report on 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*.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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



Boise, Idaho
May 7, 2024



CPAs & BUSINESS ADVISORS

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

Opinion on Each Major Federal Program

We have audited Kootenai County, Idaho’s (the County) compliance with the types of compliance requirements identified as subject to audit 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, 2023. The County’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the

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Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
May 7, 2024

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Audit Findings and Questioned Costs For the Year Ended September 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
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>Federal Financial ALN</u>
Airport Improvement Program	20.106
Coronavirus State & Local Fiscal Recovery Funds (ARPA)	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**KOOTENAI COUNTY, IDAHO
Schedule of Audit Findings and Questioned Costs
For the Year Ended September 30, 2023**

Section II – Financial Statement Findings

**2023-001 Opioid Litigation Settlement
Material Weakness in Internal Control over Financial Reporting**

Criteria:

Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Strong communication channels that allow for the monitoring of legal settlements is a key component of internal control to ensure they are recorded in accordance with U.S. GAAP.

Condition:

Opioid litigation settlement transaction was not recorded when the performance obligation had been satisfied during fiscal year 2022.

Cause:

The County did not have adequate internal controls to monitor the activity of the litigation and settlements to ensure they were appropriately recorded.

Effect:

This oversight resulted in an adjustment to beginning net position of the governmental activities of \$2,448,071, a current year adjustment to record a receivable and deferred inflow resources of \$1,929,050 in the general fund, and a current year adjustment to recognize revenue of \$399,059 in the general fund.

Recommendation:

We recommend the County enhance internal controls to monitor the progress of the remaining opioid legal settlements to ensure they are appropriately recorded once the performance obligation has been satisfied.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees and will continue to communicate with the State of Idaho's Attorney General's Office on the status of future settlements. Financial accounting processes are established to properly account and report future settlements.

Section III – Federal Award Findings and Questioned Costs

No findings noted.

Auditee's Section

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2023

Program Title	Federal ALN	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	-	\$ 17,962	\$ -
Subtotal Forest Service Schools and Roads Cluster			17,962	-
<u>Pass-Through Programs From</u>				
<u>Idaho State Superintendent of Public Instruction</u>				
Child Nutrition Cluster				
School Breakfast Program	10.553	202222N119947	16,915	-
National School Lunch Program	10.555	202222N119947	27,891	-
Subtotal Child Nutrition Cluster			44,806	-
<u>Pass-Through Programs From</u>				
<u>Idaho Department of Lands</u>				
Wildland Urban Interface Western State Grant	10.664	18WFM-Kootenai	81,106	-
Wildland Urban Interface Western State Grant	10.697	19HFR1-Kootenai	64,593	-
Wildland Urban Interface Western State Grant	10.697	20HFR1-Kootenai	2,713	-
Wildland Urban Interface Western State Grant	10.664	20WFM-Kootenai	1,666	-
Wildland Urban Interface Western State Grant	10.697	21HFR1-Kootenai	90,395	-
Subtotal Idaho Department of Lands			240,473	-
Total Department of Agriculture			303,241	-
Department of Housing and Urban Development (HUD)				
<u>Pass-Through Programs From</u>				
<u>Idaho Department of Commerce</u>				
Idaho Community Development Block Grant	14.228	ICDBG-55-I-05-PF	14,500	-
Total Department of Housing and Urban Development (HUD)			14,500	-
Department of Interior				
<u>Pass-Through Programs From</u>				
<u>State Historical Society</u>				
Certified Local Government Program	15.904	CLG-2021	2,171	-
Total Department of Interior			2,171	-
Department of Justice				
<u>Direct Programs</u>				
Equitable Sharing Program				
Sheriff Fund	16.922	-	9,651	-
Office of Justice Programs				
Coronavirus Emergency Supplemental Funding Program	16.034	-	19,835	-
2023 Edward Byrne Memorial Justice Assistance Grant	16.738	-	5,000	-
Subtotal Office of Justice Programs			24,835	-
Office on Violence Against Women Special Projects				
Mentor Court Technical Assistance Initiative	16.029	-	1,277	-
Total Department of Justice			35,763	-

Kootenai County Annual Comprehensive Financial Report – FY 2023

KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2023

Program Title	Federal ALN	Pass-Through Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
Department of Transportation				
<u>Direct Programs</u>				
Airport Improvement Program	20.106	-	5,977,768	-
Federal Transit Cluster				
FTA Section 5307 Urbanized Area Formula Grant	20.507	-	1,627,206	122,544
COVID-19 - CARES FTA Section 5307 Urbanized Area Formula Grant	20.507	-	213,965	-
COVID-19 - ARPA FTA Section 5307 Urbanized Area Formula Grant	20.507	-	509,336	161,078
Subtotal FTA Section 5307 Urbanized Area Formula Grant			2,350,507	283,622
Public Transportation Innovation	20.530	-	86,000	-
Subtotal Department of Transportation Direct Programs			8,414,275	283,622
<u>Pass-Through Programs From Idaho Transportation Department</u>				
Federal Transit Cluster				
5339 Bus and Bus Facilities Formula Program	20.526	ID-34-X002	31	-
5339 Bus and Bus Facilities Formula Program	20.526	C1779KC	(5,075)	-
5339 Bus and Bus Facilities Formula Program	20.526	C2479KC	11,929	-
5339 Bus and Bus Facilities Formula Program	20.526	C2176KC	70,544	-
5339 Bus and Bus Facilities Formula Program	20.526	C2376KC	220,706	-
5339 Bus and Bus Facilities Formula Program	20.526	C2379KC	14,270	-
Subtotal 5339 Bus and Bus Facilities Formula Program			312,405	-
Subtotal Federal Transit Cluster			2,662,912	283,622
<u>Pass-Through Programs From Idaho Transportation Department</u>				
Transit Services Programs Cluster				
5310 Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	C2273KC	69	-
5310 Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	O2270KC	56,286	-
Subtotal Transit Services Programs Cluster			56,355	-
Rural Transportation Assistance Program Formula Grant	20.509	RTAP 2023 KC	6,453	-
<u>Pass-Through Programs From Idaho Transportation Department Office of Highway Safety</u>				
Highway Safety Cluster				
State and Community Highway Safety				
Traffic Enforcement Mobilization FY2023	20.600	FFY2023 TEGPA	9,302	-
National Priority Safety Programs				
Traffic Enforcement Mobilization FY2023	20.616	FFY2023 TEGPA	16,666	-
Subtotal Highway Safety Cluster			25,968	-
Total Department of Transportation			8,815,456	283,622
Department of the Treasury				
<u>Direct Programs</u>				
COVID-19 - ARPA Coronavirus State & Local Fiscal Recovery Funds	21.027	-	2,555,019	1,282,311
Local Assistance and Tribal Consistency Fund	21.032	-	18,570	-
Subtotal Department of Treasury Direct Programs			2,573,589	1,282,311
Total Department of Treasury			2,573,589	1,282,311

See Notes to Schedule of Expenditures of Federal Awards

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KOOTENAI COUNTY, IDAHO Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2023

Program Title	Federal ALN	Pass-Through Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
Department of Health & Human Services				
<u>Pass-Through Programs From</u>				
<u>Idaho of Office of Drug Policy</u>				
Block Grants for Prevention and Treatment of Substance Abuse				
2020 Substance Abuse Grant	93.959	SFY2020 SABG	105	-
2021 Substance Abuse Grant	93.959	SFY2021 SABG	723	-
2022 Substance Abuse Grant	93.959	SFY2022 SABG	336	-
2023 Substance Abuse Grant	93.959	SFY2023 SABG	5,452	-
2024 Substance Abuse Grant	93.959	SFY2024 SABG	728	-
Subtotal Block Grants for Prevention and Treatment of Substance Abuse			7,344	-
2023 Partnership for Success Law Enforcement Grant	93.243	1H79SP080981-01	1,738	-
Total Department of Health & Human Services			9,082	-
Department of Homeland Security				
<u>Pass-Through Programs From</u>				
<u>Idaho State Department of Parks and Recreation</u>				
Boater Safety Financial Assistance	97.012	FFY2023 RBS Grant	169,738	-
<u>Pass-Through Programs From</u>				
<u>State of Idaho Military Division</u>				
Emergency Management Performance Grant 2019	97.042	EMS-2019-EP-00002-S01	2,691	-
Emergency Management Performance Grant 2020	97.042	EMS-2020-EP-00003	8,506	-
Emergency Management Performance Grant 2022	97.042	EMS-2022-EP-00005	112,812	-
Subtotal Emergency Management Performance Grant			124,009	-
Homeland Security Grant Program - 2021	97.067	EMW-2021-SS-00070	49,543	6,280
Homeland Security Grant Program - 2022	97.067	EMW-2022-SS-00109	119,968	83,340
Subtotal Homeland Security Grant Program			169,511	89,620
Total Department of Homeland Security			463,258	89,620
Total Expenditures of Federal Awards			\$ 12,217,060	\$ 1,655,553

KOOTENAI COUNTY, IDAHO
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

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, 2023. 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 elected to use the 10% de minimis cost rate.