

# **Kootenai County, Idaho**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2005**

**DANIEL J. ENGLISH ~ AUDITOR**



## **Kootenai County, Idaho**

### **Office of the County Auditor**

**David R. McDowell, CPA**

Finance Director

**Sandy Martinson**

Chief Deputy Clerk

#### **ACKNOWLEDGMENTS:**

##### **Staff Accountants**

Daniel Duffey

Celia Peterson

Willeen Corey

Kim Stevenson

##### **Accounting Staff**

Judy Poole

Sandi Strobel

Sharon LaFountain

Sandra Black

Dawn Maciosek

Judy Nelson

Diane Bush

*A special thank you to Ron Harbison, Commercial Artist in the Kootenai County Reprographics Department for his work in producing this report.*



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# Introductory Section

## What is the Office of Emergency Management?

Kootenai County commissioners formed the Office of Emergency Management in the 1990s with hopes the county never would need its services. The OEM was part of an ongoing evolution in the county's response to disasters. It was the OEM's job to coordinate various emergency services during such natural disasters as floods and fires or such manmade disasters as train crashes or hazardous materials spills.

With the OEM came an Emergency Operations Plan that needed constant updating and practice with such vital groups as firefighters, utility workers, hospitals, schools, citizen volunteers, businesses and more. The OEM also prepared information for the public.



*Sandy Von Behren, director of Office of Emergency Management.*

“In major emergencies like 9-11, you can’t get to everyone,” says Sandy Von Behren, a 14-year OEM veteran and OEM director since 2002. “You need to do things at home to prepare yourself. We take advantage of every disaster—hurricanes, Y2K, 9-11—to get the word out because people are listening then.”

In 1996 and 1997, nature tested the skills of the OEM and its partners with two floods and an ice storm befitting Narnia. Each emergency was a learning experience that led to fine-tuning and filling in gaps.

Von Behren intended to be prepared for anything anytime, so she never relaxed the OEM's training regimen and made certain her army of volunteer organizations and individuals was strong. Then in May 2005, she was hit with an emergency she hadn't associated with her office. Sheriff's deputies had found a man, woman and 13-year-old boy murdered near Wolf Lodge Bay. No suspect was obvious and the woman's two young children were missing. Kootenai County Sheriff Rocky Watson needed help from the OEM.

"This was totally different from anything we'd done before," Von Behren says. ~ But the OEM was ready.

*continued, page 7*

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Kootenai County,  
Idaho

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Zielke*

President

*Jeffrey R. Emswiler*

Executive Director

**DAN ENGLISH**

CLERK OF THE  
DISTRICT COURT

AUDITOR

RECORDER

OFFICE OF THE  
**KOOTENAI COUNTY CLERK**

451 GOVERNMENT WAY  
P.O. BOX 9000

COEUR D'ALENE, IDAHO 83816-9000  
PHONE (208) 446-1650 • FAX (208) 446-1662  
E-MAIL: denglish@kcgov.us



January 19, 2006

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) to you for the fiscal year ended September 30, 2005. This report is prepared in accordance with 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 the 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 control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance 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 an annual audit by an independent audit firm. The accounting firm of LeMaster & Daniels, PLLC was selected to perform the audit with the approval of the Board of County Commissioners. LeMaster & Daniels, PLLC has issued an unqualified opinion on Kootenai County's financial statements; their report can be found on page 9 following the Financial Section of this report.

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, requires that management provide a narrative introduction, overview, and analysis of the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The MD&A is located on page 13 in the Financial Section. The Single Audit Section includes reports on compliance and internal controls from our independent auditor in compliance with the *Federal Single Audit Act of 1984* and the U.S. Office of Management and Budget (OMB) *Circular A-133, Audits of State, Local Governments, and Non-Profit Institutions* and the index can be found on page 117.

This CAFR includes information on all funds and component units of the County. In addition to general county activities, the Board of Commissioners is financially accountable for both the Kootenai County Fair 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 Seneaqueuten was the designated county seat. The county seat was relocated to Rathdrum in 1881 and finally settled in its current location 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, an area known as the Panhandle. The County is 1,310 square miles and has a population exceeding 128,800. The largest city and county seat is Coeur d'Alene. Nearby population centers include Spokane, Washington, thirty miles to the west, and Missoula, Montana 150 miles to the east, with populations of approximately 207,000 and 71,800 respectively. Kootenai County is adjacent to the Panhandle National Forest and contains several beautiful lakes covering 70.6 square miles, including the twenty-five mile long Lake Coeur d'Alene.

Kootenai County provides a full range of government services. These include police protection, judicial systems, detention facilities, 9-1-1 service, health and social services, a regional airport, emergency management, noxious weed control, parks and recreation (including bicycling, boating, and snowmobile facilities), as well as cultural and historical society support. The County also provides general services such as planning and zoning, code enforcement, driver and vehicle licensing, managing federal, state, and local elections, recording of deeds and legal documents and administration of the tax system. The collection and distribution of property tax for all taxing districts within the county is also managed by Kootenai County. The districts include cities, highway districts, fire districts, school districts, North Idaho Community College, and Kootenai Medical Center. The County has also provided for the disposal of solid waste through the development and maintenance of a solid waste transfer station and landfill. This operation is a self-supporting facility, managed as an enterprise fund.

The three-member Board of County Commissioners is required to adopt a final budget following public hearing in September of each year. Kootenai County's budget serves as the foundation for its financial planning and tax collection. Budgetary controls are integrated with the financial system to ensure expenditures comply with appropriations. Expenditures made or liabilities incurred in excess of the budget appropriation, when not approved by the Board of County Commissioners, are the liability of the elected official making or incurring the liability, not the County.

### **ECONOMIC CONDITION**

#### ***Local economy***

Kootenai County is home to many interesting places including Silverwood Theme Park, Farragut State Park on Lake Pend Oreille, the Coeur d'Alene Resort, and the Cataldo Mission, Idaho's oldest building. These attractions, recreation, and tourism are important elements of the local economy. Other important industries include health care, professional services, light manufacturing, construction, education, trades, and government. Major employers include Kootenai Medical Center, Center Partners, Hagadone Hospitality Corporation, North Idaho College, Coeur d'Alene Tribe, and Verizon Northwest. Kootenai County aggressively pursues new industry through Jobs Plus, Inc., a development organization funded with public and private resources. Jobs Plus has been successful in attracting several small and medium sized industries to Kootenai County by marketing the County's well trained work force, environment, and low operating costs. A couple of the more recent additions to the business community include Buck Knives and U. S. Bank.

The population and economy of Kootenai County has settled into a consistent growth pattern over the last decade and a half, with greater than 9% population increase occurring in 2004 and 2005. The regional economic picture continues to look strong with forecasts indicating continuing growth and lower unemployment. Projections indicate that Idaho in general will continue to grow at a pace greater than the national averages with North Idaho leading the advance.

Kootenai County remains in sound financial condition at the conclusion of fiscal year 2005 as it continues to focus on the needs accompanying a growing community. The County's justice system has experienced the most significant increases historically and continues to be a primary concern as the county moves forward. Unfortunately, the Local Option Sales Tax initiative failed to obtain the super-majority required for passage in November 2005, and as a result the planned expansion of the jail facility will be put on hold for at least another year.

**Major Initiatives**

The major accomplishments and events of the County during 2005 included continued facilities improvement. Several goals were met during fiscal year 2005. These include:

1. The most significant financial occurrence during the fiscal year is the better than anticipated local option sales tax collections which will allow the county to retire the jail expansion debt thirteen months earlier than the initial estimate of December 2006.
2. Additionally, development and improvement of the airport facilities on the previously undeveloped north side of the airport in support of the Empire Airlines relocation and continuing improvements to the infrastructure and taxiway systems.
3. The compensation study was completed and in turns implemented in May of 2005 to address internal equity issues and will make Kootenai County more competitive in the employment market.

**Ongoing Activities and Future Projects**

The County continues to focus on the needs resulting from rapid growth. The County's justice system has experienced the most significant increases historically and continues to be a primary concern as the county moves forward. Additionally, new needs and system improvements will continue to be planned for in 2007. These include:

Ongoing evaluation of the compensation system for the County to assure that competitive compensation rates are in place in an effort to reduce turnover and the related costs.

A more detailed look at the status of existing County facilities to address dilapidation of older structures and provide opportunities for improved functionality through facility design. An initiative will be put on the November 2006 ballot in an effort to provide funding for additional expansion of the adult detention facilities utilizing the local option sales tax.

A replacement reserve has been established which will be funded each year to assure that adequate funds are set aside each year for the ongoing upkeep of existing county facilities in future years.

Continued planning and development of north side and other parts of the airport to accommodate additional economic development and growth.

Development of a second transfer location near the city of Post Falls, and continuing long-range planning and development of the existing landfill location to maximize the potential life of the existing site.

**Cash Management & Investment**

Cash temporarily idle during the year was invested in time certificates of deposit or in the Idaho State Investment Pool. Interest revenue of \$1,343,360 was recognized in fiscal year 2005; reported on page 29 in the Government-Wide Statement of Activities. Of this amount, \$587,232 was deposited to the Solid Waste Fund. The balance was deposited to the funds from which investment principal was drawn, primarily the General Fund.

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

**Long-Term Financial Planning**

As of September 30, 2005, the Solid Waste operation does not have any debt remaining for the current equipment and facilities that are in service. We anticipate that all future development of landfill and collection facilities will

be funded to the greatest extent possible from reserves established in the enterprise fund to facilitate the long-term facilities plan.

Near the end of fiscal year 2000, the financing package for the work release center and jail expansion was completed and jail facility tax revenue note was issued totaling \$9,500,000. The revenue generated by the voter approved Resort Sales Tax had been pledged to support the debt service requirements. The enabling legislation for the local option tax was reinstated and collections resumed in April, 2004. As a result of the successful measure, just a single year of the debt service has been paid from regular county operating revenues.

The County is contingently liable for the debt of its component units. Currently both the North Idaho Fair & Rodeo and the Kootenai County Emergency Medical Services System are debt free; therefore no contingent obligation exists at this time.

### **Risk Management**

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

Kootenai County has agreed to a self-insured reserve (SIR) in connection with the provision of group health insurance benefits for the employees and their dependants. The reserve is held for the purpose of covering incurred but unreported plan costs.

The County also employs a risk manager whose duties include monitoring and reviewing contracts and claims against the County, and evaluating the adequacy of insurance coverage. The risk manager educates employees regarding loss exposure responsibilities of their job duties.

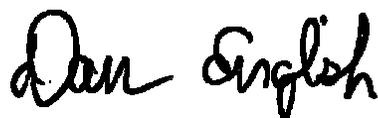
### **AWARDS & ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kootenai County for its comprehensive annual financial report for the fiscal year ending September 30, 2004. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. Kootenai County has received a Certificate of Achievement for the last eleven consecutive years (fiscal years 1994-2004). 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 the award: David McDowell, Finance Director, and Willeen Corey, Daniel Duffey, Celia Peterson, and Kim Stevenson, Accountants, and Ron Harbison from the Reprographics Department.

Sincerely,



Daniel J. English  
Kootenai County Auditor



Steve J. "Gus" Johnson  
Commissioner District #1



Rick Currie  
Commissioner District #2



Katie Brodie  
Commissioner District #3



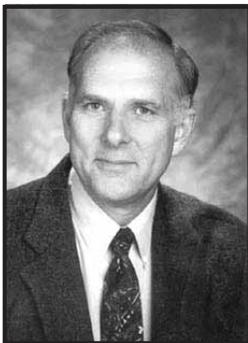
Daniel J. English  
County Clerk



Tom Malzahn  
County Treasurer



Mike McDowell  
County Assessor



Rocky Watson  
County Sheriff



Bill Douglas  
County Prosecutor



Dr. Robert West  
County Coroner

**District Judge**  
**District Judge**  
**District Judge**  
**Magistrate Judge**  
**Magistrate Judge**  
**Magistrate Judge**  
**Magistrate Judge**  
**Magistrate Judge**

**John T. Mitchell**  
**John P. Luster**  
**Charles Hosack**  
**Scott Wayman**  
**Barry E. Watson**  
**Robert B. Burton**  
**Benjamin R. Simpson**  
**Eugene A. Marano**

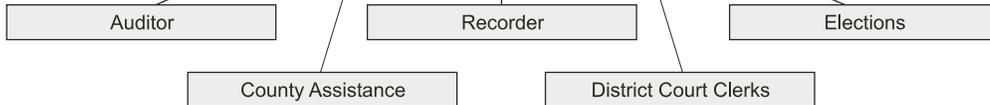
# KOOTENAI COUNTY, IDAHO ORGANIZATIONAL CHART January 2005

## VOTERS

### BOARD OF COUNTY COMMISSIONERS



### CLERK



### SHERIFF



### ASSESSOR



### DISTRICT COURT JUDGES



### CORONER

### PROSECUTING ATTORNEY

### TREASURER

#### LEGEND

**ELECTED OFFICIAL**

Department

Division

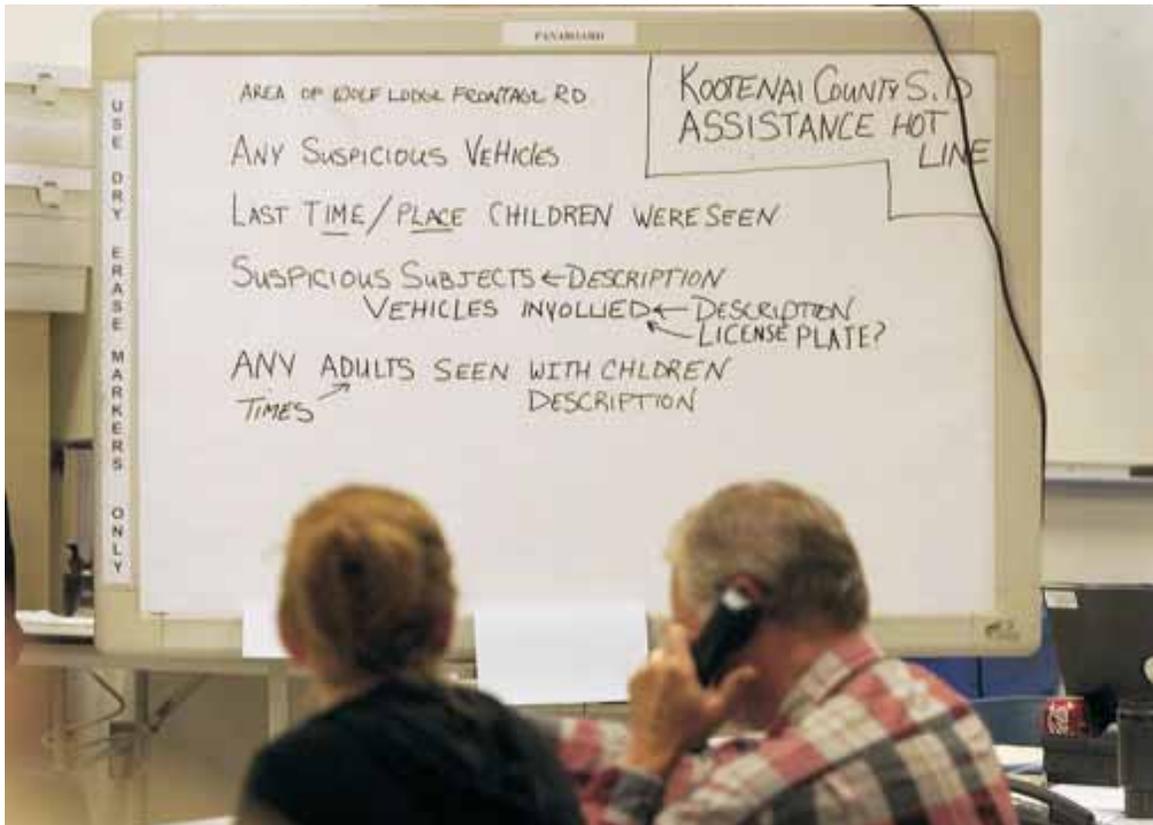
Sub Department

Designed for the Kootenai County Comprehensive Annual Financial Report, Fiscal Year 2003

# Financial Section

## Prepared For Anything

“I know if something happened of great magnitude, like an earthquake, firestorm or major crime, Kootenai County’s citizens are well-protected. I really don’t think this level of cooperation exists anywhere else in the nation, not to this degree of success.” Idaho State Police Capt. Wayne Longo.



Volunteers for the Kootenai County Emergency Operations Center take calls with tips about a triple murder and two missing children in the Wolf Lodge area. [Jesse Tinsley photo, The Spokesman]

*continued, page 11*



SPOKANE	QUINCY
COLFAX	TRI-CITIES
GRANDVIEW	WALLA WALLA
MOESLAKE	WENATCHEE
OMAK	YAKIMA
OTHELLO	BOISE



LE MASTER &  
DANIELS PLLC

## INDEPENDENT AUDITORS' REPORT

ACCOUNTING Board of County Commissioners  
AND Kootenai County  
Coeur d'Alene, Idaho

CONSULTING We have audited the accompanying basic financial statements of the governmental activities, each  
SERVICES major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the  
MEMBER OF "County") as of and for the year ended September 30, 2005, and the business-type activities of the  
McGLADREY County as of and for the years ended September 30, 2005 and 2004, which collectively comprise  
NETWORK the County's basic financial statements as listed in the table of contents. These financial  
statements are the responsibility of the County's management. Our responsibility is to express an  
opinion on these financial statements. We did not audit the financial statements of the County's  
component units - North Idaho Fair & Rodeo as of and for the year ended December 31, 2004, and  
Kootenai County Emergency Medical Services System as of and for the year ended September 30,  
2005, which are included in the County's basic financial statements. Those statements were  
audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it  
relates to the amounts included for the component units - North Idaho Fair & Rodeo and Kootenai  
County Emergency Medical Services System, is based solely on the reports of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, each major fund, and remaining aggregate fund information of Kootenai County, Idaho, as of September 30, 2005, and the respective cash flows and changes in financial positions for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the business-type activities of Kootenai County, Idaho, as of September 30, 2005 and 2004, and the respective cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and Budgetary Comparison Information on pages 13 through 24 and pages 71 through 75 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not part of the basic financial statements of the County. Such additional information has not been subjected to the auditing procedure applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2005, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kootenai County's basic financial statements. The supplemental information section as listed in the table of contents, including the schedule of expenditures of federal awards, which is required by the U. S. Office of Management and Budget Circular A 133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis, and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Spokane, Washington  
December 15, 2005

# Managements Discussion and Analysis

## Like a Well-Oiled Machine

*“It was so neat to be a part of that dynamic team.”* Kootenai County Sheriff’s Capt. Travis Chaney, one-third of the Unified Command on the Wolf Lodge case.



ISP Capt. Wayne Longo instructing volunteers how to respond to phone tips during the Wolf Lodge investigation.

Responding to the horror of the Wolf Lodge Bay murders and the baffling disappearance of two young children required law enforcement experts with incredibly clear minds and sharp skills. Idaho State Police immediately offered Kootenai County Sheriff Watson any assistance he needed. The local office of the FBI was right behind. The city police departments from Coeur d’Alene and Post Falls sent detectives and any other manpower the sheriff needed at the scene.

Law enforcement agencies in general are known for their territorial nature during crime investigations, but agencies in Kootenai County already had proved they work together well. The sheriff’s office, ISP, the Post Falls and Coeur d’Alene police departments and the U.S. Dept of Justice set up a unified command for the Aryan Nation civil trial in Coeur d’Alene in 2000. They did it again the following year for a gathering in Coeur d’Alene of western governors.

“Nobody is better at organizing an incident command than (sheriff’s Capt.) Travis Chaney,” says ISP Capt. Wayne Longo. “He’s a diamond in the county’s pocket.”

Chaney knew the Wolf Lodge case needed a unified command. He immediately called Longo, then Don Robinson, the FBI’s supervisory senior resident agent in Coeur d’Alene. The three men set up a command center in the Office of Emergency management’s communications room and, with Von Behren’s constant assistance, smoothly choreographed the nearly two-month investigation that stretched into two states.

“If you want success, you check your egos at the door,” Chaney says.

Everyone involved had the same goal: find the missing children. Longo says the different uniforms blurred and became one. Agencies did whatever they could do to help with no thought of territoriality. For example, the FBI’s national lab processed most of the evidence. ISP collected the evidence from the crime scene, so scientists at the lab dealt directly with ISP instead of the local FBI office.

“During briefings, ISP would brief the FBI locally on what the FBI’s national lab was doing,” Robinson says. “It worked because it made sense.”

Resources were stretched during the long investigation. The Post Falls Police sent the sheriff’s department a detective to handle cases on hold while deputies worked the Wolf Lodge investigation. The day the missing girl was found with her alleged kidnapper, a crime scene associated with the case was discovered in Montana. ISP immediately sent five troopers, who were on loan to Coeur d’Alene for Fourth of July activities, to protect the site. ISP and the Coeur d’Alene Police Department provided occasional replacements for sheriff’s Capt. Ben Wolfinger, who served as public information officer to the nationwide media that gathered in Coeur d’Alene.

“This case was one of the finest operations I’ve been involved with,” Chaney says. “We came to a clear understanding that it was Kootenai County’s jurisdiction but we’d all share resources.”

The FBI’s Robinson had worked part of the Oklahoma City bombing investigation, major train derailments and attempted bombings throughout the nation. His experience with unified command in Kootenai County amazed him.

“The level of cooperation among the law enforcement agencies is the best I’ve ever seen,” he says. “It’s probably the best joint investigation I’ve ever been involved in.”

*continued, page 25*

**KOOTENAI COUNTY, IDAHO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2005**  
**(Unaudited)**

As management of Kootenai County, Idaho, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts in this discussion and analysis, unless otherwise indicated, are expressed in thousands of dollars. This discussion contains comparative analysis based on information from the prior year.

**Financial Highlights**

The key financial highlights for 2005 are as follows:

At the end of the current year, the County's governmental activities reported a combined ending net asset balance of \$64,119 thousand. Of this amount, \$14,879 thousand is available for spending (unreserved fund balance) on behalf of its citizens.

At the end of the current year, unreserved fund balance for the General Fund was \$13,833 thousand, which represents a 40.4 percent increase from the prior year and represents 39.2 percent of total General Fund expenditures. The increase in unreserved fund balance is primarily explained by significant unanticipated revenues received near year end.

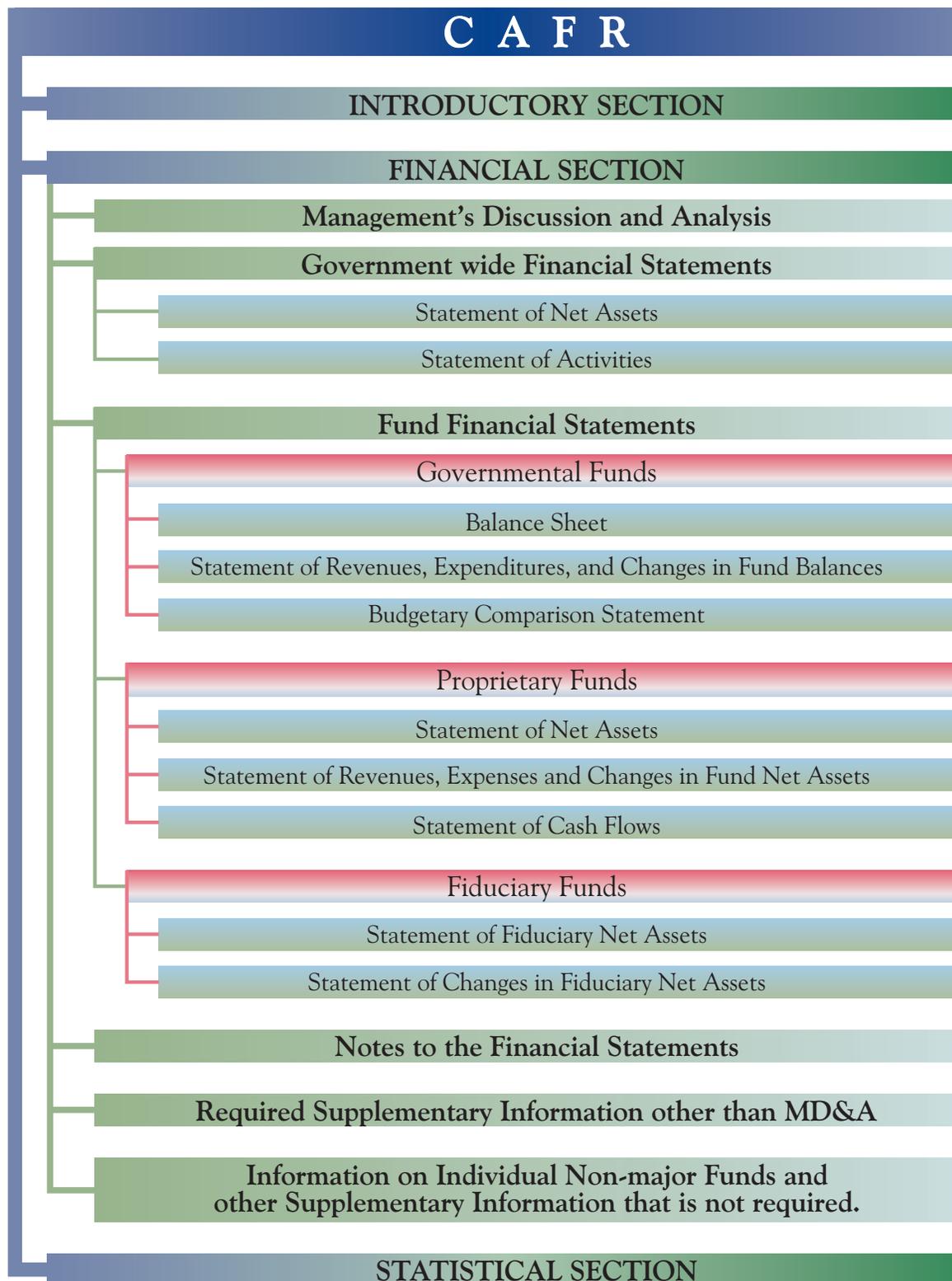
Kootenai County's capital lease debt decreased by \$1,747 thousand (25.3%) during the current fiscal year primarily due to scheduled principal payments and extinguishing capital lease debt.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions. The following discussion and analysis are intended to serve as an introduction to the County's basic financial statements.

The County's basic financial statements are comprised of three components: the County-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. These various elements of the Comprehensive Annual Financial Report (CAFR) are related as shown in the graphic that follow.

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



The following figure summarizes the major features of the financial statements. This overview section below also describes the structure and contents of each of the statements in more detail.

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

### GOVERNMENT-wide Financial Analysis

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

#### Statement of Net Assets and Statement of Activities

The statement of net assets presents information on all of the County’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The statement of activities presents information showing how the County’s net assets changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year’s revenues and expenses, regardless of when the cash is received or paid.

The change in net assets is important because it tells the reader whether, for the County as a whole, 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 evaluated.

In the statement of net assets and the statement of activities, 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, human services, and economic development. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.
- ◆ *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County’s Solid Waste Fund activity is reported here.
- ◆ *Component Units* – The County’s financial statements include financial data of the Kootenai County Emergency Medical Services System, and the North Idaho Fair & Rodeo. These component units are separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County’s major 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. The County’s governmental funds are the General Fund, Justice Fund, Airport Fund, *Indigent Fund*, *Parks and Recreation*, *Revaluation*, *Liability Insurance*, and *Sales Tax*.

*Governmental Funds* – Governmental funds are used to 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 that focus on how money flows into and out of the funds and the year end balances available for spending. These funds are reported on the modified accrual basis of accounting that 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds. Data from 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 form of combining statements elsewhere in this report.

*Proprietary Funds* – The County has two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the Solid Waste operations. The Internal Service Fund, Health Insurance, accounts for self insured health services and is presented as governmental-type activities on the government-wide financial statements.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County’s programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

*Notes to the Financial Statements* – The notes provide additional information that is essential to a full understanding of the data provided on the government-side and fund financial statements.

*Other Information* – In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

**Government-wide Financial Analysis**

Table 1 summarizes the County’s net assets for 2005:

	Kootenai County's Net Assets (amounts in 000)						
	Governmental Activities		Business-type Activities		Total		Total % Change
	2004	2005	2004	2005	2004	2005	
Current and other assets	\$ 46,759	\$ 60,812	\$ 16,099	\$ 19,977	\$ 62,858	\$ 80,789	28.5%
Capital assets	43,003	44,378	14,788	14,120	57,791	58,498	1.2%
Total assets	89,762	105,190	30,887	34,097	120,649	139,287	15.4%
Long-term debt outstanding	12,405	10,153	175	158	12,580	10,311	-18.0%
Other liabilities	29,973	30,917	4,184	4,061	34,157	34,978	2.4%
Total liabilities	42,378	41,070	4,359	4,219	46,737	45,289	-3.1%
Net assets							
Invested in capital assets, net of related debt	32,666	35,833	1,888	3,350	34,554	39,183	13.4%
Restricted	4,475	13,407	3,938	3,707	8,413	17,114	103.4%
Unrestricted	10,243	14,879	20,702	22,821	30,945	37,700	21.8%
<b>Total net assets</b>	<b>\$ 47,384</b>	<b>\$ 64,119</b>	<b>\$ 26,528</b>	<b>\$ 29,878</b>	<b>\$ 73,912</b>	<b>\$ 93,997</b>	<b>27.2%</b>

The implementation of GASB 34 has had a profound impact upon the county financial statements, increasing both the current assets and related current liabilities for the subsequent year’s property tax of \$26,081 thousand. As noted earlier, the County’s net assets, when reviewed over time, may serve as a useful indicator of the County’s financial position. In the case of the county, assets exceeded liabilities by \$93,997 thousand (\$64,119 thousand in governmental activities and \$29,878 in business activities) as of September 30, 2005. By far, the largest portion of the County’s net assets \$39,183 thousand (41.7 percent) reflects its investment in capital assets ( e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves can not be used to liquidate these liabilities.

A portion of the County’s net assets \$15,714 thousand (16.7 percent) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, \$39,100 thousand (41.6 percent) may be used to meet the county’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

# Kootenai County Comprehensive Annual Financial Report - FY 2005

Table 2, shows the changes in net assets for 2005:

	Changes in Kootenai County's Net Assets as of September 30, 2004 and 2005 (amounts in 000)						
	Governmental Activities		Business-type Activities		Total		Percentage Change
	2004	2005	2004	2005	2004	2005	2004-2005
<b>Revenues</b>							
<b>Program revenues</b>							
Charges for services	\$ 18,002	\$ 20,247	\$ 8,363	\$ 9,034	\$ 26,365	\$ 29,281	11.1%
Federal grants	1,829	3,615	7	-	1,836	3,615	96.9%
State grants	2,987	2,483	-	-	2,987	2,483	-16.9%
<b>General revenues</b>							
Property taxes	27,675	28,540	-	-	27,675	28,540	3.1%
Sales taxes	4,664	10,119	-	-	4,664	10,119	117.0%
Other	1,270	1,722	477	657	1,747	2,379	36.6%
<b>Total revenues</b>	<b>56,427</b>	<b>66,726</b>	<b>8,847</b>	<b>9,691</b>	<b>65,274</b>	<b>76,417</b>	<b>17.1%</b>
<b>Expenses</b>							
General government	22,805	22,099	-	-	22,805	22,099	-3.1%
Public works	1,759	2,015	-	-	1,759	2,015	14.6%
Public safety	18,421	21,565	-	-	18,421	21,565	17.1%
Sanitation weed control	297	333	-	-	297	333	10.8%
Health and welfare	2,614	2,940	-	-	2,614	2,940	12.5%
Culture and recreation	959	967	-	-	959	967	0.8%
Capital projects	64	73	-	-	64	73	14.1%
Interest on long term debt	640	518	-	-	640	518	-19.1%
Solid waste	-	-	6,510	5,898	6,510	5,898	-9.4%
<b>Total expenses</b>	<b>47,559</b>	<b>50,510</b>	<b>6,510</b>	<b>5,898</b>	<b>54,069</b>	<b>56,408</b>	<b>4.3%</b>
Excess (deficiency) before special items and transfers	8,868	16,216	2,337	3,793	11,205	20,009	78.6%
Gain on sale of assets	215	0	33	76	248	76	-69.4%
Transfers	(712)	519	(482)	(519)	(1,194)	0	-100.0%
<b>Increase (decrease) net assets</b>	<b>\$ 8,371</b>	<b>\$ 16,735</b>	<b>\$ 1,888</b>	<b>\$ 3,350</b>	<b>\$ 10,259</b>	<b>\$ 20,085</b>	<b>95.8%</b>

## Governmental Activities

Charges for services program revenues increased overall by \$2,245 thousand, or 12.5% for the current year. This was one of the two largest sources of program revenue for the County, accounting for \$20,247 thousand or 30.4 percent of total governmental revenues. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

The County's grant revenues from Federal and State sources made up \$6,098 thousand or 9.1 percent of total governmental revenues. The major recipients of intergovernmental program revenues were the Airport and Justice Services.

Property tax revenues in the governmental funds account for \$28,540 thousand of the \$67,245 thousand total revenues for governmental activities, or 42.4 percent of total revenues, and the general fund property tax revenues increased by \$1,389 thousand, or 6.7%. For the current year, resort sales tax revenue of \$10,119 thousand contributed 15% of the total revenues for governmental activities.

The Sheriff's Jail program accounted for \$6,124 thousand of the \$50,510 thousand total expenses for governmental activities, or 12.1 percent of total expenses. The next largest program was Sheriff's Patrol, accounting for \$3,712 thousand and representing 7.4 percent of total governmental expenses.

The major contributing factor to the \$20,085 increase (95.9 percentage change) in total net assets was from the receipt of County Sales Tax which increased by \$5,455 thousands compared to the prior year. Additional increases were from grants and higher than anticipated charges for services revenue.

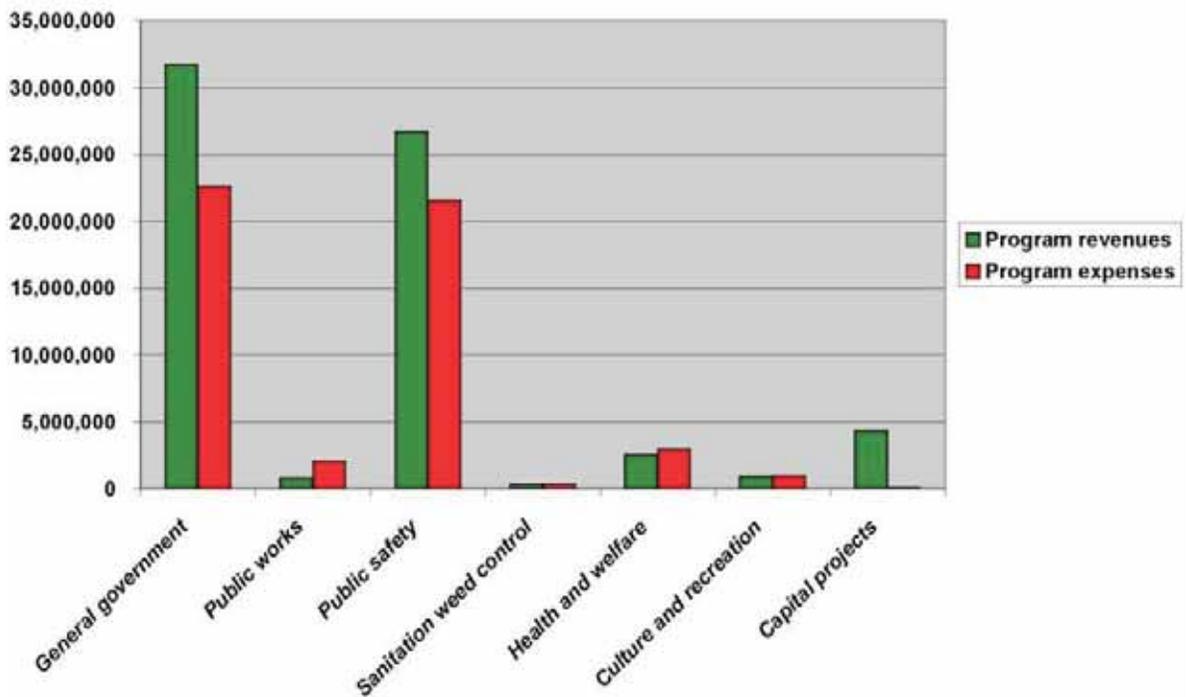
Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Net Cost of Kootenai County's Governmental Activities as of September 30, 2004 and 2005  
(amounts in 000)

	Total Cost of Services		Percentage Change	Net Cost of Service		Percentage Change
	2004	2005	2004-2005	2004	2005	2004-2005
General government	\$ 22,805	\$ 22,099	-3.1%	\$ 11,736	\$ 9,719	-17.2%
Public works	1,759	2,015	14.6%	1,703	1,954	14.7%
Public safety	18,421	21,565	17.1%	9,952	12,535	26.0%
Sanitation (Weed control)	297	333	12.1%	267	286	7.1%
Health and welfare	2,614	2,940	12.5%	2,614	2,939	12.4%
Culture and recreation	959	967	0.8%	377	358	-5.0%
Capital projects	64	73	14.1%	(2,548)	(4,145)	62.7%
Other	640	518	-19.1%	640	519	-18.9%
<b>Total</b>	<b>\$ 47,559</b>	<b>\$ 50,510</b>	<b>6.2%</b>	<b>\$ 24,741</b>	<b>\$ 24,165</b>	<b>-2.3%</b>

The general governments total net cost of services decreased by \$576 thousand, or 2.3% compared to the prior year, and these governmental expenses are provided by funding from property taxes, sales taxes, and intergovernmental revenues. Also, charges for services and operating grants program revenues of \$22,730 thousand (45.0 percent of the total cost of services) are used to fund the general government expenses of the County. (see table 3 above)

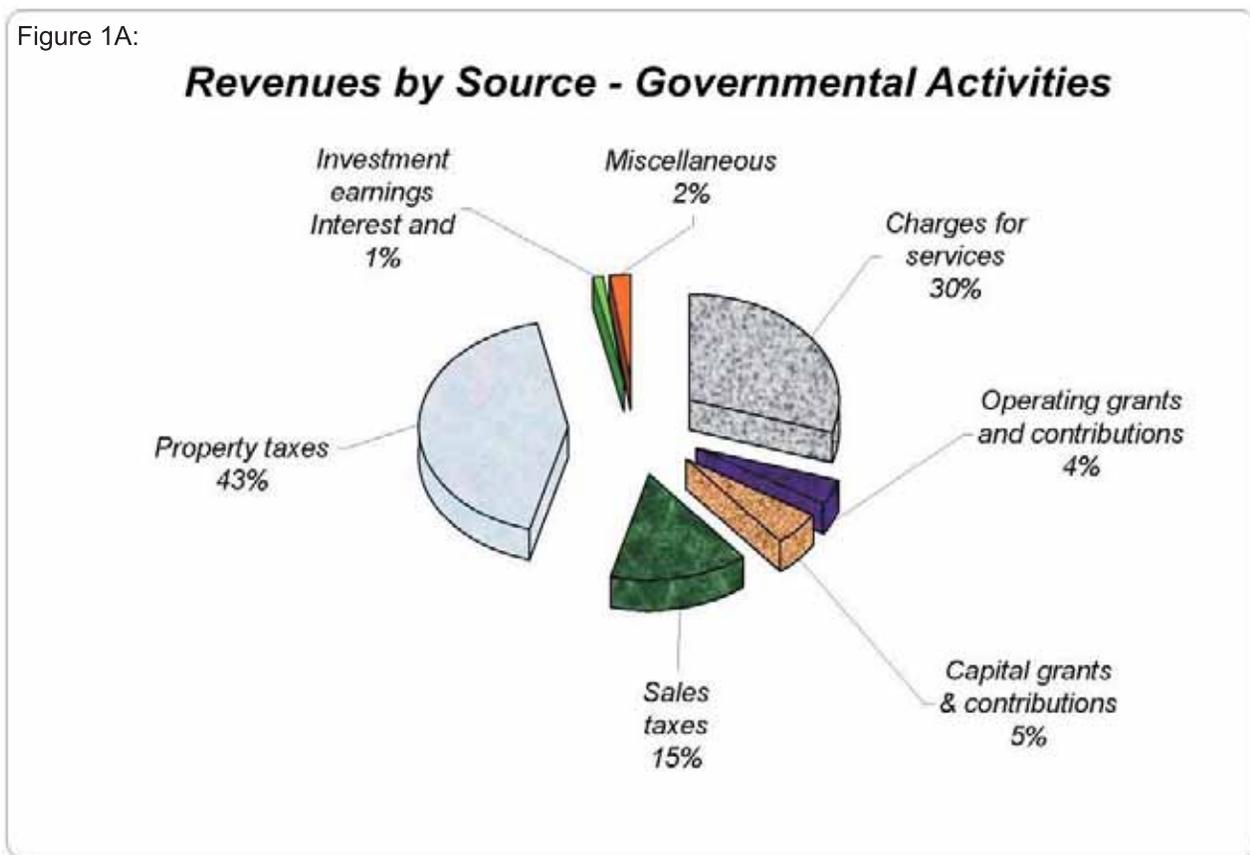
Figure 1: Program Revenues and Expenses - Governmental Activities



The capital projects operating and capital grants increased in the current year by \$1,605 thousand; these contributions are used to fund the on-going general government capital expenditures of \$5,262 thousand, or 10.5 percent of the total for governmental activities. (See figure 1 and 1A)

As of September 30, 2005, the County's major governmental fund, Resort Sales Tax, contributed a reserved fund balance of \$11,704 thousand (41.4%) to the combined ending fund balance within the total governmental funds. The Resort Sales Tax Fund accounts for the proceeds and collection of specific sales tax revenue sources primarily for Property Tax Relief; these revenue sources are committed and restricted for that purpose. The receipts of the County sales tax program revenues increased by \$5,455 thousand compared to the prior year and this increase is similar to those discussed on page 18 in *Governmental Activities*.

Figure 1A:



### Business-Type Activities

The net assets for business-type activities increased by \$3,350 (thousand) during 2005, accounting for a 16.7% increase in the change in Net Assets of the primary government. For the current year, business-type major program revenue sources were *charges for services* of: \$9,034 thousand. (See figure 2)

Figure 2:

**Program Revenues and Expenses - Business-type Activities**

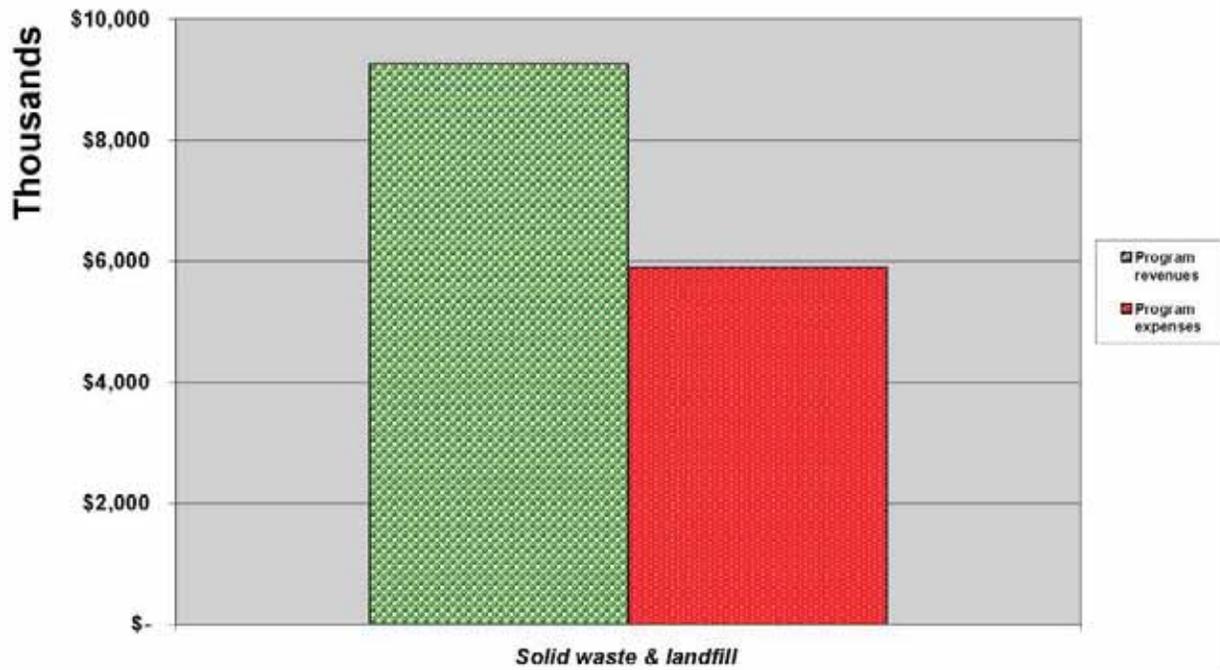
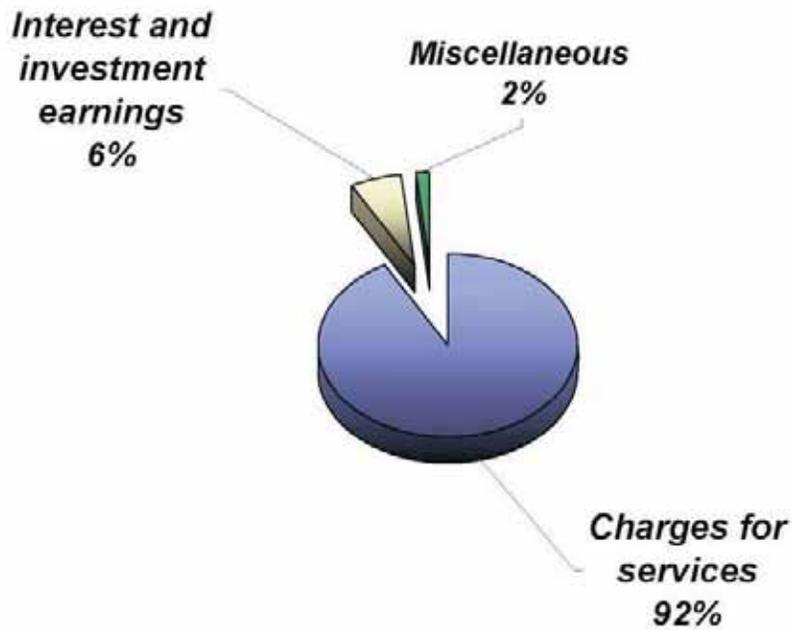


Figure 3:

**Revenues by Source - Business-type Activities**



The differences between program revenues over expenses will be utilized to fund any progressing capital activities planned for the Solid Waste and Landfill Funds. These funds will provide for the additional capital development of an \$11,600 (thousand) transfer station that is planned to be built near the City of Post Falls, Idaho. This will eliminate the need for any future capital financing resources for the second solid-waste transfer station project. (See figure 3 on page 21)

### **Financial Analysis of the County Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

#### **Governmental Funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of September 30, 2005, the County's governmental funds reported a combined ending fund balance of \$28,286 thousand, an increase of \$13,160 thousand in comparison with the prior year. Approximately 52.6 percent of this total (14,879 thousand) constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved, approximately 47.4 percent, to indicate that it is not available for new spending because it has already been committed for a variety of restricted purposes (\$13,407 thousand).

The General Fund is the primary operating fund of the County. At the end of 2005, unreserved fund balance was \$13,833 thousand, while total fund balance was \$15,499 thousand. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures (\$35,307). Unreserved fund balance represents 39.2 percent to total General Fund expenditures, while total fund balance represents 43.9 percent of that same amount.

The County's General Fund balance has increased by \$5,008 thousand during fiscal year 2005. A key factor in this increase was general expenditures were under budgeted expenditure amounts.

#### **Enterprise Funds**

The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Solid Waste Fund at September 30, 2005, were \$22,821 thousand. Unrestricted net assets increased by \$2,119 thousand.

### **BUDGETARY HIGHLIGHTS**

By State statute, the Board of County Commissioners adopts the annual operating budget for the County effective the first day of October. For the General Fund, the change from the original to the final budget was a net change in expenditures of \$2,654 thousand. The majority of the increase in the budget occurred from additional grants, and higher than anticipated charges for services revenue.

### **Capital Assets and Debt Administration**

**Capital Assets:** Kootenai County's investment in capital assets for its governmental and business type activities as of September 30, 2005, amounts to \$58,498 thousand (net of depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and construction in progress. (See Table 4, following) The total increase in the county's investments in capital assets for the current fiscal year (including

depreciation, additions and deductions) was 1.2 percent (a 3.2 percent increase for governmental activities and a 4.5 percent decrease for business type activities).

Table 4:

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2004	2005	2004	2005	2004	2005	2004-2005
Land	\$ 4,063	\$ 4,072	\$ 1,275	\$ 1,275	\$ 5,338	\$ 5,347	0.2%
Buildings	24,525	23,703	399	366	24,924	24,069	-3.4%
Improvements other than Buildings	7,077	10,165	11,401	10,716	18,478	20,881	13.0%
Machinery and Equipment	3,726	3,353	1,642	1,691	5,368	5,044	-6.0%
Construction in Progress	3,612	3,085	72	72	3,684	3,157	-14.3%
<b>Total</b>	<b>\$ 43,003</b>	<b>\$ 44,378</b>	<b>\$ 14,789</b>	<b>\$ 14,120</b>	<b>\$ 57,792</b>	<b>\$ 58,498</b>	<b>1.2%</b>

Major capital asset events during the current fiscal year included the following:

- ◆ Current fiscal year expenditures for completed improvement projects to the infrastructure at the Airport are \$1,782 thousand. Of that cost, \$1,597 thousand is for Phase I of the expansion project for the runway's parallel taxiway. Phase II of the taxiway project is still in progress. The expansion will increase the runway access to the north side of airport which is essential to the ongoing development.
- ◆ Current fiscal year expenditures for on going improvements to the infrastructure at the Airport are \$1,956 thousand. Of that cost, \$1,619 thousand is for the current improvement project at the north end of the airport implemented in 2004 to stimulate the expansion of commercial growth, and support the Empire Airlines project.
- ◆ Costs incurred by the Waterways Department for ongoing improvement projects include docks, gangways, and piers for general public use, and totaled \$83 thousand.
- ◆ The Sheriffs Department purchased seven vehicles installing radios, radar, and light bars at a total cost of \$178 thousand. The purchases also include a new Animal Control Vehicle.
- ◆ The Enterprise Fund replaced equipment and vehicles, in the amount of \$532 thousand. The most significant item being \$307 thousand for a new Excavator for the Fighting Creek Landfill.
- ◆ The Solid Waste Department continued with the next phase of the landfill expansion plan which was initiated in 2004 for the Fighting Creek Landfill, and current year costs total \$608 thousand.

Additional information on Kootenai County's capital assets can be found in Note 5 (Capital Assets) to the financial statements for fiscal year 2005.

**Long-Term Debt** – At September 30, 2005, the County had total general obligation debt outstanding of \$6,910 thousand. The County's long-term debt decreased by \$1,747 thousand or 20.2 percent during fiscal year 2005, explained in a large part by the retirement of a significant portion of the revenue note.

	Governmental Activities		Total Percentage Change
	2004	2005	2004-2005
Equipment leases	\$ 723	\$ 441	-39.0%
Facility leases	1,972	1,548	-21.5%
Jail Facility Tax Revenue Note	5,962	4,921	-17.5%
<b>Total</b>	<b>\$ 8,657</b>	<b>\$ 6,910</b>	<b>-20.2%</b>

In addition to the bonded debt, the County's long-term obligations include compensated absences and closure/post-closure liability. Additional information on the County's long-term debt can be found in Note 6 (Capital Leases and Other General Long-Term requirements) to the financial statements.

### **Economic Factors**

Kootenai County is continuing along the substantial growth path that has been in place and picking up momentum over the last couple of years. Under current projections and trends activity will slow down a little in the coming year, but will still continue to expand continuing this unprecedented growth in both market value and dwellings.

Population growth has been significant; the county has increased to over 128,000 per July 2005 estimates, an increase of 5.8% over the prior year. Housing starts are still running quickly but are slowing a little compared to the prior year's brisk pace and the average sales price for residential property has risen to over \$202,000 which is 35.6% higher than this point last year. Similarly this is reflected in the overall assessed value for residential real estate in the county which has eclipsed eleven billion in total assessed value which represents a 33.0% increase over the previous year.

The most significant contributing growth component has been the continued emigration of people from higher cost economic areas into the local community. These individuals move into the area with a distinct economic advantage from the sale of higher cost residences and favorable income tax treatment of the gains on those sales. The combination of these key factors provides an opportunity for people to move prior to securing employment. A distinct side effect of this trend is an abundance of skilled and professional workers willing and eager to find employment which is very attractive to local employers and prospective businesses. In this fiscal year the employment market has taken advantage of the skilled labor force, as several new businesses have moved into the area. Our unemployment rate has returned to previous stable levels and is once again below the state average after spiking to higher than state levels previously.

Investment earnings should continue to turn around in the coming year as the federal rates continue to increase in 2006, which will positively influence the county's investment earnings. This year the State Legislature is focusing on the need for property tax relief that was tabled from the last session and sent to a study committee over the summer, but this should not have any effect on county revenues. There has not been any significant change in legislation at this time that would adversely impact local governments taxing authority, however, this possibility always exists. These factors have been considered in preparation of the County's 2006 budget.

### **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.

# Basic Financial Statements

## Role Models

*“Failure was not an option. We all had the sense those kids were still alive. It drove us until we were working around the clock. We just had to.”* ISP Capt. Wayne Longo, one-third of the Unified Command on the Wolf Lodge case.



*The Unified Command: FBI's Don Robinson, ISP Capt. Wayne Longo and Kootenai County Sheriff's Capt. Travis Chaney.*

The little girl was the only survivor of the brutal crime. She surfaced July 2 in a restaurant in Coeur d'Alene.

“If she hadn't showed up, we'd still be there plugging away,” ISP Capt. Wayne Longo says. “Our only goal was to solve that case.”

That goal created a unique atmosphere of cooperation among a variety of local, state and federal law enforcement agencies. The nation noticed. The leaders of the unified command—Longo, Sheriff's Capt. Travis Chaney and the FBI's Don Robinson—were invited to Salt Lake City last fall to teach the Utah Highway Patrol, Salt Lake City Police

Department and other law enforcement groups how to conduct a multi-agency investigation.

“You’d think they’d be much more sophisticated after the Olympics were there,” Longo says. “But they asked how we made this work.”

The FBI’s National Academy, Idaho/Montana chapter, in Polson, Mont., also asked for a unified command lesson from the three men. Kootenai Medical Center invited the team to teach incident command to the hospital’s senior management. The Spokane Police Department asked Longo for tips on operating a unified command.

“We’re continually asked,” he says. “We’re an example now. I’ll talk to anyone who’ll listen. It’s all for the public good.”

*continued, page 41*

KOOTENAI COUNTY, IDAHO  
Statement of Net Assets  
September 30, 2005

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	North Idaho Fair & Rodeo Dec. 31, 2004	KCEMSS Sept. 30, 2005
<b>ASSETS</b>					
Cash in bank and investments	\$ 29,875,187	\$ 14,755,318	\$ 44,630,505	\$ 279,504	\$ 1,240,309
Taxes current	26,081,036	165,354	26,246,390	-	-
Taxes delinquent	1,223,818	-	1,223,818	-	-
Accounts receivable, (net)	1,708,024	1,341,562	3,049,586	134,516	945,600
Interest receivable	9,254	8,014	17,268	-	-
Due from other funds	1,413,765	-	1,413,765	-	-
Grants receivable	408,677	-	408,677	-	-
Inventories and prepaid expenses	92,338	-	92,338	-	65,464
Restricted assets:					
Cash held for closure and postclosure	-	3,707,000	3,707,000	-	-
Capital Assets:					
Land	4,072,345	1,275,290	5,347,635	-	-
Depreciable assets, (net)	37,148,574	12,772,400	49,920,974	1,462,206	667,284
Non-Depreciable other assets	71,503	-	71,503	-	54,400
Construction in progress	3,085,393	72,368	3,157,761	-	-
<b>Total Assets</b>	<b>105,189,914</b>	<b>34,097,306</b>	<b>139,287,220</b>	<b>1,876,226</b>	<b>2,973,057</b>
<b>LIABILITIES</b>					
Accounts payable	2,131,508	266,504	2,398,012	2,271	47,570
Interest payable	38,659	-	38,659	-	-
Notes payable	-	-	-	-	-
Deferred property tax revenues	26,081,036	-	26,081,036	-	-
Other accrued liabilities	1,069,605	69,601	1,139,206	13,621	8,942
Due to other funds	1,413,765	-	1,413,765	-	-
Unearned revenue	183,104	-	183,104	-	-
Long-term liabilities:					
Due within one year	5,616,878	17,347	5,634,225	-	-
Due in more than one year	4,535,980	158,420	4,694,400	-	-
Landfill closure liability	-	3,707,000	3,707,000	-	-
<b>Total Liabilities</b>	<b>41,070,535</b>	<b>4,218,872</b>	<b>45,289,407</b>	<b>15,892</b>	<b>56,512</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	35,833,079	3,350,057	39,183,136	1,462,206	667,284
Restricted for:					
Property tax relief	6,416,773	-	6,416,773	-	-
Jail tax payment	5,287,299	-	5,287,299	-	-
Sheriff Snowmobile	37,370	-	37,370	-	-
Juvenile justice services	240,109	-	240,109	-	-
Court interlock	25,968	-	25,968	-	-
Capital purchases	1,000,000	-	1,000,000	-	-
Replacement reserve	400,000	-	400,000	-	-
Landfill closure	-	3,707,000	3,707,000	-	-
Roadway Improvement	-	-	-	132,615	-
Unrestricted :					
Governmental type activities	14,878,781	-	14,878,781	-	-
Business type activities	-	22,821,377	22,821,377	265,513	2,249,261
<b>Total Net Assets</b>	<b>\$ 64,119,379</b>	<b>\$ 29,878,434</b>	<b>\$ 93,997,813</b>	<b>\$ 1,860,334</b>	<b>\$ 2,916,545</b>

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

Kootenai County Comprehensive Annual Financial Report - FY 2005

KOOTENAI COUNTY, IDAHO  
Statement of Activities  
For the Year Ended September 30, 2005

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions
Primary government:				
Governmental activities:				
General government	\$ 22,099,199	\$ 11,154,386	\$ 883,550	\$ 342,745
Public works	2,014,662	60,679	-	-
Public safety	21,565,124	8,494,600	480,907	54,536
Sanitation weed control	333,080	961	45,705	-
Health and welfare	2,939,636	339	-	-
Culture and recreation	966,457	536,056	64,290	8,394
Capital projects	73,387	-	1,008,455	3,209,536
Interest on long-term debt	518,487	-	-	-
<b>Total governmental activities</b>	<b>50,510,032</b>	<b>20,247,021</b>	<b>2,482,907</b>	<b>3,615,211</b>
Business-type activities:				
Solid waste and landfill	5,898,236	9,033,574	-	-
<b>Total business-type activities</b>	<b>5,898,236</b>	<b>9,033,574</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 56,408,268</b>	<b>\$ 29,280,595</b>	<b>\$ 2,482,907</b>	<b>\$ 3,615,211</b>
Component units:				
County fair	\$ 713,039	\$ 367,462	\$ -	\$ -
KCEMSS	3,309,789	2,418,232	-	-
<b>Total component units</b>	<b>\$ 4,022,828</b>	<b>\$ 2,785,694</b>	<b>\$ -</b>	<b>\$ -</b>

General revenues:

Taxes:

Property taxes, levied for general purposes

Sales and use taxes

Miscellaneous

Interest and investment earnings

Gain(Loss) on sale of assets/property

Transfers

Total general revenues and transfers

Change in net assets

Net assets--beginning (restated)

**Net assets--ending**

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

Kootenai County Comprehensive Annual Financial Report - FY 2005

Net (Expense) Revenue and  
Changes in Net Assets

			Component Units			
Governmental Activities	Business-Type Activities	Total	North Idaho Fair & Rodeo	KCEMSS		
\$ (9,718,518)	\$ -	\$ (9,718,518)	\$ -	\$ -		
(1,953,983)	-	(1,953,983)	-	-		
(12,535,081)	-	(12,535,081)	-	-		
(286,414)	-	(286,414)	-	-		
(2,939,297)	-	(2,939,297)	-	-		
(357,717)	-	(357,717)	-	-		
4,144,604	-	4,144,604	-	-		
(518,487)	-	(518,487)	-	-		
(24,164,893)	-	(24,164,893)	-	-		
-	3,135,338	3,135,338	-	-		
-	3,135,338	3,135,338	-	-		
\$ (24,164,893)	\$ 3,135,338	\$ (21,029,555)	\$ -	\$ -		
\$ -	\$ -	\$ -	\$ (345,577)	\$ -		
-	-	-	-	(891,557)		
\$ -	\$ -	\$ -	\$ (345,577)	\$ (891,557)		
\$ 28,540,455	\$ -	\$ 28,540,455	\$ 114,000	\$ 1,391,637		
10,118,967	-	10,118,967	-	-		
965,381	70,081	1,035,462	413,158	469		
756,128	587,232	1,343,360	4,719	41,628		
-	76,522	76,522	-	1,927		
519,116	(519,116)	-	-	-		
40,900,047	214,719	41,114,766	531,877	1,435,661		
16,735,154	3,350,057	20,085,211	186,300	544,104		
47,384,225	26,528,377	73,912,602	1,674,034	2,372,441		
\$ 64,119,379	\$ 29,878,434	\$ 93,997,813	\$ 1,860,334	\$ 2,916,545		

**KOOTENAI COUNTY, IDAHO**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2005**

	General Fund	Resort Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash in bank and investments	\$ 14,376,513	\$ 11,706,160	\$ 3,449,036	\$ 29,531,709
Taxes delinquent-receivable	933,329	-	290,489	1,223,818
Accounts receivable, (net)	1,663,917	-	39,612	1,703,529
Interest receivable	9,188	-	66	9,254
Grants receivable	93,358	-	315,319	408,677
Leases receivable	138,725	-	-	138,725
Prepays	87,725	-	4,613	92,338
Due from other funds	1,413,765	-	-	1,413,765
Total Assets	18,716,520	11,706,160	4,099,135	34,521,815
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	752,700	2,086	1,082,983	1,837,769
Accrued payroll	927,927	-	141,678	1,069,605
Deferred revenues	432,728	-	40,367	473,095
Deferred property taxes	853,130	-	266,322	1,119,452
Due to other funds	207,668	-	1,206,097	1,413,765
Unearned revenue	43,250	-	139,854	183,104
Leases payable-long term	-	-	138,725	138,725
Total Liabilities	3,217,403	2,086	3,016,026	6,235,515
<b>Fund Balances:</b>				
<b>Reserved for:</b>				
Juvenile justice services	240,109	-	-	240,109
Court interlock	25,968	-	-	25,968
Capital purchases	1,000,000	-	-	1,000,000
Replacement reserve	400,000	-	-	400,000
Sheriff snowmobile	-	-	37,370	37,370
Property tax relief	-	6,416,773	-	6,416,773
Jail tax payment	-	5,287,299	-	5,287,299
<b>Unreserved:</b>				
General Fund	13,833,040	-	-	13,833,040
Special Revenue Funds	-	2	1,238,525	1,238,527
Capital Projects Funds (deficit)	-	-	(192,786)	(192,786)
<b>Total Fund Balances</b>	<b>\$ 15,499,117</b>	<b>\$ 11,704,074</b>	<b>\$ 1,083,109</b>	<b>\$ 28,286,300</b>

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

KOOTENAI COUNTY, IDAHO  
 Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 September 30, 2005

Total governmental fund balances (page 30)	\$	28,286,300
Amounts reported for governmental activities in the statement of net assets (page 27) are different because:		
Capital assets used in governmental activities are not financial resources and this amount reflects the initial investment in capital assets therefore, are not reported in the funds:		44,377,815
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	1,119,452	
Intergovernmental	432,728	
Charges for Services	6,597	
Miscellaneous	33,770	
Total		1,592,547
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(38,659)
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 assets.		54,234
Long-term liabilities, including capital leases payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Capital leases payable	(6,910,590)	
Compensated Absences	(3,242,268)	
Total		(10,152,858)
<b>Total Net Assets of Governmental Activities as shown on the Statement of Net Assets:</b>	<b>\$</b>	<b>64,119,379</b>

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

Kootenai County Comprehensive Annual Financial Report - FY 2005

**KOOTENAI COUNTY, IDAHO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2005**

	General Fund	Resort Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 22,090,457	\$ 10,118,966	\$ 6,449,556	\$ 38,658,979
Licenses and permits	1,223,925	-	188,911	1,412,836
Intergovernmental	7,676,353	-	5,017,040	12,693,393
Interest	597,037	138,907	20,184	756,128
Fines and forfeitures	263,081	-	736,390	999,471
Charges for services	6,720,899	-	391,316	7,112,215
Miscellaneous	76,084	-	889,297	965,381
<b>Total Revenues</b>	<b>38,647,836</b>	<b>10,257,873</b>	<b>13,692,694</b>	<b>62,598,403</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	14,750,367	179,444	4,597,799	19,527,610
Public works	-	-	612,294	612,294
Public safety	18,877,185	-	-	18,877,185
Sanitation	-	-	283,367	283,367
Health & welfare	101,603	-	2,611,312	2,712,915
Culture and recreation	7,391	-	785,207	792,598
Capital projects	-	-	73,387	73,387
<b>Debt Service:</b>				
Principal retirement	706,483	1,040,376	-	1,746,859
Interest expense	109,622	363,496	6,710	479,828
<b>Capital Outlay:</b>				
Capital expenditures	754,581	-	171,164	925,745
Construction in progress	-	-	4,336,737	4,336,737
<b>Total Expenditures</b>	<b>35,307,232</b>	<b>1,583,316</b>	<b>13,477,977</b>	<b>50,368,525</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,340,604</b>	<b>8,674,557</b>	<b>214,717</b>	<b>12,229,878</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds insurance	13,331	-	-	13,331
Transfers In	4,885,534	-	44,116	4,929,650
Transfers (out)	(3,231,221)	(1,179,313)	-	(4,410,534)
<b>Total Other Financing Sources (Uses)</b>	<b>1,667,644</b>	<b>(1,179,313)</b>	<b>44,116</b>	<b>532,447</b>
<b>Net Change in Fund Balances</b>	<b>5,008,248</b>	<b>7,495,244</b>	<b>258,833</b>	<b>12,762,325</b>
<b>Fund Balances Beginning of Year</b>	<b>10,490,869</b>	<b>4,208,830</b>	<b>824,276</b>	<b>15,523,975</b>
<b>Fund Balances End of Year</b>	<b>\$ 15,499,117</b>	<b>\$ 11,704,074</b>	<b>\$ 1,083,109</b>	<b>\$ 28,286,300</b>

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

**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, 2005**

Net change in fund balances - total governmental funds (page 32) \$ 12,762,325

Amounts reported for governmental activities in the statement  
of activities (page 28 & 29) are different because:

Property taxes collected more than sixty days after the County's  
fiscal year ends; are not considered "available" revenues in  
the governmental funds. 443

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. This is the amount by which capital outlays exceeded  
depreciation in the current period.  
(\$5,262,482- 3,362,084) 1,900,398

Capital lease proceeds provide current financial resources to  
governmental funds, but issuing debt increases long-term  
liabilities in the statement of net assets. Repayment of lease  
principal is an expenditure in the governmental funds, but the  
repayment reduces long-term liabilities in the statement of  
net assets. This is the amount by which repayments  
exceeded proceeds. 1,746,859

Insurance proceeds provide current financial resources to  
governmental funds. This is the amount by which  
insurance proceeds exceeded repayments. (13,331)

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. (114,064)

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. 452,524

**Total Change in Net Assets of Governmental Activities**  
**as shown on the Statement of Activities** \$ 16,735,154

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

Kootenai County Comprehensive Annual Financial Report - FY 2005

KOOTENAI COUNTY, IDAHO  
Statement of Net Assets  
Proprietary Funds  
September 30, 2005

	Business-type activity		Governmental-type activity	
	Solid Waste Enterprise Fund		Health Insurance	Internal Service Fund
	2005	2004	2005	2004
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 14,755,318	\$ 10,621,730	\$ 343,478	\$ 175,156
Taxes-receivable	165,354	198,700	-	-
Accounts receivable, (net)	1,341,562	1,333,085	4,495	6,170
Interest receivable	8,014	6,927	-	-
Total Current Assets	16,270,248	12,160,442	347,973	181,326
Noncurrent Assets:				
Restricted Assets:				
Cash held for closure and post closure	3,707,000	3,938,000	-	-
Capital Assets:				
Land	1,275,290	1,275,290	-	-
Depreciable capital assets, (net)	12,772,400	13,441,889	-	-
Construction in progress	72,368	72,368	-	-
Total Noncurrent Assets	17,827,058	18,727,547	-	-
Total Assets	34,097,306	30,887,989	347,973	181,326
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	266,504	190,496	293,739	553,527
Accrued payroll	69,601	55,309	-	26,089
Total Current Liabilities	336,105	245,805	293,739	579,616
Long-Term Liabilities:				
Due within one year	17,347	21,146	-	-
Due in more than one year	158,420	154,661	-	-
Landfill closure liability	3,707,000	3,938,000	-	-
Total Long-Term Liabilities	3,882,767	4,113,807	-	-
Total Liabilities	4,218,872	4,359,612	293,739	579,616
<b>Net Assets</b>				
Invested in capital assets, net of related debt	3,350,057	1,888,708	-	-
Restricted for: landfill closure	3,707,000	3,938,000	-	-
Unrestricted (deficit)	22,821,377	20,701,669	54,234	(398,290)
<b>Total Net Assets (deficit)</b>	<b>\$ 29,878,434</b>	<b>\$ 26,528,377</b>	<b>\$ 54,234</b>	<b>\$ (398,290)</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended September 30, 2005**

	Business-type activity		Governmental-type activity	
	2005	2004	2005	2004
		Solid Waste Enterprise Fund	Health Insurance	Internal Service Fund
<b>Operating Revenues</b>				
Charges for services	\$ 9,033,574	\$ 8,362,896	\$ 4,028,780	\$ 3,105,130
Miscellaneous	68,557	90,424	-	-
<b>Total Operating Revenues</b>	<b>9,102,131</b>	<b>8,453,320</b>	<b>4,028,780</b>	<b>3,105,130</b>
<b>Operating Expenses</b>				
Personal services	1,864,011	1,602,521	12,693	559
Professional services	1,520,584	1,464,495	3,662,007	3,581,269
Utilities	89,406	71,343	-	-
Materials and supplies	576,523	432,058	-	43
Maintenance and repairs	168,024	222,248	-	-
Other services and expenses	100,591	135,271	-	1,009
Depreciation and amortization	1,810,097	1,941,940	-	-
Landfill closure and post closure expense (note 9)	(231,000)	688,617	-	-
<b>Total Operating Expenses</b>	<b>5,898,236</b>	<b>6,558,493</b>	<b>3,674,700</b>	<b>3,582,880</b>
<b>Operating Income (Loss)</b>	<b>3,203,895</b>	<b>1,894,827</b>	<b>354,080</b>	<b>(477,750)</b>
<b>Non-Operating Revenues (Expenses)</b>				
Intergovernmental revenues	-	6,713	98,444	75,321
Interest and investment revenue	587,232	381,385	-	-
Miscellaneous revenue	1,524	54,816	-	-
Gain on sale of capital assets	76,522	33,352	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>665,278</b>	<b>476,266</b>	<b>98,444</b>	<b>75,321</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>3,869,173</b>	<b>2,371,093</b>	<b>452,524</b>	<b>(402,429)</b>
Transfers In	576,471	1,124,069	-	-
Transfers (Out)	(1,095,587)	(1,606,454)	-	-
<b>Change in Net Assets (deficit)</b>	<b>3,350,057</b>	<b>1,888,708</b>	<b>452,524</b>	<b>(402,429)</b>
<b>Net Assets Beginning of Year (deficit)</b>	<b>26,528,377</b>	<b>24,639,669</b>	<b>(398,290)</b>	<b>4,139</b>
<b>Net Assets End of Year (deficit)</b>	<b>\$ 29,878,434</b>	<b>\$ 26,528,377</b>	<b>\$ 54,234</b>	<b>\$ (398,290)</b>

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

Kootenai County Comprehensive Annual Financial Report - FY 2005

KOOTENAI COUNTY, IDAHO  
Statement of Cash Flows  
Proprietary Funds  
September 30, 2005 (with comparative totals for 2004)

	Business-type Activities - Enterprise Fund		Governmental Activities	
	Solid Waste		Internal Service Fund Health Insurance	
	2005	2004	2005	2004
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 9,058,443	\$ 8,202,811	\$ 4,030,455	\$ 3,102,573
Other cash receipts	68,557	90,424	-	-
Cash payments to employees	(1,849,759)	(1,551,345)	(38,782)	(26,594)
Cash payments for goods and services	(2,378,392)	(2,475,475)	(3,921,795)	(3,613,670)
Internal activity - payments from other funds	(1,087)	585,143	-	-
Net cash provided (used) by operating activities	4,897,762	4,851,558	69,878	(537,691)
<b>Cash Flows from Noncapital Financing Activities</b>				
Intergovernmental revenues	-	6,713	98,444	75,321
Transfers out	(519,116)	(482,385)	-	-
Net cash provided (used) by noncapital financing activities	(519,116)	(475,672)	98,444	75,321
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payments for capital acquisitions	(1,142,064)	(2,245,093)	-	-
Landfill closure and postclosure costs	231,000	(688,617)	-	-
Insurance proceeds	1,524	268	-	-
Miscellaneous revenue	-	54,548	-	-
Gain on sale of capital assets	77,250	33,352	-	-
Net cash used in capital and related financing activities	(832,290)	(2,845,542)	-	-
<b>Cash Flows from Investing Activities</b>				
Interest on investments	587,232	381,385	-	-
Net cash provided by investing activities	587,232	381,385	-	-
Net increase (decrease) in Cash and Cash Equivalents	4,133,588	1,911,729	168,322	(462,370)
Cash and Cash Equivalents Beginning of Year	10,621,730	8,710,001	175,156	637,526
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ 14,755,318</b>	<b>\$ 10,621,730</b>	<b>\$ 343,478</b>	<b>\$ 175,156</b>

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

**KOOTENAI COUNTY, IDAHO**  
**Statement of Cash flows**  
**Proprietary Fund**  
**September 30, 2005 (with comparative totals for 2004)**

	Business-type Activities - Enterprise Fund		Governmental Activities	
	Solid Waste		Internal Service Fund Health Insurance	
	2005	2004	2005	2004
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 3,203,895	\$ 1,894,827	\$ 354,080	\$ (477,750)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	1,810,097	1,941,940	-	-
Loss on disposal of asset	728	1,152	-	-
(Increase) Decrease in Assets:				
Accounts receivable	24,869	(160,085)	1,675	(2,557)
Interest receivable	(1,087)	1,334	-	-
Due from other funds	-	583,809	-	-
Increase (Decrease) in Liabilities:				
Accounts payable	76,008	(151,212)	(259,788)	(31,349)
Accrued wages	14,292	30,030	(26,089)	(26,035)
Compensated absences payable	(40)	21,146	-	-
Landfill closure/postclosure liability	(231,000)	688,617	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 4,897,762</b>	<b>\$ 4,851,558</b>	<b>\$ 69,878</b>	<b>\$ (537,691)</b>

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

KOOTENAI COUNTY, IDAHO  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
September 30, 2005

	Private-Purpose Trust Funds	Agency Funds
<b>Assets</b>		
Cash in bank and investments	\$ 6,293,191	\$ 1,550,888
Receivables:		
Taxes delinquent	23,617	3,233,437
Accounts receivable	-	641,513
Total Assets	6,316,808	5,425,838
<b>Liabilities</b>		
Accounts payable	42,343	-
Deferred compensation payable	2,019,131	-
Deferred property taxes	202,989	-
Due in more than one year	8,013	-
Due to other governments	-	2,639,510
Due to other individuals	-	3,144
Due to other taxing districts	-	2,783,184
Total Liabilities	\$ 2,272,476	\$ 5,425,838
<b>Net Assets</b>		
Held in trust for other purposes	\$ 4,044,332	

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

KOOTENAI COUNTY, IDAHO  
 Statement of Changes in Fiduciary Net Assets  
 Fiduciary Funds  
 For the Year Ended September 30, 2005

	Private-Purpose Trust Funds
	<u>2005</u>
<b>Additions</b>	
Trust receipts	\$ 3,344,083
Total Additions	<u>3,344,083</u>
<b>Deductions</b>	
Trust turnovers	<u>2,009,320</u>
Total Deductions	<u>2,009,320</u>
Increase in Net Assets	1,334,763
Net Assets Beginning of Year	<u>2,709,569</u>
<b>Net Assets End of Year</b>	<u><u>\$ 4,044,332</u></u>

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



## Notes to the Financial Statement

### Ribs or Chicken?

"Of all the crisis situations I've been involved in, this is the only one I gained weight on. All the basics were taken care of." Don Robinson, FBI supervisory senior resident agent in Coeur d'Alene.



*Arne Wilkens, Lena Rayburn and Phillip Rayburn of the Kootenai County Sheriff's Mounted Posse ride down a powerline trail in the Wolf Lodge area a few miles from the triple murder.  
[Jesse Tinsley photo, The Spokesman Review]*

Sandy Von Behren quickly swallowed her horror at first word of the Wolf Lodge murders and kidnappings and snapped into action. Kootenai County's Office of Emergency Management not only coordinates the services of dozens of agencies-from fire districts to hospitals to utility companies, depending on the emergency-it knows where to find equipment, supplies, volunteers and more.

She first turned the basement of the sheriff's office, where the OEM is located, into an Emergency Operations Center. The briefing room was divided in half to establish a call center. Phones were needed to stay in contact with detectives in the field, to convey new information and to take tips from the public. The OEM's communications center became Unified Command, which ran the entire operation.

She turned her focus next to the crime scene.

"It was watched 24 hours a day," she says. "The people there have to eat, use the bathroom."

The OEM found portable toilets. The Sheriff's Auxiliary took over food, parking its van at the site. When the search for clues expanded to the Kootenai County Landfill, the OEM found gloves, protective masks, bags, food and water for detectives. The U.S. Dept. of Lands, Bureau of Land Management and U.S. Forest Service supplied radios, tents and boots. The Idaho Transportation Department made available a large room for an FBI computer lab.

The FBI came through with surveillance agents and an evidence team.

"We never could have mustered those resources on our own," says Sheriff's Capt. Ben Wolfinger. "We just don't have those in the state."

The Coeur d'Alene Fire Dept. sent people to answer phones and help with public information. Two hundred law enforcement officers from Shoshone, Benewah, Bonner and Spokane counties joined the exhaustive hunt for the two missing children.

Whatever the investigation needed, the OEM found, right down to scribes to take notes for detectives who couldn't be in two places at once. And food. Everyone involved needed food and it appeared in every form.

"We've never been fed so well," Von Behren says. "This place smelled so good."

Local supermarkets supplied steaks and ribs. Local restaurants cooked the meat. Citizens brought huge pots of stew and spaghetti from home. In all, 25 businesses, organizations and individuals donated food.

"I got calls from businesses that were mad they didn't get asked to donate," Von Behren says.

Don Robinson, Coeur d'Alene resident FBI agent, spent his last three years at FBI headquarters, which lacks for nothing, he says.

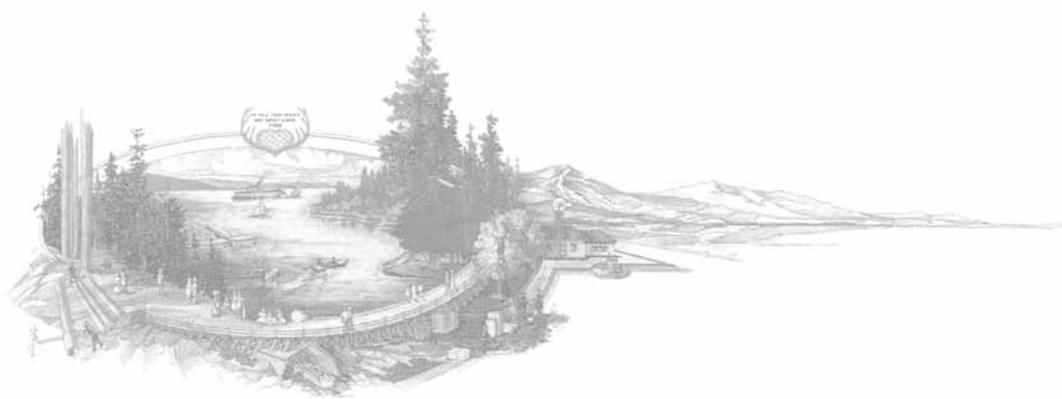
"For all the bells and whistles and money there, what we had going on in the basement of the sheriff's department worked just as well," he says. "Because of the OEM's drills, agencies have worked together before. It'll only get better every time."

And then there were the volunteers...

*continued, page 69*

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KOOTENAI COUNTY, IDAHO  
Notes To The Financial Statements  
September 30, 2005

**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.

In June 1999, the GASB issued and approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. These statements establish new financial reporting requirements for state and local governments, public colleges, and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Certain significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section provides an analysis of the County's overall financial position and results of operations.
- Financial statements prepared using the full accrual accounting method for all County activities, including the airports runways infrastructure.

These and other changes are reflected in the County's financial statements (including notes to the financial statements). The County elected to implement these standards and the general provisions of the Statement during the fiscal year ended September 30, 2003. Following are the more significant of the County's accounting policies.

**A. Financial Reporting Entity**

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

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

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

In conformity with generally accepted accounting principles, the basic financial statements of the North Idaho Fair & Rodeo and the Kootenai County Emergency Medical Services System (KCEMSS) have been included in the financial reporting entity as discretely presented component units, emphasizing their nature as legally separate entities from the County. We present these component units as separate columns within the "basic" financial statements on the combined financial statements.

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

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

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

North Idaho Fair & Rodeo  
N. 4060 Government Way  
Coeur d'Alene, ID 83814

KCEMSS  
P.O. Box 2823  
Post Falls, ID 83877

The North Idaho Fair & Rodeo fiscal year runs from January 1 through December 31, the fair had net income of \$186,300 for the fiscal year ending December 31, 2004 while, the KCEMSS fiscal year runs parallel to the County's and reported a change in net assets of \$544,104 for their current fiscal year.

### ***Basis of Presentation***

The County's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide the financial position and results of operations of the 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 Assets and Statement of Activities report information on all non-fiduciary activities of the primary government and its discretely presented component units. (For the most part the effect of interfund activity has been removed from these statements.) 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 activities are financed in whole or in part by fees charged to external parties for goods or services.

#### ***Statement of Net Assets***

The Statement of Net Assets presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets: invested in capital assets, net of debt; restricted net assets; or unrestricted net assets.

*Invested in Capital Assets, Net of Related Debt*, consists of capital assets net of accumulated depreciation and reduced by outstanding debt.

*Restricted Net Assets* result when constraints placed on net assets 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 assets are available. Restricted net asset balance will fluctuate as related accounting transactions occur.

*Unrestricted Net Assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets 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. 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 fund 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 schedules.

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 and health insurance. The General Fund includes all financial resources of the general government except those required to be accounted for in another fund.

The Resort Sales Tax fund accounts for the operation and collection of the county's sales tax. Funds collected are to pay for the expansion of the Public Safety Building Project and property tax relief. Funding is provided through collections of local option sales tax. GASB Statement No. 34, Basis Financial Statements and Management's Discussion and Analysis-for State and Local Governments, requires budgetary comparisons to be presented for the general fund and for each major individual special revenue fund for which an annual (or biennial) budget is legally adopted.

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 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 and is presented within the governmental-type activities of the governmental-wide financial statements.

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 to account for self-insured health services, and to facilitate the bulk purchase of commodities such as paper supplies that are universally utilized throughout the organization.

The most significant activity is the health services component which establishes a reimbursement rate for each full time employee which is recorded in the appropriate fund which also pays for the employee's wages. 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 product or company. Reimbursement rates and claims activities are reviewed and re-established each year pursuant to the recommendations provided by our independent insurance broker/plan consultant.

*Fiduciary Fund Types:*

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

1. Private Purpose Trust - Trust funds account for those assets held by the County in a trustee capacity. Trust Funds report transactions using the flow of economic resources measurement focus and accrual basis of accounting.
2. Agency Funds - Agency funds are used to account for assets held solely in a custodial capacity as a result assets = liabilities. Agency funds use the modified accrual basis of accounting. However, since they lack a measurement focus they do not have or report operations.

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

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

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

Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, as we meet both revenue recognition criteria, this triggers the revenue entry and reduces the deferred revenue liability.

The proprietary fund is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of the fund are included on the balance sheet. Fund equity (i.e. net total assets) is

segregated into contributed capital, if applicable, and retained earnings components. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net total assets. The County follows all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, except those that conflict with pronouncements of the Governmental Accounting Standards Board, in accounting and reporting for its enterprise fund operations.

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.

The proprietary fund distinguishes operating revenues and expenses as the revenues and expenses generally resulting from provision of services in connection with the operation of waste disposal. Operating expenses for the enterprise fund include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Property Taxes:*

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

**D. Assets, Liabilities, and Net Assets or Equity**

*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, cash equivalents are generally considered short-term, highly liquid investments 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 fair value at September 30, 2005.

State statutes, Idaho Code Section 67, Chapter 12, authorize the County to invest in obligations of the US Treasury, commercial paper, certificates of deposit, money market funds, mutual funds, and the State Treasurer's Local Government Investment Pool (LGIP). The elected State Treasurer, authorized by Sections 67-2327 and 67-2328, sponsors an external investment pool that Kootenai County voluntarily participates in. The LGIP is a short-term investment fund, and Kootenai County has overnight availability to the County's funds. Also, State Code provides authority as to what constitutes an allowable investment, and County policy is consistent with the State Code.

The Code limits investments to the following 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 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 the Proprietary Fund, are pooled invested by the County Treasurer in certificates of deposit, United States Treasury Securities, and United States Obligations as

mentioned above are secured by the full faith and credit of the United States Government and its Governmental Agencies. The County's policy has been to hold investments until maturity, in an attempt 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. 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.

*D-2. Receivables and payables*

Due from/to other funds consist of receivables and payables for activities between funds of the County. See footnote 17 for interfund activity schedule.

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

*D-3. Capital Assets*

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, construction in progress, and other assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets with an initial, individual cost of more than \$1,000 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.

Capital assets are recorded at historical cost or estimated historical cost, if actual cost is not available. The capital asset values were originally determined as of September 30, 1989 by assigning original acquisition costs when such information was available. In cases where information supporting original cost was not available, estimated historical costs were developed. We have calculated the estimates for some capital assets by indexing estimated current costs back to the estimated year of acquisition.

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

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

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

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

*D-4. Compensated Absences:*

Government Accounting Standards Board codification specifies that a liability should be accrued for leave benefits that meet the following conditions:

1. The employer's obligation relative to employee rights to receive compensation for future absences is attributable to employee services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the obligation is probable.
4. The amount can be reasonably estimated.

The County records a liability for accrued vacation and sick time when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The County uses the vesting method to calculate the compensated absence liability.

In proprietary funds, compensated absences are expensed when earned. The entire amount of compensated absences is reported as a liability.

At September 30, 2005, total compensated absences payable by the County is \$3,418,035. Of this amount, \$3,242,268 arises from governmental activity operations, and \$175,767 is attributable to business activity operations.

*D-5. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Long-term liabilities to be repaid or financed by proprietary fund operations are accounted for in the proprietary fund. (see footnote 7)

*D-6. Prepayments and deferrals:*

The County utilizes the non-allocation method of accounting for prepayments and deferrals. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

*D-7. Capitalization of interest:*

County policy is to capitalize net interest on proprietary fund construction projects until substantial completion of the project. Capitalized interest is amortized over the estimated useful life of the asset on the same basis as the asset.

*D-8. Fund equity:*

The difference between fund assets and fund liabilities is called fund equity. For governmental and fiduciary fund types the equity position is called fund balance, while for proprietary fund types that operate on a business basis it is called retained earnings. Contributed capital is also recorded in proprietary funds which represents cash from other funds. Restrictions of fund equity identify assets that are not available for appropriation in the following year or are legally segregated for specific future uses. See footnote 18-E for the detailed Restricted Fund Equity schedule.

*D-9. 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 fund 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 has been eliminated from the government-wide financial statements.

*D-10. Comparative data/reclassifications:*

Comparative total data for the prior year have been presented for Kootenai County's Enterprise Fund, Solid Waste, and the Internal Service Fund, Health Insurance, in the fund financial statements in order to provide an understanding of the changes in the financial position and operation of these funds. Comparative data for the prior year for the Private Purpose Trust Fund is presented in the supplementary section. Also, amounts in the prior year data have been reclassified for the Enterprise Fund, Internal Service Fund, and Governmental Funds in order to be consistent with the current year's presentation.

**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 assets**

The governmental fund balance includes reconciliations between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including capital leases payable, are not due and payable in the current period and therefore are not reported in the funds." The details of the \$10,152,858 difference are as follows:

**Capital Leases - current balances as of 9/30/05**

Equipment leases	\$	440,677	
Facility leases		<u>6,469,913</u>	
Total Capital leases	\$		6,910,590

**Compensated absences**

3,242,268

Net adjustment to **reduce** *fund balance - total governmental funds*  
to arrive at *net assets - governmental activities*

\$ 10,152,858

Another element of that reconciliation explains the "Internal service funds are used by management to charge the cost of certain activities, such as health insurance costs to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. The details of the \$54,234 difference are as follows.

Net assets of the internal service fund	\$	347,973
Less: Internal payables		<u>(293,739)</u>
Net adjustment to <b>increase</b> <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$	<u>54,234</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. 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 details of this \$1,900,398 difference are as follows:

Capital outlay	\$	5,262,482
Depreciation expense		(3,362,084)
Net adjustment to <b>increase net changes in fund balances - total governmental funds</b> to arrive at <b>changes in net assets of governmental activities</b>	\$	1,900,398

Property taxes in the amount of \$443 collected more than sixty days after the County's fiscal year end; are not considered "available" revenues in the governmental funds.

Capital lease repayments in the amount of \$1,746,859 exceeded proceeds.

Insurance proceeds provide current financial resources to governmental funds. The amount by which insurance proceeds exceed prepayments is \$(13,331)

Another element of the reconciliation states that "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". The details of this \$(114,064) difference are as follows:

Compensated absences	\$	(75,405)
Accrued Interest		(38,659)
Net adjustment to <b>decrease net changes in fund balances - total governmental funds</b> to arrive at <b>changes in net assets of governmental activities</b>	\$	(114,064)

Another element of the reconciliation states the "internal service funds are used by management to charges the cost of certain activities, such as health insurance, to individual funds." The details of this \$452,254 difference is as follows:

Revenues:		
Intergovernmental	\$	98,444
Charges for Services		4,028,780
Total Revenues		4,127,224
Less expenditures:		(3,674,700)
Net adjustment to <b>increase net changes in fund balances - total governmental funds</b> to arrive at <b>changes in net assets of governmental activities</b>	\$	452,524

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 lawful claim presented after that day comes out of the ensuing budget.

All balances in any appropriation for incomplete capital improvements carry forward and integrate into the budget for the ensuing year.

For the year ending September 30, 2005, there was one supplemental appropriation for unanticipated revenue received over the course of the fiscal year totaling \$6,787,892.

**NOTE 3: Deposits and Investments**

**3-A Investments:**

As of September 30, 2005, Kootenai County had the following investments:

Investment Type (amounts are in thousands)	9/30/2005 (Fair Value)	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 5,863	1.02
State of Idaho Local Government Investment Pool	39,806	0.07
Total fair value of investments:	<u>\$ 45,669</u>	
Portfolio weighted average maturity		<b>0.20</b>

The (State of Idaho) Local Government Investment Pool (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 increase higher investment yields. The funds of the pool are invested 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; and is not rated - oversight is with the STO, and Idaho Code defines allowable investments. An annual audit of Joint Powers Investment Pool is conducted by the State Legislative Auditors Office, and the State of Idaho's reported weighted average maturity of investments for the LGIP as of June 30, 2005, was 414 days.

*Interest rate risk.* In accordance with Kootenai County's investment policy, the County Treasurer manages its exposure to declines in fair values by limiting the weighted average maturity of the County's investment portfolio to less than six months. The County's investments are in compliance with this practice. The County assumes that its callable investments will not be called.

*Credit risk.* Kootenai County's policy 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 Local Government Investment Pool is not rated.

*Concentration of credit risk.* Kootenai County's investment policy does not allow for an investment in any one issuer that is in excess of seven percent of the total investment balance. As of September 30, 2005 the following issuers maintain less than 7% of Kootenai County's total portfolio: *Federal Home Loan Bank - 4.7%, Federal Home Loan Mortgage Corp. - 5.6%, Federal National Mortgage Association - 1.1%; and combined Fannie Mae, Federal Farm Credit Bank, and U.S. Treasuries - 1.6%.*

*Custodial credit risk - investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, Kootenai County will not be able to recover the value of its investments or collateral securities which are in the possession of an outside party. All of Kootenai County's investments are insured and registered in the name of Kootenai County and or agents in the County's name.

**3-B. Cash Deposits:**

*Custodial credit risk - deposits.* This is the risk that in event of a financial institution failure, the County's deposits may not be returned. Kootenai County's policy for managing custodial credit risk follows and adheres to the authoritative directions set forth in The State of Idaho's Code, Section 67-2739. These instructions provide guidance from the State Treasurers Office on which financial institutions are qualified as depositories, and the amount of government funds above the total covered by federal insurance that is deposited with those qualified institutions may not exceed the total of that depository's capital and surplus.

Any one of the following circumstances exposes a deposit to custodial credit risk:

1. Deposits are uninsured and uncollateralized.
2. Deposits are uninsured and collateralized with securities held by the pledging financial institution.
3. Deposits are uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but are not held in the County's name.

The County's carrying value for cash deposits was \$10,511,938 as of September 30, 2005, and the bank balance per bank statement was \$56,181,583. Of the bank balance, \$55,940,456 is covered by federal depository insurance or directly collateralized by bank investments or assets. Of the remaining balance, \$241,127 was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

*Custodial credit risk (Discretely Presented Component Unit) - deposits.* The carrying value of deposits for the North Idaho Fair & Rodeo, a discretely presented component unit, was \$279,504 as of December 31, 2004, and the bank balance was \$286,753. Of the bank balance, \$217,007 was covered by federal depository insurance or by collateral held by North Idaho Fair & Rodeo's agent in its name. The remaining balance of \$69,746 was 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 (Discretely Presented Component Unit) - deposits.* The carrying value of deposits for the Kootenai County Emergency Medical Services System (KCEMSS), another discretely presented component unit, was \$1,240,309 as of September 30, 2005, and the bank balance was \$1,386,453. Of the bank balance, \$1,293,388 was covered by federal depository insurance or by collateral held by KCEMSS's agent in its name. The remaining balance of \$93,065 was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the KCEMSS's name.

**NOTE 4: RECEIVABLES**

Receivables as of year end for the county's major, non-major funds, business and internal service fund activities in the aggregate, including applicable allowances for doubtful accounts, are as follows:

	General	Nonmajor Governmental Funds	Solid Waste	Internal Service Fund	Total
Receivables:					
Interest	\$ 9,188	\$ 66	\$ 8,014	\$ -	\$ 17,268
Accounts	1,663,916	39,612	1,398,645	4,495	3,106,668
Taxes	933,330	290,490	165,354	-	1,389,174
Grants Receivable	93,358	315,319	-	-	408,677
Leases Receivable	138,725	-	-	-	138,725
Gross receivables	2,838,517	645,487	1,572,013	4,495	5,060,512
Less: allowance for doubtful accounts	-	-	(57,083)	-	(57,083)
<b>Net total receivables</b>	<b>\$ 2,838,517</b>	<b>\$ 645,487</b>	<b>\$ 1,514,930</b>	<b>\$ 4,495</b>	<b>\$ 5,003,429</b>

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Kootenai County's governmental funds report *deferred revenue* in connection with receivables for revenues that are *not considered to be available* to liquidate liabilities of the current period, and those governmental funds also defer revenue recognition in connection with resources that have been received, *but not yet earned*. At the end of September 30, 2005, the various components of *deferred revenue* and *unearned revenue* reported in Kootenai County's governmental funds were as reported:

	Unavailable	Unearned
Delinquent property taxes receivable (general fund)	\$ 853,130	\$ -
Delinquent property taxes receivable (other governmental funds)	266,322	-
Intergovernmental services not yet performed (general fund)	432,727	-
Weed control services not yet performed (other governmental funds)	6,598	-
District Court services not yet performed (other governmental funds)	33,770	-
Grant draw downs prior to meeting all eligibility requirements	-	183,104
<b>Total deferred and unearned revenue for governmental funds</b>	<b>\$ 1,592,547</b>	<b>\$ 183,104</b>

### NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2005 was as follows:

Governmental Activities	Balance 10/1/04	Additions	Deletions	Balance 9/30/05
Capital assets, not being depreciated:				
Other Assets	\$ 71,503	\$ -	\$ -	\$ 71,503
Land	4,063,214	9,131	-	4,072,345
Construction in progress	3,611,655	3,821,912	(4,348,174)	3,085,393
Total capital assets, not being depreciated	7,746,372	3,831,043	(4,348,174)	7,229,241
Capital assets, being depreciated:				
Buildings	35,408,565	128,967	(69,563)	35,467,969
Improvements other than buildings	13,823,856	4,263,260	-	18,087,116
Machinery and equipment	16,127,320	897,904	(378,097)	16,647,127
Total capital assets, being depreciated	65,359,741	5,290,131	(447,660)	70,202,212
Less accumulated depreciation for:				
Buildings	(10,851,146)	(983,827)	69,563	(11,765,410)
Improvements other than buildings	(6,746,900)	(1,175,506)	-	(7,922,406)
Machinery and equipment	(12,504,356)	(1,202,751)	341,285	(13,365,822)
Total accumulated depreciation	(30,102,402)	(3,362,084)	410,848	(33,053,638)
Total capital assets, being depreciated, net:	35,257,339	1,928,047	(36,812)	37,148,574
Government activity capital assets, net:	\$ 43,003,711	\$ 5,759,090	\$ (4,384,986)	\$ 44,377,815

*continued*

(Capital asset activity for the year ended September 30, 2005 continued)

<b>Business-type Activities</b>	Balance 10/1/04	Additions	Deletions	Balance 9/30/05
Capital assets, not being depreciated:				
Land	\$ 1,275,290	\$ -	\$ -	\$ 1,275,290
Construction in progress	72,368	-	-	72,368
Total capital assets, not being depreciated	1,347,658	-	-	1,347,658
Capital assets, being depreciated:				
Buildings	571,659	-	-	571,659
Improvements other than buildings	19,826,644	608,712	-	20,435,356
Machinery and equipment	6,493,364	532,624	(224,317)	6,801,671
Total capital assets, being depreciated	26,891,667	1,141,336	(224,317)	27,808,686
Less accumulated depreciation for:				
Buildings	(172,791)	(32,720)	-	(205,511)
Improvements other than buildings	(8,425,128)	(1,294,353)	-	(9,719,481)
Machinery and equipment	(4,851,859)	(483,024)	223,589	(5,111,294)
Total accumulated depreciation	(13,449,778)	(1,810,097)	223,589	(15,036,286)
Total capital assets, being depreciated, net:	13,441,889	(668,761)	(728)	12,772,400
<b>Business-type activities capital assets, net:</b>	<b>\$ 14,789,547</b>	<b>\$ (668,761)</b>	<b>\$ (728)</b>	<b>\$ 14,120,058</b>

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

Governmental Activities:

General Government	\$ 795,395
Public Works	1,268,881
Public Safety	1,189,050
Sanitation	6,464
Health and Welfare	3,079
Culture and Recreation	99,215
Capital Project	-

Total governmental activities current year depreciation expense \$ 3,362,084

Business-type activity:

Solid Waste	\$ 1,810,097
-------------	--------------

Total business-type activities current year depreciation expense \$ 1,810,097

The above is a summary of general government and solid waste fixed assets and the related accumulated depreciation as of September 30, 2005.

The Land increase \$9,131 for costs associated with land purchases for Airport Construction Projects completed in 2005.

The Construction in Progress balance \$3,085,393 for fiscal year 2005 includes the following projects.

- Construction costs for the infrastructure improvement project begun in 2004 on the north end of the Airport total \$2,498,109.
- Construction costs for the north end Airport development by the County are \$151,355.
- Construction costs for the on going Airport Improvement Projects (AIP) 24 & 25 thus far are \$315,851 and \$21,666 respectively. Projects include Phase II construction costs for the main runway's parallel taxiway.
- Construction costs associated with Waterway Projects thus far total \$98,412. The costs include on going improvement projects at Hauser docks, Mowry State Park, Bell Bay pier, Harrison docks and breakwater, Loff Bay and Carlin Bay docks and gangways.

Buildings increased by \$128,967: a new Airport Utility Vault for the north end development costing \$84,907 and \$44,060 for improvements to the existing Airport Utility Vault.

Buildings decreased \$69,563: for the demolition of the old Airport Office (fully depreciated).

Improvements Other than Buildings increased \$4,263,260. The costs include the completion of Airport Improvement Projects (AIP) 20, 21, 22 & 23.

- AIP 20 improvements include perimeter security fencing, interior infrastructure including utility improvements and taxiways totaling \$1,348,727.
- AIP 21 improvements include connecting taxiway and taxiway lighting totaling \$347,295.
- AIP 22 and 23 improvements include Phase I of the runway's parallel taxiway, connecting taxiways and runway lighting totaling \$2,511,061
- Additional improvements totaling \$56,177 include parking lot, fencing, and water hydrants.

Additions for Machinery and Equipment of \$897,904 include new tax software and support system, seven sheriff vehicles, and heavy equipment. Disposals for Machinery and Equipment with historical costs of \$378,097 (with a decrease to accumulated depreciation of \$341,285) include eleven vehicles, heavy equipment, and obsolete mail equipment.

The Solid Waste Enterprise Fund capital expenditures during fiscal year 2005 totaling \$1,146,956 include \$5,620 for a tarping system purchased in a prior period. See Note 12:

- Improvements Other than Buildings increased \$608,712 for Fighting Creek Landfill: \$500,237 for the current Phase 4 expansion and improvement project and \$108,475 for the east cell storm water pond project.
- Machinery and Equipment purchases of \$538,244 include a new excavator and tractor crawler at the Landfill, and a new tractor truck at Ramsey Transfer Station.
- Machinery and Equipment disposals totaling \$224,317 (with a decrease to accumulated depreciation of \$223,589) include an excavator and a semi-tractor.

*Discretely presented component units:*

Activity for the Kootenai County Emergency Medical Services System for the year ended September 30, 2005, was as follows:

	Balance 10/1/04	Additions	Deletions	Balance 9/30/05
<b>KCEMSS Component Unit Activity</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 140,623	\$ 34,780	\$ -	\$ 175,403
Vehicles	1,220,201	129,204	(88,344)	1,261,061
Total capital assets, being depreciated	1,360,824	163,984	(88,344)	1,436,464
Less accumulated depreciation for:				
Machinery and equipment	(35,910)	(20,379)	-	(56,289)
Vehicles	(609,813)	(186,596)	83,518	(712,891)
Total accumulated depreciation	(645,723)	(206,975)	83,518	(769,180)
Total capital assets, being depreciated, net	715,101	(42,991)	(4,826)	667,284
KCEMSS activity capital assets, net	\$ 715,101	\$ (42,991)	\$ (4,826)	\$667,284

Activity for the North Idaho Fair and Rodeo for the year ended December 31, 2004 was as follows:

	Balance 12/31/03	Additions	Deletions	Balance 12/31/04
<b>North Idaho Fair Component Unit Activity</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 206,753	\$ 15,829	\$ -	\$ 222,582
Buildings	1,886,504	125,529	-	2,012,033
Total capital assets, being depreciated	2,093,257	141,358	-	2,234,615
Less accumulated depreciation for:				
Machinery and equipment	(132,274)	(9,551)	-	(141,825)
Buildings	(566,083)	(64,501)	-	(630,584)
Total accumulated depreciation	(698,357)	(74,052)	-	(772,409)
Total capital assets, being depreciated, net	1,394,900	67,306	-	1,462,206
North Idaho Fair activity capital assets, net	\$ 1,394,900	\$ 67,306	\$ -	\$ 1,462,206

**NOTE 6: LEASES**

*6-A. Operating Leases:*

Kootenai County is obligated under certain rental agreements to incur operating leases. Operating leases do not give rise to property rights or lease debt obligations, and therefore the results of these agreements are not reflected in the General Long-term Obligations of governmental activities.

The following is a schedule of future minimum rental payments required under operating lease agreements that have initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2005.

Year Ending September 30,	<b>Governmental Activities</b>
2006	\$ 96,797
2007	98,211
2008	99,666
2009	101,165
2010	54,071
2011 - 2015	270,355
<b>Total Minimum Payments Required</b>	<b>\$ 720,264</b>

The total expenditure for operating leases during the fiscal year ending September 30, 2005, totaled \$96,282.

*6-B. Capital Leases:*

Under capital lease arrangements, the County leases equipment and buildings with a historical cost of \$16,333,121 and leases land for \$554,479, a total value of \$16,887,600. Capital equipment leases are arranged through lease financing agreements with Wells Fargo, Sterling Savings, U.S. Bank, Hewlett Packard, and Mountain West Bank. The arrangements provide for an initial down payment with annual payments varying from three to seven years, and fixed interest ranging from 4.39% to 7.77%.

The County has one lease purchase agreement through the Idaho Association of Counties Capital Finance Corporation and U.S. Bank for the lease of the Administration building. The lease includes a bargain purchase option of one dollar at the conclusion of the lease, with title transferring to the County.

Capital lease financing of \$3,590,705 was obtained for the construction of the administrative building to provide space for all service activities of the County. Interest is fixed at 3.60% for the term of the lease, which runs through 2007.

The schedule below is an analysis of assets under capital leases as of September 30, 2005:

	<b>(Historical Cost) Governmental Activities</b>	<b>(Less) Accumulated Depreciation</b>	<b>Net of Depreciation</b>
Asset:			
Land	\$ 554,479	\$ -	\$ 554,479
Buildings and Improvements	14,813,908	(2,099,648)	12,714,260
Machinery, Equipment, and Other	1,519,213	(772,138)	747,075
<b>Total Capital Leases</b>	<b>\$ 16,887,600</b>	<b>\$ (2,871,786)</b>	<b>\$ 14,015,814</b>

The future minimum lease obligations of governmental activities under capital leases as of September 30, 2005, were as follows:

Fiscal Year Ending September 30,	Governmental Activities
2006	\$ 2,107,586
2007	2,034,171
2008	1,529,505
2009	1,526,234
2010	122,261
2011 - 2015	451,498
Total Minimum Lease Payments	7,771,255
Less: Amount Representing Interest	(860,666)
Present Value of Minimum Lease Payments	\$ 6,910,589

**NOTE 7: LONG-TERM OBLIGATIONS**

Long-term obligations of the County include lease installment purchase contracts, loan agreements, and other long-term requirements that are payable from specified revenues. Long-term debt for governmental activities is budgeted and expended from the fund to which the debt belongs. The majority of long-term debt belongs to the general fund, and is paid from that fund when due.

*7-A. Other General Long-Term Requirements:*

As of September 30, 2005, the outstanding balance in other long-term obligations for the Jail Facility Tax Revenue Note is \$4,921,651. The full faith and credit of the County back the debt. The County's Jail Facility Tax Revenue Note totaling \$9,500,000 was issued on August 8, 2000, bearing an annual fixed interest rate of 6.62%.

Other Long-Term requirements on the Jail Facility Tax Revenue Note at September 30, 2005, were as follows:

Fiscal Year Ending Sept. 30	Governmental Activities		
	Principal	Interest	Total
2006	\$ 1,111,378	\$ 292,494	\$ 1,403,872
2007	1,187,224	216,647	1,403,872
2008	1,268,248	135,624	1,403,872
2009	1,354,801	49,074	1,403,875
<b>Total</b>	<b>\$ 4,921,651</b>	<b>\$ 693,839</b>	<b>\$ 5,615,491</b>

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## 7-B. Changes in Long-term Obligations:

During the year ending September 30, 2005, the following changes occurred in the liabilities reported in the general long-term obligations:

	Balance 10/1/2004	Additions	Reductions	Balance 9/30/2005	Amounts Due within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and notes payable:					
Capital leases	\$ 2,695,421	\$ -	\$ 706,483	\$ 1,988,938	\$ 619,822
Jail facility tax revenue note	5,962,028	-	1,040,377	4,921,651	4,921,651
Other Liabilities:	-	-	-	-	-
Compensated Absences	3,166,863	292,371	216,966	3,242,268	75,405
Governmental activities long-term liabilities	\$ 11,824,312	\$ 292,371	\$ 1,963,826	\$ 10,152,857	\$ 5,616,878
<b>BUSINESS-TYPE ACTIVITIES</b>					
Compensated Absences	175,807	3,273	3,313	175,767	17,347
Business-type activities long-term liabilities	\$ 175,807	\$ 3,273	\$ 3,313	\$ 175,767	\$ 17,347

For the governmental activities, the compensated absences liability is generally liquidated by the general fund.

### NOTE 8: NOTES PAYABLE: COMPONENT UNITS

The financial information in this report, for the fiscal year ending September 30, 2005, includes discretely presented financial information from the following component units, North Idaho Fair & Rodeo and Kootenai County Emergency Medical Services System (KCEMSS). There is no outstanding notes payable for the year ending December 31, 2004, for North Idaho Fair & Rodeo. KCEMSS has no outstanding notes payable for the year ending September 30, 2005.

### NOTE 9: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

Federal and state laws and regulations require Kootenai County to place a final cover on its landfill (Fighting Creek) when closed. After closure, the County is further required to perform certain maintenance and monitoring functions at the landfill site for thirty years. The cost recognized in each period is based on the relative amount of waste received during the period. Some of the closure and postclosure care costs will be paid after the landfill is closed. The amount recognized each year is based on the landfill capacity used as of the balance sheet date. As of September 30, 2005, Phase I of the landfill closure was complete. Based upon actual utilization and closure costs of the Fighting Creek Landfill during 2004-2005, a decrease (of \$231,000) in closure and postclosure liability and costs has been recognized for the period ending September 30, 2005.

A total of \$3,707,000 has been recognized for closure and postclosure liability as of the balance sheet date. This figure is based on 54.0% utilization of the landfill's estimated capacity of 2,475,677 tons and the total estimated closure and postclosure costs of \$9,252,277. This amount totals \$4,993,890, less a reduction for actual closure expenses of \$1,286,879 incurred, to arrive at the year end balance. The remainder of the estimated closure and postclosure costs of \$4,258,387 will be recognized, on a pro-rata basis, as the remaining usable landfill space is filled. The Fighting Creek Landfill is expected to close some time in 2012.

Engineering estimates of closure and post-closure costs were updated in June 2005 per a periodic review of prevailing cost conditions (the impact of the change in estimate is a reduction in the current liability of \$231,000 including current year activity). Total estimated usable capacity remains the same at 2,475,677 tons. An aerial survey to be conducted by CH2M Hill, an engineering firm, was originally

scheduled for this fall, but was canceled due to unfavorable weather conditions and will be performed in the spring to determine if the usable landfill estimates should be revised. Total closure and post-closure costs are estimated to be \$9,252,277 in 2005 dollars (this is a reduction of \$1,536,284 in the overall estimated closure and post-closure costs from the previous year). These estimates will be inflated annually based on Consumer Price Index CPI-U rate, size B/C populations.

Funds totaling \$3,707,000 (including interest) have been reserved in the Solid Waste Enterprise Fund to meet funding requirements for closure and postclosure costs. In the short-term, these funds will be invested in the Idaho State Investment Pool, as are many other unobligated funds of the County.

The potential for changes to the landfill closure and postclosure costs may exist due to inflation, deflation, technology, and applicable laws or regulations. It is anticipated that part of any future cost increase will be financed from earnings on the invested reserve. The remaining portion of anticipated future inflation costs and any additional costs arising from changes in postclosure requirements may need to be covered by charges to future landfill users, taxpayers, or both.

#### **NOTE 10: RISK MANAGEMENT**

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

The County employs a risk manager whose duties include drafting and reviewing contracts, monitoring and defending claims, and evaluating the adequacy of insurance coverage. The risk manager informs and educates employees of responsibilities regarding prevention of loss exposure related to their duties.

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

The ICRMP 2005-2006 Kootenai County insurance policy provides coverage up to a limit of \$500,000 for any single claim (brought pursuant to Title 6, Chap. 9 Idaho Code). This is the statutory limit of the Idaho tort claims act. For any other type of liability claim, the policy limit is \$3,000,000. The aggregate amount or total combined amount of all liability claims added up in a single policy year is \$5,000,000. ICRMP pays the first \$500,000 of any liability claim out of its own pool of funds. GENESIS reinsurance pays any amounts above \$500,000.

ICRMP provides property insurance coverage structured so that ICRMP retains the first \$150,000 of damage to any Kootenai County property. Allianz, an A+ + reinsurer and one of the very largest reinsurance companies in the world, provides coverage for the rest of the damage. The limits of the property coverage are tied to Kootenai County's statement of values. If the buildings, vehicles, and other property are listed on the County's statement of values, the County has coverage for the replacement cost of the damaged property.

Flood and/or Earthquake, and Boiler and machinery losses are covered up to \$50,000,000 in the aggregate annually per occurrence.

On September 30, 2005, the County had seventeen outstanding claims. The County risk manager and legal staff maintain the position that the County bears little or no loss liability, based upon the strength of the claims and prior experience. Settlements paid did not exceed the County's reserves set aside for self-insurance. Accordingly, no liability for losses has been reported on the balance sheet, as was the case in the prior year.

#### **NOTE 11: PENSION PLAN**

The Public Employee Retirement System of Idaho (the System) administers The Public Employee Retirement Fund Base Plan (PERSI). A cost sharing multiple-employer public retirement system created by the Idaho State Legislature and the retirement board, appointed by the Governor, manages and establishes funding policies for the System. It is a defined benefit plan requiring that both the member

and the employer contribute. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports are available from PERSI upon request.

After five years of credited service, members become vested in their retirement benefits earned to date. At that time, members receive their full retirement benefit if their years of service plus their age equal 90 (General Plan Members) or 80 (Police Officer/Firefighters Plan). A member does not need to reach the Rule of 80/90 to retire. As long as they have reached minimum retirement age and have at least 60 months of service, they may retire. However a member retiring before reaching the required service retirement age is eligible for a reduced benefit amount dependent upon their relative position to full retirement.

Also for Members eligible for retirement benefits upon attainment of the ages specified for their employment classification, annual service retirement allowances are 2.000% or 2.300% (depending upon employee classification) of their average monthly salary, for the highest consecutive 42 months, times the months of credited service.

The current required employer contribution rate for employees is 10.39% and 10.73% for general employees and police members, respectively. The required employee contribution rate is 6.23% for general employees and 7.65% for police members.

Kootenai County contributions required and paid were \$2,374,998, \$2,145,704, and \$2,093,796 for the three years ending September 30, 2005, 2004, and 2003 respectively.

**NOTE 12: RESTATEMENT OF BEGINNING NET ASSETS**

The Governmental Activities assets and liabilities were restated and assigned to the Internal Service Fund, Health Insurance Fund, net assets. The beginning net assets, Invested in capital assets, net of related debt (deficit), from prior fiscal year ending September 30, 2004 was eliminated from the governmental funds and reassigned to the Internal Service Fund (Governmental-type activity) Proprietary Fund Types for fiscal year ending September 30, 2005. The assignment and conversion results in the following for Net Assets, as restated:

Net Assets, September 30, 2004, as previously reported- (General Fund Type) Governmental Activities:	\$ 47,782,516
Elimination from Governmental Activities and re-assigned thru conversion to the Internal Service Fund	<u>(398,291)</u>
Net Assets, September 30, 2004, as restated - Governmental Activities:	<u>\$ 47,384,225</u>

The County Proprietary Fund's beginning net assets was restated to reflect the prior period adjustment to Solid Waste Enterprise Fund activities net assets for the fiscal year ended September 30, 2005. The adjustment results from the entry of the additional machinery and equipment on the books of the County.

Net Assets, September 30, 2004, as previously reported - Solid Waste Enterprise Fund Activities:	\$ 26,522,757
Machinery and Equipment	<u>5,620</u>
Net Assets, September 30, 2004, as restated - Solid Waste Enterprise Fund Activities:	<u>\$ 26,528,377</u>

**NOTE 13: TRANSFERS TO COMPONENT UNITS**

"Transfers to component units" totaling \$100,000 are reported in the special revenue fund for the year ending September 30, 2005. "Operating transfers from primary government" are also reported in the North Idaho Fair & Rodeo Component Unit information in the accompanying financial statements.

This difference arises because of the differing fiscal years for the two entities. The component unit information is as of December 31, 2004. Accordingly, the operating transfer information for this unit agrees with the information reported by the primary government (Kootenai County) in the previous year's financial statements dated September 30, 2004. The current transfer to component unit

reported by the primary government in these financial statements will be included in the component unit financial statements for the year ending December 31, 2005.

**NOTE 14: CLASSIFICATION OF FUNDS**

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

9-1-1	Liability Insurance
Justice	Court Interlock
Current Expense	Unemployment Insurance
Tourism Promotion	

**NOTE 15: JOINT GOVERNED ORGANIZATIONS**

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

One HARSB member is appointed by the Kootenai County BOCC. The County does not exercise control over the budget or financial operations of the Sewer Board with the exception of its representative's participation. The Sewer Board exercises total authority for the daily operations of the organization whose purpose it is to construct and operate sewer facilities in the Hayden Lake area of Kootenai County. Control exercised by the Board includes budgeting, contracting, and designation of management.

Kootenai County has no financial interest or responsibility in the HARSB. Kootenai County's role on the Sewer Board qualifies the relationship as one of a jointly governed organization. Additionally, there were no related party transactions during the period ending September 30, 2005.

One KCEMSS board member is appointed by the Kootenai County BOCC. The county has elected to report these operations as component unit, see footnote 1(A) for more information.

**NOTE 16: CONTINGENT LIABILITIES**

The County participates in a number of federally assisted grant programs. The audits of these programs have been completed in compliance with single audit requirements. The County appears to be meeting the grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Kootenai County is a defendant in several lawsuits. Although the outcome of the lawsuits is not presently determinable, in the opinion of the County attorney the resolution of these matters will not have a material effect on the financial condition of the County.

**NOTE 17: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund transfers as of September 30, 2005 is as follows:

Due to/from other funds:

<u>Receivable Fund:</u>	<u>Payable Funds:</u>			
General	<u>Governmental Activities</u>			
		Unemployment Insurance	\$ 88,822	
		Liability Insurance	118,846	
		Total Governmental Activities	207,668	
		<u>Other Nonmajor Governmental Activities</u>		
		Airport	241,350	
		Noxious Weed	6,334	
		Indigent Fund Administration	691,763	
		FTA Public Transportation	5,577	
		Construction Fund	<u>261,073</u>	
	Total Other Nonmajor Governmental Activities	<u>1,206,097</u>		
Total		<u>\$ 1,413,765</u>		

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.

Interfund Loans: The amount receivable by the general fund for the interfund loan to the airport fund - \$138,725.

Interfund transfers:

	Transfer In		
	General Fund	Other Governmental Activities	Total
Transfer out	\$ 1,179,313	\$ -	\$ 1,179,313
Resort Sales Tax	475,000	44,116	519,116
Business-type Activities	<b>\$ 1,654,313</b>	<b>\$ 44,116</b>	<b>\$ 1,698,429</b>
<b>Total</b>			

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

During the year the transfer total out of Business-type Activities to General Fund and Other Governmental Activities was \$519,116.

**NOTE 18: FUND EQUITY**

*18-A. Fund Deficits:*

At September 30, 2005, the following individual funds have deficit fund balances that are included in the fund balance of the non-major special revenue funds and capital projects. Capital Projects: \$192,786; Special Revenue Funds: Airport \$241,350, Noxious Weeds \$6,334, Indigent Fund \$691,763. The deficit in the capital projects fund will be resolved through a combination of sales tax revenues and fund balance transfers in fiscal year 2006. Deficits in noxious weeds and indigent funds will be resolved over time by increasing tax revenue over the annual expenditures.

*18-B. Net Assets Restricted Proprietary Fund:*

At September 30, 2005 the following amount of Net Assets Restricted were:

	Proprietary Fund
Reserved for Landfill Closure/Post Closure	\$ 3,707,000

This balance is reserved to meet the legal funding requirements to close the current landfill location as it is filled, and to provide ongoing monitoring and maintenance of the landfill site for thirty years after closure.

*18-C. Net Assets Restricted Component unit:*

At December 31, 2004, the component unit North Idaho Fair and Rodeo had \$132,615 in net assets restricted for improvements associated with the widening of Government Way which borders the Fair property on the west.

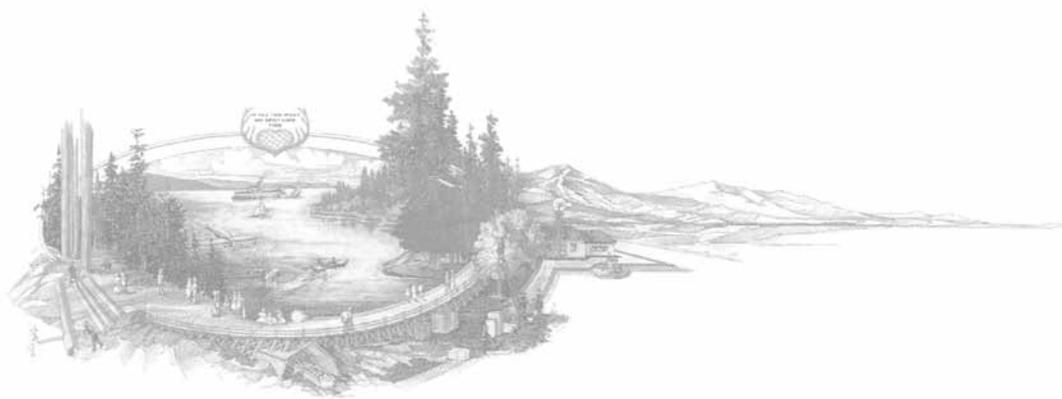
*18-D. Restrictions of Fund Equity:*

Restrictions of fund equity represent amounts that are legally segregated and cannot be appropriated in subsequent years.

*18-E. Restricted Fund Balances:*

At September 30, 2005 the following fund balances were restricted:

Fund Balances Restricted for:	General	Special Revenue	Trust	Total
Juvenile justice services	\$ 240,109	\$ -	\$ -	\$ 240,109
Court interlock	25,968	-	-	25,968
Capital purchases	1,000,000	-	-	1,000,000
Replacement reserve	400,000	-	-	400,000
Property tax relief	-	6,416,773	-	6,416,773
Jail tax repayment	-	5,287,299	-	5,287,299
Sheriff snowmobile	-	37,370	-	37,370
Trusts	-	-	4,044,332	4,044,332
<b>Total restricted fund balances</b>	<b>\$ 1,666,077</b>	<b>\$ 11,741,442</b>	<b>\$ 4,044,332</b>	<b>\$ 17,451,851</b>



## Required Supplementary Information

### Good Neighbors

*"Volunteers and businesses saved so many county dollars. They donated so much food, drink and time." Sandy Von Behren, director Kootenai County Office of Emergency Management.*



*Kootenai County's Juvenile Diversion Director Carolyn Peterson volunteered on the Wolf Lodge investigation*

*continued, page 77*



KOOTENAI COUNTY, IDAHO  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
General Fund  
For the Year Ended September 30, 2005

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
<b><u>Revenues</u></b>				
Taxes	\$ 21,529,015	\$ 21,529,015	\$ 22,090,457	\$ 561,442
Licenses and permits	1,035,700	1,073,576	1,223,925	150,349
Intergovernmental	5,846,924	6,409,555	7,676,353	1,266,798
Interest	450,000	590,000	597,037	7,037
Fines and forfeitures	249,700	249,700	263,081	13,381
Charges for services	4,835,496	6,255,986	6,720,899	464,913
Miscellaneous	140,202	159,056	76,084	(82,972)
<i>Total Revenues</i>	34,087,037	36,266,888	38,647,836	2,380,948
<b><u>Expenditures</u></b>				
Current:				
General government				
Assessor	1,349,718	1,349,718	1,362,718	(13,000)
Building & Grounds	433,199	433,199	455,850	(22,651)
Clerk of the District Court	3,102,333	3,102,333	3,124,858	(22,525)
Cooperative Extension	180,839	180,839	181,420	(581)
County Auto Shop	212,415	212,415	185,379	27,036
County Commissioner	489,649	489,649	513,177	(23,528)
County Grant Writer	54,424	61,189	60,619	570
General Accounts	2,024,645	2,034,645	796,613	1,238,032
Office of Emergency Management	1,157,934	1,204,569	967,747	236,822
Human Resources	200,003	200,003	190,348	9,655
Information Services	1,383,957	1,383,957	1,372,851	11,106
Legal Services	410,232	410,232	402,833	7,399
Liability Insurance	650,000	650,000	507,170	142,830
Planning & Zoning	742,022	742,022	519,036	222,986
Prosecuting Attorney	1,986,086	2,007,225	1,892,303	114,922
Public Defender	1,463,583	1,501,583	1,510,807	(9,224)
Reprographics/Mail Room	277,538	277,538	242,246	35,292
Treasurer	459,035	459,035	369,456	89,579
Veterans Services	86,856	86,856	80,772	6,084

*(continued)*

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

Kootenai County Comprehensive Annual Financial Report - FY 2005

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
<b>Public safety</b>				
9-1-1	2,199,113	2,199,113	1,862,325	336,788
Adult Misdemeanor Probation	321,203	321,203	327,305	(6,102)
Building Inspection	540,262	540,262	696,517	(156,255)
Coroner	199,612	199,612	206,488	(6,876)
Court Interlock	15,000	15,000	16,272	(1,272)
Groene Investigation	-	230,000	223,658	6,342
Justice - General Accounts	467,189	217,189	294,628	(77,439)
Juvenile Detention Center	1,839,768	1,839,768	1,868,106	(28,338)
Juvenile Diversion	247,202	247,202	245,305	1,897
Juvenile Probation	1,123,192	1,223,071	1,106,041	117,030
Sheriff	11,736,502	12,099,378	12,010,424	88,954
<b>Health &amp; welfare</b>				
County Assistance	75,000	75,000	101,603	(26,603)
<b>Culture and recreation</b>				
Tourism Promotion	5,000	5,000	7,391	(2,391)
<b>Debit service:</b>				
Principal retirement	761,741	761,741	706,483	55,258
Interest expense	-	-	109,622	(109,622)
<b>Capital outlay:</b>				
Capital expenditures	839,594	2,468,151	754,581	1,713,570
<b>Total Expenditures</b>	<b>37,034,846</b>	<b>39,228,697</b>	<b>35,272,952</b>	<b>3,955,745</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,947,809)</b>	<b>(2,961,809)</b>	<b>3,374,884</b>	<b>6,336,693</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds insurance	-	14,000	13,331	(669)
Planned Fund Balance Utilization	2,458,956	2,458,956	-	-
Transfers In	3,706,221	3,706,221	4,885,534	1,179,313
Transfers (out)	(3,231,221)	(3,231,221)	(3,231,221)	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,933,956</b>	<b>2,947,956</b>	<b>1,667,644</b>	<b>1,178,644</b>
<b>Revenues and Other Financing Sources Over (Under)</b>			<b>5,042,528</b>	
<b>Reconciling Items</b>				
Changes Affected by Accrued Expenditures			(34,280)	
<b>Fund Balances Beginning of Year</b>			<b>10,490,869</b>	
<b>Fund Balances End of Year</b>			<b>\$ 15,499,117</b>	

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

KOOTENAI COUNTY, IDAHO  
 Statement of Expenditure Compliance at the Legal Level of Budgetary Control  
 Budget and Actual  
 By Elected Official  
 For the Year Ended September 30, 2005

	Budgeted Amounts		Variance with Final Budget Over (Under)
	Final	Actual Amounts (Budgetary Basis)	
Board of County Commissioners	\$ 30,395,407	\$ 27,975,795	\$ 2,419,612
County Clerk	\$ 5,298,039	\$ 5,241,707	\$ 56,332
Administrative District Judge	\$ 1,098,709	\$ 1,030,852	\$ 67,857
Treasurer	\$ 673,599	\$ 548,900	\$ 124,699
County Assessor	\$ 3,156,352	\$ 3,125,242	\$ 31,110
Coroner	\$ 209,612	\$ 206,488	\$ 3,124
County Sheriff	\$ 12,507,052	\$ 12,430,780	\$ 76,272
Prosecuting Attorney	\$ 2,007,225	\$ 1,892,528	\$ 114,697

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

KOOTENAI COUNTY, IDAHO  
Required Supplementary Information  
Note to Required Supplementary Information - Basis of Budgetary Reporting;  
Stewardship, Compliance, and Accountability  
For the Fiscal Year Ended September 30, 2005

***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, but lapse at the close of the year. The Budget and Actual Schedules are prepared on the budgetary basis and include this variation from Generally Accepted Accounting Principals (GAAP). The reconciliation at the end of the budget and actual statements discloses the difference between the budget basis and GAAP.

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

All balances in any appropriation for incomplete capital improvements carry forward and integrate into the budget for the ensuing year.

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

The County budgets its 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 pertinent fund level budgets. All budgets are adopted on a non-GAAP basis as described above. The following is a summary of the budgetary process for the County:

Prior to the third Monday in May, 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 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 can not 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 unscheduled 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, agency funds, and the resort sales tax fund, and does so.

Kootenai County employs formal budgetary accounting as a management control. The Board of County Commissioners adopts the annual budget via resolution and formally integrates the budget into the accounting system. The annual budget is prepared and adopted on a modified accrual basis that departs from generally accepted accounting principles. Budgets for governmental funds are prepared in accordance with the modified accrual basis, which is the same accounting basis used to reflect actual revenues and expenditures. The level of budgetary control at which expenditures may not exceed appropriations is the elected official department level.

For the year ending September 30, 2005, there was one supplemental appropriation for unanticipated revenues received over the course of the fiscal year totaling \$6,787,892. These adjustments primarily reflect grant funds received and approved during the fiscal year, and the adjustments have no impact on anticipated property tax revenues.

KOOTENAI COUNTY, IDAHO  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 Kootenai County, Resort Sales Tax Major Fund  
 For the Year Ended September 30, 2005

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$ 3,400,000	\$ 3,400,000	\$ 10,118,966	\$ 6,718,966
Interest	-	-	138,907	138,907
<i>Total Revenues</i>	3,400,000	3,400,000	10,257,873	6,857,873
<b>Expenditures</b>				
Current:				
Public safety	214,564	214,564	179,444	35,120
Debt Service:				
Principal retirement	3,185,436	2,800,240	1,040,376	1,759,864
Interest expense	-	385,196	363,496	21,700
<i>Total Expenditures</i>	3,400,000	3,400,000	1,583,316	1,816,684
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	8,674,557	8,674,557
Other Financing Sources (Uses)				
Transfers (out)	-	-	(1,179,313)	(1,179,313)
<i>Total Other Financing Sources (Uses)</i>	-	-	(1,179,313)	(1,179,313)
<i>Net Change in Fund Balances</i>	-	-	7,495,244	7,495,244
Fund Balances Beginning of Year	4,208,830	4,208,830	4,208,830	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 4,208,830</b>	<b>\$ 4,208,830</b>	<b>\$ 11,704,074</b>	<b>\$ 7,495,244</b>

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



## Supplementary Information

### Good Neighbors *continued*

Kootenai County residents always come through. So many people have volunteered at major floods and fires in the past that the outpouring overwhelms the Office of Emergency Management.



"We're really fortunate here," Von Behren says.

The Wolf Lodge case was no different. Hundreds of volunteers offered their time, experience and expertise to help find the two children missing and the person or people responsible for Kootenai County's ugliest crime.

The North Idaho Citizen Corps, an organized group of citizen volunteers, worked wherever the OEM pointed them. They logged nearly 3,000 hours. The U.S. Coast Guard Auxiliary searched the eastern end of Lake Coeur d'Alene. The volunteer Kootenai County Search and Rescue and Mounted Posse combed the terrain around the children's home for days while a dive team searched every pond, marsh and creek in the area.

Twenty-seven county workers from 11 departments filled in wherever OEM needed them. County employees volunteer to train for emergency work and their managers agree to their availability when an emergency occurs.

Retired police officer in OWLS-Officers Without Legal Status-handled the phone lines during the investigation.

"They knew the right questions to ask when a tipster would call," says Sheriff's Capt. Ben Wolfinger. "They saved us. We didn't have to put staff in there."

The call center received 2,300 phone tips, including several dozen from psychics. No tip was ignored.

Because the case was crime, everyone working on it had to sign confidentiality promises. No one refused. They had come to help.

*continued, page 81*

**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.

**Airport Fund** - to account for the operation of the county airport. Funding is provided through property taxes, rents, and fees.

**County Fair** - to account for the funding of the component unit. Funding is provided through property taxes.

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

**Health District** - to account for the funding of the county's obligation to the Health District. Funding is provided through property taxes.

**Historical Society** - to account for the funding of the county's obligation to the Local Historical Society. Funding is provided through property taxes.

**Park & Recreation** - to account for the operation of the county's Park & Recreation Department. Funding is provided through property taxes, grants and fees.

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

**County Vessel** - to account for the operation, patrol and improvements of county waterways. Funding is provided through licenses, fees, and grants.

**Public Access Contribution** - to account for resources provided by the Hagadone Corporation for mitigation of loss of public waterfront access due to the construction of a floating green for their golf course. Funding is provided through an agreement based upon green fees

**Indigent Fund** - to account for the operation of county assistance. Funding is provided through property taxes.

**FTA Public Transportation Fund** - to account for the operation of the county's Public Transportation System. Funding is provided through collection of fees and grants.

**District Court** - to account for the operation of county court system. Funding is provided through property taxes, charges for services, fines & forfeitures.

**Revaluation** - to account for the operation of re-assessing county property. Funding is provided through property taxes.

**Kootenai County Emergency Management** - to account for the provision of paramedic and ambulance district support for the residents of Kootenai County. Funding is provided through property taxes and fees.

**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 arises from financing of general long-term debt and receipts of various capital grants from Federal, State, and other governmental agencies.

**Centennial Trail Fund** - This fund is used to account for maintenance, improvements, and capital expansion of the Idaho Centennial Trail. Funding is primarily provided by various Federal, State, and Local grants and Public donations.

# Combining Financial Statements

## Life Goes On

### Food for Thought

Searching for murderers and kidnapers was more emotionally draining than anyone deserves. One volunteer decided he'd raise spirits with good food. First, he found supermarkets willing to donate ribs to the crews working round the clock to find the missing children and guard the crime scene. With the promise of ribs in his pocket, he dropped in on Coeur d'Alene City Councilman Woody McEvers, owner of Rustler's Roost, and asked if he'd cook the ribs. Of course, McEvers said yes. The feast that followed reminded workers mired in the tragedy to smile at the good people around them.



*Workers on the Wolf Lodge investigation put in long hours but ate well.*

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KOOTENAI COUNTY, IDAHO  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 2,691,038	\$ 757,998	\$ 3,449,036
Taxes delinquent-receivable	290,489	-	290,489
Accounts receivable, (net)	39,612	-	39,612
Interest receivable	66	-	66
Grants receivable	53,252	262,067	315,319
Prepays	4,613	-	4,613
<b><i>Total Assets</i></b>	<b>\$ 3,079,070</b>	<b>\$ 1,020,065</b>	<b>\$ 4,099,135</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 270,358	\$ 812,625	\$ 1,082,983
Accrued payroll	141,678	-	141,678
Deferred revenues	41,068	139,153	180,221
Deferred property taxes	266,322	-	266,322
Leases payable-long term	138,725	-	138,725
Due to other funds	945,024	261,073	1,206,097
<b><i>Total Liabilities</i></b>	<b>1,803,175</b>	<b>1,212,851</b>	<b>3,016,026</b>
<b>Fund Balances:</b>			
Reserved for:			
Sheriff Snowmobile	37,370	-	37,370
Unreserved & Undesignated:			
Special Revenue Funds	1,238,525	-	1,238,525
Capital Projects Funds	-	(192,786)	(192,786)
<b><i>Total Fund Balances (deficit)</i></b>	<b>1,275,895</b>	<b>(192,786)</b>	<b>\$1,083,109</b>
<b><i>Total Liabilities and Fund Balances</i></b>	<b>\$ 3,079,070</b>	<b>\$ 1,020,065</b>	<b>\$4,099,135</b>

See accompanying Independent Auditor's Report

KOOTENAI COUNTY, IDAHO  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
September 30, 2005

	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue	Health District Special Revenue	Historical Society Special Revenue
<b>Assets</b>					
Cash and cash equivalents	\$ 237,494	\$ 144,981	\$ 25,948	\$ 69,296	\$ 7,836
Taxes delinquent-receivable	25,666	5,189	10,900	25,215	691
Accounts receivable, (net)	9,282	-	-	-	-
Interest receivable	-	-	-	-	-
Grants receivable	-	-	-	-	1,813
Prepays	-	-	700	-	-
<b>Total Assets</b>	<b>\$ 272,442</b>	<b>\$ 150,170</b>	<b>\$ 37,548</b>	<b>\$ 94,511</b>	<b>\$ 10,340</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	95,588	-	16,135	-	-
Accrued payroll	14,439	-	4,152	-	-
Deferred revenues	-	-	7,298	-	-
Deferred property taxes	23,690	4,790	9,963	23,123	631
Leases payable-long term	138,725	-	-	-	-
Due to other funds	241,350	-	6,334	-	-
<b>Total Liabilities</b>	<b>513,792</b>	<b>4,790</b>	<b>43,882</b>	<b>23,123</b>	<b>631</b>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Sheriff Snowmobile	-	-	-	-	-
<b>Unreserved &amp; Undesignated:</b>					
Special Revenue Funds	(241,350)	145,380	(6,334)	71,388	9,709
<b>Total Fund Balances (deficit)</b>	<b>(241,350)</b>	<b>145,380</b>	<b>(6,334)</b>	<b>71,388</b>	<b>9,709</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 272,442</b>	<b>\$ 150,170</b>	<b>\$ 37,548</b>	<b>\$ 94,511</b>	<b>\$ 10,340</b>

See accompanying Independent Auditor's Report

*continued*

KOOTENAI COUNTY, IDAHO  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 September 30, 2005

	Parks & Rec Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue	Public Access Special Revenue	Indigent Special Revenue
<b>Assets</b>					
Cash and cash equivalents	\$ 155,277	\$ 228,717	\$ 38,441	\$ 120,698	\$ 20,938
Taxes delinquent-receivable	6,503	-	-	-	60,108
Accounts receivable, (net)	-	-	-	-	-
Interest receivable	-	-	-	66	-
Grants receivable	-	15,894	12,627	-	-
Prepays	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 161,780</b>	<b>\$ 244,611</b>	<b>\$ 51,068</b>	<b>\$ 120,764</b>	<b>\$ 81,046</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 4,370	\$ 17	\$ 17,417	\$ -	\$ 16,396
Accrued payroll	3,421	12,974	-	-	9,381
Deferred revenues	-	-	-	-	-
Deferred property taxes	5,919	-	-	-	55,269
Leases payable-long term	-	-	-	-	-
Due to other funds	-	-	-	-	691,763
<b>Total Liabilities</b>	<b>13,710</b>	<b>17</b>	<b>30,391</b>	<b>-</b>	<b>772,809</b>
<b>Fund Balances:</b>					
Reserved for:					
Sheriff Snowmobile	-	37,370	-	-	-
Unreserved & Undesignated:					
Special Revenue Funds	148,070	207,224	20,677	120,764	(691,763)
<b>Total Fund Balances (deficit)</b>	<b>148,070</b>	<b>244,594</b>	<b>20,677</b>	<b>120,764</b>	<b>(691,763)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 161,780</b>	<b>\$ 244,611</b>	<b>\$ 51,068</b>	<b>\$ 120,764</b>	<b>\$ 81,046</b>

See accompanying Independent Auditor's Report

*continued*

Kootenai County Comprehensive Annual Financial Report - FY 2005

KOOTENAI COUNTY, IDAHO  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 September 30, 2005

	FTA Public Trans Special Revenue	District Court Special Revenue	Revaluation Special Revenue	Kootenai Emergency Management Special Revenue	Nonmajor Special Revenue Funds
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 447,425	\$ 441,589	\$ 752,398	\$ 2,691,038
Taxes delinquent-receivable	-	8,206	75,658	72,353	290,489
Accounts receivable, (net)	15,417	-	-	14,913	39,612
Interest receivable	-	-	-	-	66
Grants receivable	22,918	-	-	-	53,252
Prepays	-	1,380	2,533	-	4,613
<b>Total Assets</b>	<b>\$ 38,335</b>	<b>\$ 457,011</b>	<b>\$ 519,780</b>	<b>\$ 839,664</b>	<b>\$ 3,079,070</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	32,758	61,518	26,159	-	270,358
Accrued payroll	-	29,627	67,684	-	141,678
Deferred revenues	-	33,770	-	-	41,068
Deferred property taxes	-	7,381	68,848	66,708	266,322
Leases payable-long term	-	-	-	-	138,725
Due to other funds	5,577	-	-	-	945,024
<b>Total Liabilities</b>	<b>38,335</b>	<b>132,296</b>	<b>162,691</b>	<b>66,708</b>	<b>1,803,175</b>
<b>Fund Balances:</b>					
Reserved for other purposes					
Sheriff Snowmobile	-	-	-	-	37,370
Unreserved & Undesignated:					
Special Revenue Funds	-	324,715	357,089	772,956	1,238,525
<b>Total Fund Balances (deficit)</b>	<b>-</b>	<b>324,715</b>	<b>357,089</b>	<b>772,956</b>	<b>1,275,895</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 38,335</b>	<b>\$ 457,011</b>	<b>\$ 519,780</b>	<b>\$ 839,664</b>	<b>\$ 3,079,070</b>

See accompanying Independent Auditor's Report

KOOTENAI COUNTY, IDAHO  
 Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 September 30, 2005

	General Construction Capital Projects	Centennial Trail Capital Projects	Total Nonmajor Capital Project Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 689,712	\$ 68,286	\$ 757,998
Grants receivable	262,067	-	262,067
<b><i>Total Assets</i></b>	<b>\$ 951,779</b>	<b>\$ 68,286</b>	<b>\$ 1,020,065</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	812,625	-	812,625
Deferred revenues	139,153	-	139,153
Due to other funds	261,073	-	261,073
<b><i>Total Liabilities</i></b>	<b>1,212,851</b>	<b>-</b>	<b>1,212,851</b>
<b>Fund Balances:</b>			
Unreserved & Undesignated:			
Capital Projects Funds	(261,072)	68,286	(192,786)
<b><i>Total Fund Balances (deficit)</i></b>	<b>(261,072)</b>	<b>68,286</b>	<b>(192,786)</b>
<b><i>Total Liabilities and Fund Balances</i></b>	<b>\$ 951,779</b>	<b>\$ 68,286</b>	<b>\$ 1,020,065</b>

See accompanying Independent Auditor's Report

KOOTENAI COUNTY, IDAHO  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes	\$ 6,449,556	\$ -	\$ 6,449,556
Licenses and permits	188,911	-	188,911
Intergovernmental	799,049	4,217,991	5,017,040
Interest	20,184	-	20,184
Fines and forfeitures	736,390	-	736,390
Charges for services	391,316	-	391,316
Miscellaneous	750,755	138,542	889,297
<i>Total Revenues</i>	<u>9,336,161</u>	<u>4,356,533</u>	<u>13,692,694</u>
<b>Expenditures</b>			
Current:			
General government	4,590,401	7,398	4,597,799
Public works	612,294	-	612,294
Sanitation	283,367	-	283,367
Health & welfare	2,611,312	-	2,611,312
Culture and recreation	785,081	126	785,207
Capital projects	-	73,387	73,387
Debt service:			
Interest expense	6,710	-	6,710
Capital Outlay:			
Capital expenditures	152,664	18,500	171,164
Construction in progress	94,615	4,242,122	4,336,737
<i>Total Expenditures</i>	<u>9,136,444</u>	<u>4,341,533</u>	<u>13,477,977</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>199,717</u>	<u>15,000</u>	<u>214,717</u>
<b>Other Financing Sources (Transfers out)</b>			
Transfers In	44,116	-	44,116
<i>Total Other Financing Sources</i>	<u>44,116</u>	<u>-</u>	<u>44,116</u>
<i>Net Change in Fund Balances</i>	243,833	15,000	258,833
<i>Fund Balances Beginning of Year (deficit)</i>	1,032,062	(207,786)	824,276
<b><i>Fund Balances End of Year (deficit)</i></b>	<b><u>\$ 1,275,895</u></b>	<b><u>\$ (192,786)</u></b>	<b><u>\$ 1,083,109</u></b>

See accompanying Independent Auditor's Report

KOOTENAI COUNTY, IDAHO  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-major Special Revenue Funds  
For the Year Ended September 30, 2005

	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue	Health District Special Revenue	Historical Society Special Revenue
<b>Revenues</b>					
Taxes	\$ 548,544	\$ 104,543	\$ 260,654	\$ 574,769	\$ 16,313
Licenses and permits	-	-	14	-	-
Intergovernmental	-	-	45,705	-	3,500
Interest	-	-	-	-	-
Fines and forfeitures	50	-	-	-	-
Charges for services	60,629	22	946	98	3
Miscellaneous	158,284	12	9,376	-	-
<i>Total Revenues</i>	767,507	104,577	316,695	574,867	19,816
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public works	612,294	-	-	-	-
Sanitation	-	-	283,367	-	-
Health & welfare	-	-	-	596,065	-
Culture and recreation	-	100,000	-	-	22,000
Debt service:					
Interest expense	6,710	-	-	-	-
Capital Outlay:					
Capital expenditures	43,934	-	6,150	-	-
Construction in progress	94,615	-	-	-	-
<i>Total Expenditures</i>	757,553	100,000	289,517	596,065	22,000
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	9,954	4,577	27,178	(21,198)	(2,184)
<b>Other Financing Sources</b>					
Transfers in	-	-	-	44,116	-
<i>Total Other Financing Sources</i>	-	-	-	44,116	-
<i>Net Change in Fund Balances</i>	9,954	4,577	27,178	22,918	(2,184)
<i>Fund Balances Beginning of Year (deficit)</i>	(251,304)	140,803	(33,512)	48,470	11,893
<b><i>Fund Balances End of Year (deficit)</i></b>	<b>\$ (241,350)</b>	<b>\$ 145,380</b>	<b>\$ (6,334)</b>	<b>\$ 71,388</b>	<b>\$ 9,709</b>

See accompanying Independent Auditor's Report

*continued*

Kootenai County Comprehensive Annual Financial Report - FY 2005

KOOTENAI COUNTY, IDAHO  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non-major Special Revenue Funds  
 For the Year Ended September 30, 2005

	Parks & Rec. Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue	Public Access Special Revenue	Indigent Special Revenue
<b>Revenues</b>					
Taxes	\$ 167,444	\$ -	\$ -	\$ -	\$ 1,304,329
Licenses and permits	200	141,542	492	-	-
Intergovernmental	3,906	15,894	428,669	7,099	-
Interest	-	-	-	5,154	-
Fines and forfeitures	-	-	-	-	-
Charges for services	23	-	-	-	241
Miscellaneous	81	-	5,066	-	575,666
<i>Total Revenues</i>	171,654	157,436	434,227	12,253	1,880,236
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Sanitation	-	-	-	-	-
Health & welfare	-	-	-	-	2,015,247
Culture and recreation	141,319	58,588	452,677	10,497	-
Debt service:	-	-	-	-	-
Interest expense	-	-	-	-	-
Capital Outlay:					
Capital expenditures	9,373	16,228	9,344	-	-
Construction in progress	-	-	-	-	-
<i>Total Expenditures</i>	150,692	74,816	462,021	10,497	2,015,247
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	20,962	82,620	(27,794)	1,756	(135,011)
<b>Other Financing Sources</b>					
Transfers in	-	-	-	-	-
<i>Total Other Financing Sources</i>	-	-	-	-	-
<i>Net Change in Fund Balances</i>	20,962	82,620	(27,794)	1,756	(135,011)
<i>Fund Balances Beginning of Year (deficit)</i>	127,108	161,974	48,471	119,008	(556,752)
<b><i>Fund Balances End of Year (deficit)</i></b>	<b>\$ 148,070</b>	<b>\$ 244,594</b>	<b>\$ 20,677</b>	<b>\$ 120,764</b>	<b>\$ (691,763)</b>

See accompanying Independent Auditor's Report

*continued*

KOOTENAI COUNTY, IDAHO  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non-major Special Revenue Funds  
 For the Year Ended September 30, 2005

	FTA Public Trans Special Revenue	District Court Special Revenue	Revaluation Special Revenue	Kootenai Emergency Management Special Revenue	Total Non-major Special Revenue Funds
<b>Revenues</b>					
Taxes	\$ -	\$ 246,178	\$ 1,898,822	\$ 1,327,960	\$ 6,449,556
Licenses and permits	-	-	-	46,663	188,911
Intergovernmental	243,447	5,396	-	45,433	799,049
Interest	-	-	-	15,030	20,184
Fines and forfeitures	-	736,340	-	-	736,390
Charges for services	210,561	116,087	2,271	435	391,316
Miscellaneous	-	2,270	-	-	750,755
<i>Total Revenues</i>	454,008	1,106,271	1,901,093	1,435,521	9,336,161
<b>Expenditures</b>					
Current:					
General government	454,008	1,014,580	1,761,067	1,360,746	4,590,401
Public works	-	-	-	-	612,294
Sanitation	-	-	-	-	283,367
Health & welfare	-	-	-	-	2,611,312
Culture and recreation	-	-	-	-	785,081
Debt service:					
Interest expense	-	-	-	-	6,710
Capital Outlay:					
Capital expenditures	-	45,105	22,530	-	152,664
Construction in progress	-	-	-	-	94,615
<i>Total Expenditures</i>	454,008	1,059,685	1,783,597	1,360,746	9,136,444
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	46,586	117,496	74,775	199,717
<b>Other Financing Sources</b>					
Transfers in	-	-	-	-	44,116
<i>Total Other Financing Sources</i>	-	-	-	-	44,116
<i>Net Change in Fund Balances</i>	-	46,586	117,496	74,775	243,833
<i>Fund Balances Beginning of Year (deficit)</i>	-	278,129	239,593	698,181	1,032,062
<b><i>Fund Balances End of Year (deficit)</i></b>	<b>\$ -</b>	<b>\$ 324,715</b>	<b>\$ 357,089</b>	<b>\$ 772,956</b>	<b>\$ 1,275,895</b>

See accompanying Independent Auditor's Report

*continued*

KOOTENAI COUNTY, IDAHO  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Year Ended September 30, 2005

	General Construction Capital Projects	Centennial Trail Capital Projects	Total Nonmajor Capital Projects Funds
<b>Revenues</b>			
Intergovernmental	\$ 4,217,991	\$ -	\$ 4,217,991
Miscellaneous	123,542	15,000	138,542
<i>Total Revenues</i>	4,341,533	15,000	4,356,533
<b>Expenditures</b>			
Current:			
General government	7,398	-	7,398
Culture and recreation	126	-	126
Capital projects	73,387	-	73,387
Capital Outlay:			
Capital expenditures	18,500	-	18,500
Construction in progress	4,242,122	-	4,242,122
<i>Total Expenditures</i>	4,341,533	-	4,341,533
<i>Excess (Deficiency) of Revenues</i>			
<i>Over (Under) Expenditures</i>	-	15,000	15,000
<i>Net Change in Fund Balances</i>	-	15,000	15,000
<i>Fund Balances Beginning of Year (deficit)</i>	(261,072)	53,286	(207,786)
<b><i>Fund Balances End of Year (deficit)</i></b>	<b>\$ (261,072)</b>	<b>\$ 68,286</b>	<b>\$ (192,786)</b>

See accompanying Independent Auditor's Report

KOOTENAI COUNTY, IDAHO  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Airport and County Fair Special Revenue Funds  
For the Year Ended September 30, 2005

	Airport Special Revenue Fund			County Fair Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 536,638	\$ 548,544	\$ 11,906	\$ 100,000	\$ 104,543	\$ 4,543
Fines and forfeitures	-	50	50	-	-	-
Charges for services	60,500	60,629	129	-	22	22
Miscellaneous	120,000	158,284	38,284	-	12	12
<i>Total Revenues</i>	717,138	767,507	50,369	100,000	104,577	4,577
<b>Expenditures</b>						
Current:						
Public works	627,138	612,294	14,844	-	-	-
Culture and recreation	-	-	-	100,000	100,000	-
Debt Service:						
Interest expense	-	6,710	(6,710)	-	-	-
Capital outlay:						
Capital expenditures	70,000	43,934	26,066	-	-	-
Construction in progress	20,000	94,615	(74,615)	-	-	-
<i>Total Expenditures</i>	717,138	757,553	(40,415)	100,000	100,000	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	9,954	9,954	-	4,577	4,577
<i>Net Change in Fund Balances</i>	-	9,954	9,954	-	4,577	4,577
<i>Fund Balances Beginning of Year (deficit)</i>	(251,304)	(251,304)	-	140,803	140,803	-
<b><i>Fund Balances End of Year (deficit)</i></b>	<b>\$ (251,304)</b>	<b>\$ (241,350)</b>	<b>\$ 9,954</b>	<b>\$ 140,803</b>	<b>\$ 145,380</b>	<b>\$ 4,577</b>

See accompanying Independent Auditor's Report

KOOTENAI COUNTY, IDAHO  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 Noxious Weeds and Health District Special Revenue Funds  
 For the Year Ended September 30, 2005

	Noxious Weeds Special Revenue Fund			Health District Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 252,863	\$ 260,654	\$ 7,791	\$ 551,949	\$ 574,769	\$ 22,820
Licenses and permits	-	14	14	-	-	-
Intergovernmental	41,258	45,705	4,447	-	-	-
Charges for services	1,000	946	(54)	-	98	98
Miscellaneous	10,000	9,376	(624)	-	-	-
<i>Total Revenues</i>	305,121	316,695	11,574	551,949	574,867	22,918
<b>Expenditures</b>						
Current:						
Sanitation	298,613	283,367	15,246	-	-	-
Health & welfare	-	-	-	596,065	596,065	-
Capital outlay:						
Capital expenditures	6,508	6,150	358	-	-	-
<i>Total Expenditures</i>	305,121	289,517	15,604	596,065	596,065	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	27,178	27,178	(44,116)	(21,198)	22,918
<b>Other Financing Sources</b>						
Transfers In	-	-	-	44,116	44,116	-
<i>Total Other Financing Sources</i>	-	-	-	44,116	44,116	-
<i>Net Change in Fund Balances</i>	-	27,178	27,178	-	22,918	22,918
<i>Fund Balances Beginning of Year (deficit)</i>	(33,512)	(33,512)	-	48,470	48,470	-
<b><i>Fund Balances End of Year (deficit)</i></b>	<b>\$ (33,512)</b>	<b>\$ (6,334)</b>	<b>\$ 27,178</b>	<b>\$ 48,470</b>	<b>\$ 71,388</b>	<b>\$ 22,918</b>

See accompanying Independent Auditor's Report

**KOOTENAI COUNTY, IDAHO**  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 Historical Society and Parks & Recreation Special Revenue Funds  
 For the Year Ended September 30, 2005

	Historical Society Special Revenue Fund			Parks & Recreation Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 15,000	\$ 16,313	\$ 1,313	\$ 162,127	\$ 167,444	\$ 5,317
Licenses and permits	-	-	-	500	200	(300)
Intergovernmental	-	3,500	3,500	-	3,906	3,906
Charges for services	-	3	3	-	23	23
Miscellaneous	-	-	-	10,000	81	(9,919)
Total Revenues	15,000	19,816	4,816	172,627	171,654	(973)
<b>Expenditures</b>						
Current:						
Culture and recreation	15,000	22,000	(7,000)	172,627	141,319	31,308
Capital outlay:						
Capital expenditures	-	-	-	-	9,373	(9,373)
Total Expenditures	15,000	22,000	(7,000)	172,627	150,692	21,935
<i>Excess (Deficiency) of Revenues</i>						
<i>Over (Under) Expenditures</i>	-	(2,184)	(2,184)	-	20,962	20,962
<i>Net Change in Fund Balances</i>	-	(2,184)	(2,184)	-	20,962	20,962
<i>Fund Balances Beginning of Year</i>	11,893	11,893	-	127,108	127,108	-
<b>Fund Balances</b>						
<b>End of Year</b>	<b>\$ 11,893</b>	<b>\$ 9,709</b>	<b>\$ (2,184)</b>	<b>\$ 127,108</b>	<b>\$ 148,070</b>	<b>\$ 20,962</b>

See accompanying Independent Auditor's Report

KOOTENAI COUNTY, IDAHO  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 Snowmobile and County Vessel Special Revenue Funds  
 For the Year Ended September 30, 2005

	Snowmobile Special Revenue Fund			County Vessel Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Licenses and permits	\$ 98,391	\$ 141,542	\$ 43,151	\$ 500	\$ 492	\$ (8)
Intergovernmental	15,890	15,894	4	440,515	428,669	(11,846)
Miscellaneous	11,478	-	(11,478)	(39,992)	5,066	45,058
<i>Total Revenues</i>	125,759	157,436	31,677	401,023	4 34,227	33,204
<b>Expenditures</b>						
Current:						
Culture and recreation	88,969	58,588	30,381	383,473	452,677	(69,204)
Capital outlay:						
Capital expenditures	36,790	16,228	20,562	17,550	9,344	8,206
<i>Total Expenditures</i>	125,759	74,816	50,943	401,023	462,021	(60,998)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	82,620	82,620	-	(27,794)	(27,794)
<i>Net Change in Fund Balances</i>	-	82,620	82,620	-	(27,794)	(27,794)
<i>Fund Balances Beginning of Year</i>	161,974	161,974	-	48,471	48,471	-
<b>Fund Balances</b>						
<b><i>End of Year (deficit)</i></b>	<b>\$ 161,974</b>	<b>\$ 244,594</b>	<b>\$ 82,620</b>	<b>\$ 48,471</b>	<b>\$ 20,677</b>	<b>\$ (27,794)</b>

See accompanying Independent Auditor's Report

**KOOTENAI COUNTY, IDAHO**  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 Public Access and Indigent Special Revenue Funds  
 For the Year Ended September 30, 2005

	Public Access Special Revenue Fund			Indigent Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ 1,250,706	\$ 1,304,329	\$ 53,623
Intergovernmental	10,000	7,099	(2,901)	-	-	-
Interest	8,000	5,154	(2,846)	-	-	-
Charges for services	-	-	-	-	241	241
Miscellaneous	-	-	-	625,000	575,666	(49,334)
<i>Total Revenues</i>	18,000	12,253	(5,747)	1,875,706	1,880,236	4,530
<b>Expenditures</b>						
Current:						
Health & welfare	-	-	-	1,875,706	2,015,247	(139,541)
Culture and recreation	18,000	10,497	7,503	-	-	-
<i>Total Expenditures</i>	18,000	10,497	7,503	1,875,706	2,015,247	(139,541)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	1,756	1,756	-	(135,011)	(135,011)
<i>Net Change in Fund Balances</i>	-	1,756	1,756	-	(135,011)	(135,011)
<i>Fund Balances Beginning of Year (deficit)</i>	119,008	119,008	-	(556,752)	(556,752)	-
<b><i>Fund Balances End of Year (deficit)</i></b>	<b>\$ 119,008</b>	<b>\$ 120,764</b>	<b>\$ 1,756</b>	<b>\$ (556,752)</b>	<b>\$ (691,763)</b>	<b>\$ (135,011)</b>

See accompanying Independent Auditor's Report

Kootenai County Comprehensive Annual Financial Report - FY 2005

KOOTENAI COUNTY, IDAHO  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 FTA Public Transportation and District Court Special Revenue Funds  
 For the Year Ended September 30, 2005

	FTA Public Transportation Special Revenue Fund			District Court Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ 240,909	\$ 246,178	\$ 5,269
Intergovernmental	291,107	243,447	(47,660)	-	5,396	5,396
Fines and forfeitures	-	-	-	707,800	736,340	28,540
Charges for services	195,419	210,561	15,142	120,000	116,087	(3,913)
Miscellaneous	-	-	-	35,000	2,270	(32,730)
<i>Total Revenues</i>	486,526	454,008	(32,518)	1,103,709	1,106,271	2,562
<b>Expenditures</b>						
Current:						
General government	486,526	454,008	32,518	1,083,709	1,014,580	69,129
Capital outlay:						
Capital expenditures	-	-	-	20,000	45,105	(25,105)
<i>Total Expenditures</i>	486,526	454,008	32,518	1,103,709	1,059,685	44,024
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-	46,586	46,586
<i>Net Change in Fund Balances</i>	-	-	-	-	46,586	46,586
<i>Fund Balances Beginning of Year</i>	-	-	-	278,129	278,129	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 278,129</b>	<b>\$ 324,715</b>	<b>\$ 46,586</b>

See accompanying Independent Auditor's Report

KOOTENAI COUNTY, IDAHO  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 Revaluation and Kootenai Emergency Management Special Revenue Funds  
 For the Year Ended September 30, 2005

	Revaluation Special Revenue Fund			Kootenai Emergency Management Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Taxes	\$ 1,836,995	\$ 1,898,822	\$ 61,827	\$ 1,241,380	\$ 1,327,960	\$ 86,580
Licenses and permits	-	-	-	40,000	46,663	6,663
Intergovernmental	-	-	-	25,000	45,433	20,433
Interest	-	-	-	-	15,030	15,030
Charges for services	2,300	2,271	(29)	-	435	435
<i>Total Revenues</i>	1,839,295	1,901,093	61,798	1,306,380	1,435,521	129,141
<b>Expenditures</b>						
Current:						
General government	1,806,634	1,761,067	45,567	1,306,380	1,360,746	(54,366)
Capital outlay:						
Capital expenditures	16,450	22,530	(6,080)	-	-	-
<i>Total Expenditures</i>	1,823,084	1,783,597	39,487	1,306,380	1,360,746	(54,366)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	16,211	117,496	101,285	-	74,775	74,775
<i>Net Change in Fund Balances</i>	16,211	117,496	101,285	-	74,775	74,775
<i>Fund Balances Beginning of Year</i>	239,593	239,593	-	698,181	698,181	-
<b><i>Fund Balances End of Year</i></b>	<b>\$ 255,804</b>	<b>\$ 357,089</b>	<b>\$ 101,285</b>	<b>\$ 698,181</b>	<b>\$ 772,956</b>	<b>\$ 74,775</b>

See accompanying Independent Auditor's Report

**KOOTENAI COUNTY, IDAHO**  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 General Construction and Centennial Trail Capital Projects Funds  
 For the Year Ended September 30, 2005

	General Construction Capital Project Fund			Centennial Trail Capital Project Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Intergovernmental	\$ 3,581,964	\$ 4,217,991	\$ 636,027	\$ -	\$ -	\$ -
Miscellaneous	64,079	123,542	59,463	15,000	15,000	-
<i>Total Revenues</i>	3,646,043	4,341,533	695,490	15,000	15,000	-
<b>Expenditures</b>						
Current:						
General government	4,398	7,398	(3,000)	-	-	-
Culture and recreation	-	126	(126)	15,000	-	15,000
Capital projects	-	73,387	(73,387)	-	-	-
Capital outlay:						
Capital expenditures	18,500	18,500	-	-	-	-
Construction in progress	3,623,145	4,242,122	(618,977)	-	-	-
<i>Total Expenditures</i>	3,646,043	4,341,533	(695,490)	15,000	-	15,000
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-	15,000	15,000
<i>Net Change in Fund Balances</i>	-	-	-	-	15,000	(15,000)
<i>Fund Balances Beginning of Year (deficit)</i>	(261,072)	(261,072)	-	53,286	53,286	-
<b><i>Fund Balances End of Year (deficit)</i></b>	<b>\$ (261,072)</b>	<b>\$ (261,072)</b>	<b>\$ -</b>	<b>\$ 53,286</b>	<b>\$ 68,286</b>	<b>\$ (15,000)</b>

See accompanying Independent Auditor's Report

## Internal Service Fund

**Internal service funds** are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the primary government and its other governmental units, on a cost reimbursement basis.

**Health Insurance Fund** — Kootenai County's self insurance fund is used to account for the health insurance activities and costs provided to the county's primary government departments or agencies on a cost reimbursement basis.

**KOOTENAI COUNTY, IDAHO**  
**Statement of Net Assets**  
**Health Insurance Internal Service Fund**  
**September 30, 2005 (with comparative totals for 2004)**

	Governmental-type activity	
	2005	2004
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 343,478	\$ 175,156
Accounts receivable, (net)	4,495	6,170
Total Current Assets	347,973	181,326
Total Assets	347,973	181,326
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable	293,739	553,527
Payable accruals	-	26,089
Total Current Liabilities	293,739	579,616
Total Liabilities	293,739	579,616
<b>Net Assets</b>		
Unrestricted (deficit)	54,234	(398,290)
<b>Total Net Assets (deficit)</b>	<b>\$ 54,234</b>	<b>\$ (398,290)</b>

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

**KOOTENAI COUNTY, IDAHO**  
 Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Health Insurance Internal Service Fund  
 For the Year Ended September 30, 2005 (with comparative totals for 2004)

	Governmental-type activity	
	2005	2004
<b>Operating Revenues</b>		
Charges for services	\$ 4,028,780	\$ 3,105,130
Total Operating Revenues	4,028,780	3,105,130
<b>Operating Expenses</b>		
Personal services	12,693	559
Professional services	3,662,007	3,581,269
Materials and supplies	-	43
Other services and expenses	-	1,009
Total Operating Expenses	3,674,700	3,582,880
Operating Income over (under)	354,080	(477,750)
<b>Non-Operating Revenues (Expenses)</b>		
Intergovernmental revenues	98,444	75,321
Total Non-Operating Revenues	98,444	75,321
Change in Net Assets (deficit)	452,524	(402,429)
Net Assets Beginning of Year (deficit)	(398,290)	4,139
<b>Net Assets (deficit) End of Year</b>	<b>\$ 54,234</b>	<b>\$ (398,290)</b>

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

KOOTENAI COUNTY, IDAHO  
Statement of Cash Flows  
Internal Service Fund Health Insurance  
September 30, 2005 (with comparative totals for 2004)

	Internal Service Fund Health Insurance	
	2005	2004
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$ 4,030,455	\$ 3,102,573
Cash Payments to Employees	(38,782)	(26,594)
Cash Payments for Goods and Services	(3,921,795)	(3,613,670)
Net Cash Provided by Operating Activities	69,878	(537,691)
<b>Cash Flows from Noncapital Financing Activities</b>		
Intergovernmental Revenues	98,444	75,321
Net Cash used by noncapital financing activities	98,444	75,321
Net Increase (decrease) in Cash and Cash Equivalents	168,322	(462,370)
Cash and Cash Equivalents Beginning of Year	175,156	637,526
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ 343,478</b>	<b>\$ 175,156</b>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating Income (Loss)	\$ 354,080	\$ (477,750)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
(Increase) Decrease in Assets:		
Accounts Receivable	1,675	(2,557)
Increase (Decrease) in Liabilities:		
Accounts Payable	(259,788)	(31,349)
Accrued Wages	(26,089)	(26,035)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 69,878</b>	<b>\$ (537,691)</b>

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

## Fiduciary Funds

Fiduciary funds are used to account for assets a governmental unit holds in the capacity of an agent or trustee for another individuals, private organizations, other governmental units, and or other funds. Kootenai County maintains agency funds and expendable trust funds.

**Trust Funds** - to account for the resources used in a variety of small funds where the County is acting as trustee. The assets and liabilities of the employee deferred compensation fund are also accounted for within the trust fund

**State of Idaho Agency Fund** - to account for fines, fees and forfeits collected through a variety of County operations, including courts, vehicle and driver licensing, payable to the state government.

**Taxing Districts Agency Fund** - to account for property taxes receipts and other assets collected by the County for other taxing districts.

**KOOTENAI COUNTY, IDAHO**  
 Combining Statement of Fiduciary Assets and Liabilities  
 Fiduciary Funds  
 September 30, 2005  
 With Comparative Totals for September 30, 2004

	Agency Funds			
	State of Idaho	Cities	Highway Districts	School Districts
<b>Assets</b>				
Cash in bank and investments	\$ 1,143,094	\$ 129,665	\$ 19,506	\$ 187,378
Receivables:				
Taxes delinquent	24,934	672,165	206,804	1,625,254
Accounts receivable	-	325,382	92,393	-
Total Assets	1,168,028	1,127,212	318,703	1,812,632
<b>Liabilities</b>				
Due to other governments	1,168,028	1,127,212		-
Due to other individuals	-	-	-	-
Due to other taxing districts	-	-	318,703	1,812,632
Total Liabilities	1,168,028	1,127,212	318,703	1,812,632
<b>Net Assets</b>				
<b>Held in trust for other purposes</b>	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report

*continued*

**KOOTENAI COUNTY, IDAHO**  
 Combining Statement of Fiduciary Assets and Liabilities  
 Fiduciary Funds  
 September 30, 2005  
 With Comparative Totals for September 30, 2004

Agency Funds

	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
<b>Assets</b>				
Cash in bank and investments	\$ 36,835	\$ 5,794	\$ 2,025	\$ 22,888
Receivables:				
Taxes delinquent	291,216	103,131	25,615	210,112
Accounts receivable	88,772	18,485	2,067	111,270
<b>Total Assets</b>	<b>416,823</b>	<b>127,410</b>	<b>29,707</b>	<b>344,270</b>
<b>Liabilities</b>				
Due to other governments	-	-	-	344,270
Due to other individuals	-	-	-	-
Due to other taxing districts	416,823	127,410	29,707	-
<b>Total Liabilities</b>	<b>416,823</b>	<b>127,410</b>	<b>29,707</b>	<b>344,270</b>
<b>Net Assets</b>				
<b>Held in trust for other purposes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying Independent Auditors' Report

*continued*

Kootenai County Comprehensive Annual Financial Report - FY 2005

KOOTENAI COUNTY, IDAHO  
 Combining Statement of Fiduciary Assets and Liabilities  
 Fiduciary Funds  
 September 30, 2005  
 With Comparative Totals for September 30, 2004

	Agency Funds		Totals	
	Public Hospital	Urban Renewal Districts	2005	2004
<b>Assets</b>				
Cash in bank and investments	\$ -	\$ 3,703	\$ 1,550,888	\$ 1,759,657
Receivables:				
Taxes delinquent	-	74,206	3,233,437	4,872,862
Accounts receivable	3,144	-	641,513	437,321
Total Assets	3,144	77,909	5,425,838	7,069,840
<b>Liabilities</b>				
Due to other governments	-	-	2,639,510	3,156,228
Due to other individuals	3,144	-	3,144	3,144
Due to other taxing districts	-	77,909	2,783,184	3,910,468
Total Liabilities	3,144	77,909	5,425,838	7,069,840
<b>Net Assets</b>				
<b>Held in trust for other purposes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying Independent Auditors' Report

*continued*

**KOOTENAI COUNTY, IDAHO**  
 Combining Statement of Fiduciary Assets and Liabilities  
 Fiduciary Funds  
 September 30, 2005  
 With Comparative Totals for September 30, 2004

	Private Purpose Trust Funds	
	2005	2004
<b>Assets</b>		
Cash in bank and investments	\$ 6,293,191	\$ 4,747,179
Receivables:		
Taxes delinquent	23,617	18,866
Total Assets	6,316,808	4,766,045
 <b>Liabilities</b>		
Accounts payable	42,343	59,984
Deferred compensation payable	2,019,131	1,854,702
Deferred property taxes	202,989	-
Due to other individuals	8,013	-
Total Liabilities	2,272,476	1,914,686
 <b>Net Assets</b>		
<b>Held in trust for other purposes</b>	<b>\$ 4,044,332</b>	<b>\$ 2,851,359</b>

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO  
Statement of Changes in Fiduciary Assets and Liabilities  
Fiduciary Funds  
For the Fiscal Year Ended September 30, 2005

	Agency Funds			
	Balance October-04	Additions	Deletions	Balance September-05
<b><u>State of Idaho</u></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 1,166,249	\$ 15,017,205	\$ 15,040,360	\$ 1,143,094
Receivables:				
Taxes delinquent	29,156	446,327	450,549	24,934
<b>Total Assets</b>	<b>1,195,405</b>	<b>15,463,532</b>	<b>15,490,909</b>	<b>1,168,028</b>
<b>Liabilities</b>				
Due to other governments	1,195,405	15,463,532	15,490,909	1,168,028
<b>Total Liabilities</b>	<b>\$ 1,195,405</b>	<b>\$ 15,463,532</b>	<b>\$ 15,490,909</b>	<b>\$ 1,168,028</b>
<b><u>Cities</u></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 172,782	\$ 21,840,642	\$ 21,883,759	\$ 129,665
Receivables:				
Taxes delinquent	870,008	19,207,181	19,405,024	672,165
Accounts receivable	269,941	595,323	539,882	325,382
<b>Total Assets</b>	<b>1,312,731</b>	<b>41,643,146</b>	<b>41,828,665</b>	<b>1,127,212</b>
<b>Liabilities</b>				
Due to other governments	1,312,731	41,643,146	41,828,665	1,127,212
<b>Total Liabilities</b>	<b>\$ 1,312,731</b>	<b>\$ 41,643,146</b>	<b>\$ 41,828,665</b>	<b>\$ 1,127,212</b>
<b><u>Highway Districts</u></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 34,486	\$ 5,951,255	\$ 5,966,235	\$ 19,506
Receivables:				
Taxes delinquent	285,286	5,924,887	6,003,369	206,804
Accounts receivable	77,125	169,518	154,250	92,393
<b>Total Assets</b>	<b>396,897</b>	<b>12,045,660</b>	<b>12,123,854</b>	<b>318,703</b>
<b>Liabilities</b>				
Due to other taxing districts	396,897	12,045,660	12,123,854	318,703
<b>Total Liabilities</b>	<b>\$ 396,897</b>	<b>\$ 12,045,660</b>	<b>\$ 12,123,854</b>	<b>\$ 318,703</b>

See accompanying Independent Auditors' Report

*continued*

KOOTENAI COUNTY, IDAHO  
Statement of Changes in Fiduciary Assets and Liabilities  
Fiduciary Funds  
For the Fiscal Year Ended September 30, 2005

Agency Funds

	Balance October-04	Additions	Deletions	Balance September-05
<b><u>School Districts</u></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 277,465	\$ 48,750,978	\$ 48,841,065	\$ 187,378
Receivables:				
Taxes delinquent	1,966,460	48,555,979	48,897,185	1,625,254
<b>Total Assets</b>	<b>2,243,925</b>	<b>97,306,957</b>	<b>97,738,250</b>	<b>1,812,632</b>
<b>Liabilities</b>				
Due to other taxing districts	2,243,925	97,306,957	97,738,250	1,812,632
<b>Total Liabilities</b>	<b>\$ 2,243,925</b>	<b>\$ 97,306,957</b>	<b>\$ 97,738,250</b>	<b>\$ 1,812,632</b>
<b><u>Fire Districts</u></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 52,927	\$ 8,522,936	\$ 8,539,028	\$ 36,835
Receivables:				
Taxes delinquent	432,436	8,329,265	8,470,485	291,216
Accounts receivable	70,427	159,199	140,854	88,772
<b>Total Assets</b>	<b>555,790</b>	<b>17,011,400</b>	<b>17,150,367</b>	<b>416,823</b>
<b>Liabilities</b>				
Due to other taxing districts	555,790	17,011,400	17,150,367	416,823
<b>Total Liabilities</b>	<b>\$ 555,790</b>	<b>\$ 17,011,400</b>	<b>\$ 17,150,367</b>	<b>\$ 416,823</b>
<b><u>Public Library</u></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 126,214	\$ 1,599,890	\$ 1,720,310	\$ 5,794
Receivables:				
Taxes delinquent	109,639	1,480,492	1,487,000	103,131
Accounts receivable	15,570	34,055	31,140	18,485
<b>Total Assets</b>	<b>251,423</b>	<b>3,114,437</b>	<b>3,238,450</b>	<b>127,410</b>
<b>Liabilities</b>				
Due to other taxing districts	251,423	3,114,437	3,238,450	127,410
<b>Total Liabilities</b>	<b>\$ 251,423</b>	<b>\$ 3,114,437</b>	<b>\$ 3,238,450</b>	<b>\$ 127,410</b>

See accompanying Independent Auditors' Report

*continued*

KOOTENAI COUNTY, IDAHO  
Statement of Changes in Fiduciary Assets and Liabilities  
Fiduciary Funds  
For the Fiscal Year Ended September 30, 2005

	Agency Funds			
	Balance October-04	Additions	Deletions	Balance September-05
<b><u>Water &amp; Sewer Districts</u></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 3,011	\$ 239,013	\$ 239,999	\$ 2,025
Receivables:				
Taxes delinquent	31,043	251,342	256,770	25,615
Accounts receivable	1,640	3,707	3,280	2,067
Total Assets	<u>35,694</u>	<u>494,062</u>	<u>500,049</u>	<u>29,707</u>
<b>Liabilities</b>				
Due to other taxing districts	35,694	494,062	500,049	29,707
Total Liabilities	<u>\$ 35,694</u>	<u>\$ 494,062</u>	<u>\$ 500,049</u>	<u>\$ 29,707</u>
<b><u>North Idaho College</u></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 37,165	\$ 6,145,172	\$ 6,159,449	\$ 22,888
Receivables:				
Taxes delinquent	286,559	5,858,972	5,935,419	210,112
Accounts receivable	91,763	203,033	183,526	111,270
Total Assets	<u>415,487</u>	<u>12,207,177</u>	<u>12,278,394</u>	<u>344,270</u>
<b>Liabilities</b>				
Due to other governments	415,487	12,207,177	12,278,394	344,270
Total Liabilities	<u>\$ 415,487</u>	<u>\$ 12,207,177</u>	<u>\$ 12,278,394</u>	<u>\$ 344,270</u>
<b><u>Kootenai County Public Hospital</u></b>				
<b>Assets</b>				
Receivables:				
Accounts receivable	\$ 3,144	\$ 3,144	\$ 3,144	\$ 3,144
Total Assets	<u>3,144</u>	<u>3,144</u>	<u>3,144</u>	<u>3,144</u>
<b>Liabilities</b>				
Due to other individuals	3,144	3,144	3,144	3,144
Total Liabilities	<u>\$ 3,144</u>	<u>\$ 3,144</u>	<u>\$ 3,144</u>	<u>\$ 3,144</u>

See accompanying Independent Auditors' Report

*continued*

KOOTENAI COUNTY, IDAHO  
 Statement of Changes in Fiduciary Assets and Liabilities  
 Fiduciary Funds  
 For the Fiscal Year Ended September 30, 2005

Agency Funds

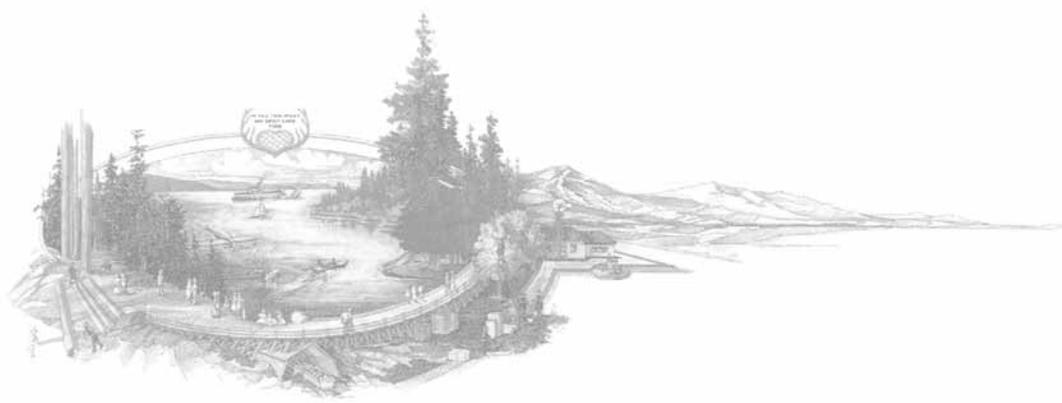
	Balance October-04	Additions	Deletions	Balance September-05
<b><u>Urban Renewal Districts</u></b>				
<b>Assets</b>				
Cash in bank and investments	\$ 3,388	\$ 1,241,039	\$ 1,240,724	\$ 3,703
Receivables:				
Taxes delinquent	113,898	1,769,343	1,809,035	74,206
<b>Total Assets</b>	<b>117,286</b>	<b>3,010,382</b>	<b>3,049,759</b>	<b>77,909</b>
<b>Liabilities</b>				
Due to other taxing districts	117,286	3,010,382	3,049,759	77,909
<b>Total Liabilities</b>	<b>\$ 117,286</b>	<b>\$ 3,010,382</b>	<b>\$ 3,049,759</b>	<b>\$ 77,909</b>

**Trust Funds**

**Private Purpose Trust Funds**

<b>Assets</b>				
Cash in bank and investments	\$ 4,747,179	\$ 15,915,488	\$ 14,369,476	\$ 6,293,191
Receivables:				
Taxes delinquent	18,866	95,139	90,388	23,617
<b>Total Assets</b>	<b>4,766,045</b>	<b>16,010,627</b>	<b>14,459,864</b>	<b>6,316,808</b>
<b>Liabilities</b>				
Accounts payable	59,984	6,202,088	6,219,729	42,343
Deferred compensation payable	1,854,702	164,429	-	2,019,131
Deferred property taxes	-	490,866	287,877	202,989
Due to other funds	2,851,359	1,334,763	141,790	4,044,332
Due to other individuals	-	59,693	51,680	8,013
<b>Total Liabilities</b>	<b>\$ 4,766,045</b>	<b>\$ 8,251,839</b>	<b>\$ 6,701,076</b>	<b>\$ 6,316,808</b>

See accompanying Independent Auditors' Report



# Statistical Section

## Life Goes On *continued*

### Running Commentary

ISP Capt. Wayne Longo turned the Coeur d'Alene Marathon into a personal tradition ages ago. He started 2005 with his mind set on the Memorial Weekend race. But 10 days before the event, the Wolf Lodge murders and kidnappings occurred. Longo was part of the unified command, working 20-hour days with no thoughts other than to find the missing children. The day before race day, his two partners in the command center, Sheriff's Capt. Travis Chaney and the FBI's Don Robinson, decided to move the Memorial Day daily morning briefing of the investigation crew to noon so Longo could squeeze in the marathon.

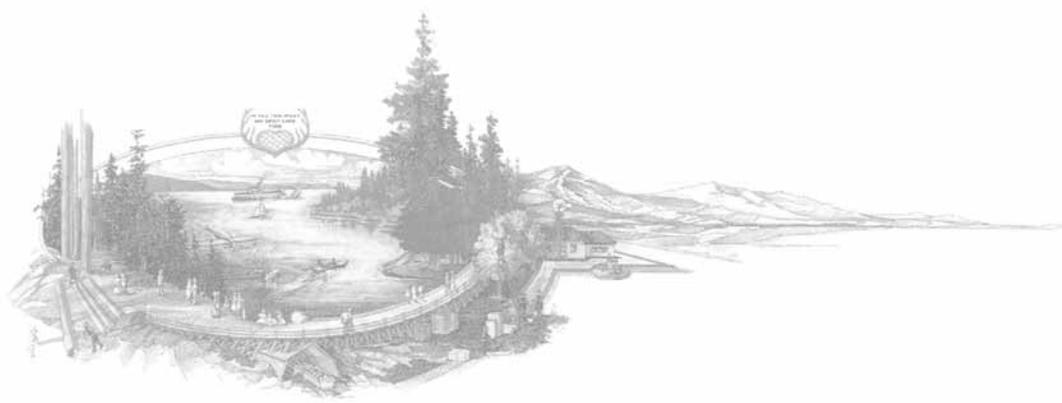


Photo courtesy of: Robert Pittsley

Longo drove to the race in a patrol car, changed into his race gear at the scene and took off at the starting gun. Nearly four hours later, he finished, changed at the scene and zipped back to the Office of Emergency Management in time for the noon briefing. Exhausted from working, he ran. Exhausted from running, he returned to work. And what does he say about it?

"That they would do that...I've never worked with better people in my life."

*continued page 143*



## STATISTICAL SECTION

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

CONTENTS	Page
Financial Trends . . . . .	118
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity . . . . .	125
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity . . . . .	133
<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. . . . .	135
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information . . . . .	138
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

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

	<u>Fiscal Year</u>			
	2002	2003	2004	2005
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 29,841	\$ 31,012	\$ 32,657	\$ 35,833
Restricted	5,057	364	4,475	13,407
Unrestricted	7,601	8,035	10,650	14,879
<b>Total governmental activities net assets</b>	<b>\$ 42,499</b>	<b>\$ 39,411</b>	<b>\$ 47,782</b>	<b>\$ 64,119</b>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 1,437	\$ 2,830	\$ 1,883	\$ 3,350
Restricted	2,912	3,249	3,938	3,707
Unrestricted	17,461	18,561	20,702	22,821
<b>Total primary government</b>	<b>\$ 21,810</b>	<b>\$ 24,640</b>	<b>\$ 26,523</b>	<b>\$ 29,878</b>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 31,278	\$ 33,842	\$ 34,540	\$ 39,183
Restricted	7,969	3,613	8,413	17,114
Unrestricted	25,062	26,596	31,352	37,700
<b>Total primary government net assets</b>	<b>\$ 64,309</b>	<b>\$ 64,051</b>	<b>\$ 74,305</b>	<b>\$ 93,997</b>

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

	<u>Fiscal Year</u>			
	2002	2003	2004	2005
<b>Expenses</b>				
<b>Governmental activities:</b>				
General government	\$ 19,115	\$ 22,652	\$ 22,805	\$ 22,099
Public Works	932	1,550	1,759	2,015
Public Safety	19,902	18,029	18,421	21,565
Sanitation weed control	282	231	297	333
Health and welfare	2,168	2,095	2,614	2,940
Culture and recreation	214	867	959	966
Capital projects	131	28	64	73
Interest on long-term debt	793	754	640	519
<b>Total governmental activities expenses</b>	<b>43,537</b>	<b>46,206</b>	<b>47,559</b>	<b>50,510</b>
<b>Business-type activities:</b>				
Solid waste and landfill	6,162	5,076	6,509	5,898
Total business-type activities expenses	6,162	5,076	6,509	5,898
<b>Total primary government expenses</b>	<b>\$ 49,699</b>	<b>\$ 51,282</b>	<b>\$ 54,068</b>	<b>\$ 56,408</b>
<b>Program Revenues</b>				
<b>Governmental activities:</b>				
<b>Charges for services:</b>				
General government	\$ 8,887	\$ 8,627	\$ 9,481	\$ 11,154
Public safety	5,269	6,670	7,946	8,495
Culture and recreation	455	474	518	536
Other activities	47	61	57	62
Operating grants and contributions	1,275	1,841	2,987	2,483
Capital grants and contributions	2,423	2,082	1,829	3,615
<b>Total governmental activities program revenues</b>	<b>2,821</b>	<b>18,356</b>	<b>(258)</b>	<b>19,755</b>
<b>Business-type activities:</b>				
<b>Charges for services:</b>				
Solid waste and landfill	7,493	7,774	8,363	9,034
Operating grants and contributions	-	6	7	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	7,493	7,780	8,370	9,034
<b>Total primary government program revenues</b>	<b>\$ 25,849</b>	<b>\$ 27,535</b>	<b>\$ 31,188</b>	<b>\$ 35,379</b>

continued

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

	<u>Fiscal Year</u>			
	2002	2003	2004	2005
<b>Net (expense)/revenue</b>				
Governmental activities	\$ (25,181)	\$ (26,451)	\$ (24,741)	\$ (24,165)
Business-type activities	1,330	2,704	1,860	3,135
<b>Total primary government net (expense)/revenue</b>	<b>\$ (23,851)</b>	<b>\$ (23,747)</b>	<b>\$ (22,881)</b>	<b>\$ (21,030)</b>
<b>General Revenues and other Changes in Net Assets</b>				
<b>Governmental activities:</b>				
Taxes:				
Property taxes, levied for general purposes	\$ 22,443	\$ 23,031	\$ 27,675	\$ 28,541
Sales and use taxes	5,446	14	4,664	10,119
Miscellaneous	628	672	1,150	965
Interest and investment earnings	627	417	335	756
Transfers	638	(770)	(712)	519
<b>Total governmental activities</b>	<b>29,782</b>	<b>23,364</b>	<b>33,112</b>	<b>40,900</b>
<b>Business-type activities:</b>				
Interest and investment earnings	497	406	381	587
Miscellaneous	9	138	124	70
Gain (Loss) on sale of assets/property	-	-	-	77
Transfers	(399)	(419)	(482)	(519)
<b>Total business-type activities</b>	<b>107</b>	<b>125</b>	<b>23</b>	<b>215</b>
<b>Total primary government</b>	<b>\$ 29,889</b>	<b>\$ 23,489</b>	<b>\$ 33,135</b>	<b>\$ 41,115</b>
<b>Change in Net Assets</b>				
Governmental activities	\$ 4,600	\$ (3,088)	\$ 8,371	\$ 16,735
Business-type activities	1,437	2,830	1,883	3,350
<b>Total primary government</b>	<b>\$ 6,037</b>	<b>\$ (258)</b>	<b>\$ 10,254</b>	<b>\$ 20,085</b>

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

Fiscal Year	Property Tax	Resort Sales Tax	Total
2002	\$ 22,443	\$ 5,446 <sup>1</sup>	\$ 27,889
2003	23,031	14 <sup>2</sup>	23,045
2004	27,675	4,664	32,339
2005	28,541	10,119	38,660

<sup>1</sup> First year of voter approved sales tax ordinance (CAFR 2001).

<sup>2</sup> Decommissioning of voter approved resort sales tax ordinance subject to State Court orders (CAFR 2002).

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

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>General fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465	\$ 261	\$ 256	\$ 237	\$ 1,666
Unreserved	6,634	6,670	5,381	5,611	5,096	6,078	7,153	8,004	9,855	13,833
<b>Total general fund</b>	<b>\$ 6,634</b>	<b>\$ 6,670</b>	<b>\$ 5,381</b>	<b>\$ 5,611</b>	<b>\$ 5,096</b>	<b>\$ 6,543</b>	<b>\$ 7,414</b>	<b>\$ 8,260</b>	<b>\$ 10,092</b>	<b>\$ 15,499</b>
<b>All other governmental funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 8,016	\$ 1,731	\$ 4,796	\$ 109	\$ 4,239	\$ 11,741
Unreserved, reported in:										
Special revenue funds	724	816	902	610	970	2,154	729	385	1,002	1,239
Capital projects funds	545	660	18	1,549	-	846	(281)	(183)	(208)	(193)
Jail tax payment fund	-	-	-	-	-	-	-	(171)	-	-
<b>Total all other governmental funds</b>	<b>\$ 1,269</b>	<b>\$ 1,476</b>	<b>\$ 920</b>	<b>\$ 2,159</b>	<b>\$ 8,986</b>	<b>\$ 4,731</b>	<b>\$ 5,244</b>	<b>\$ 140</b>	<b>\$ 5,033</b>	<b>\$ 12,787</b>

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

	<u>Fiscal Year</u>									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Revenues</b>										
Taxes	\$ 16,309	\$ 16,857	\$ 17,446	\$ 18,701	\$ 21,651	\$ 27,728	\$ 27,762	\$ 22,926	\$ 32,335	\$ 38,659
Licenses and permits	1,002	1,028	1,032	1,132	1,141	1,144	1,183	1,250	1,323	1,413
Intergovernmental	5,747	5,751	6,387	5,980	7,878	8,660	8,935	9,182	10,916	12,693
Interest	3	5	6	6	19	24	627	417	335	756
Fines and forfeitures	723	747	801	866	973	989	908	1,026	989	1,000
Charges for services	3,250	3,251	3,184	5,534	5,821	6,368	7,331	8,297	9,590	7,112
Miscellaneous	1,486	1,648	1,912	1,589	1,950	2,360	574	583	935	965
<b>Total revenues</b>	<b>28,520</b>	<b>29,287</b>	<b>30,768</b>	<b>33,808</b>	<b>39,433</b>	<b>47,273</b>	<b>47,320</b>	<b>43,681</b>	<b>56,423</b>	<b>62,598</b>
<b>Expenditures</b>										
General government	12,687	14,334	15,402	17,453	20,077	15,011	16,512	21,338	21,878	19,528
Public works	-	-	-	-	-	-	1,215	602	586	612
Public safety	9,652	10,321	11,079	11,865	13,154	17,881	18,627	17,058	17,115	18,877
Sanitation weed control	152	165	151	220	186	216	-	223	291	283
Health & welfare	1,605	1,385	1,419	1,548	1,976	1,921	2,168	2,092	2,609	2,713
Culture and recreation	472	435	459	451	506	836	214	773	880	793
Capital projects	9	201	174	70	37	63	130	28	64	73
<b>Debt Service:</b>										
Principal retirement	710	548	1,048	832	2,123	3,188	1,412	1,580	1,700	1,747
Interest expense	-	-	-	-	-	-	730	690	588	480
<b>Capital Outlay:</b>										
Capital expenditures	2,716	1,375	1,193	1,659	1,532	1,010	6,594	1,595	943	926
Construction in progress	1,085	4,248	2,150	710	3,796	10,513	-	1,305	2,563	4,337
<b>Total expenditures</b>	<b>29,088</b>	<b>33,012</b>	<b>33,075</b>	<b>34,808</b>	<b>43,387</b>	<b>50,639</b>	<b>47,602</b>	<b>47,284</b>	<b>49,217</b>	<b>50,369</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(568)</b>	<b>(3,725)</b>	<b>(2,307)</b>	<b>(1,000)</b>	<b>(3,954)</b>	<b>(3,366)</b>	<b>(282)</b>	<b>(3,603)</b>	<b>7,206</b>	<b>12,229</b>
<b>Other financing sources (uses)</b>										
Proceeds notes payable	278	296	-	2,000	9,500	-	-	-	-	-
Proceeds capital leases	105	3,652	455	445	499	24	969	21	48	-
Proceeds on asset disposal	-	-	-	-	-	-	54	89	224	-
Proceeds insurance	-	-	-	-	-	-	5	5	8	13
Transfers in	1,256	903	1,766	1,679	2,625	5,293	5,227	6,524	4,954	4,930
Transfers out	(1,308)	(883)	(1,758)	(1,672)	(2,358)	(4,758)	(4,589)	(7,294)	(5,666)	(4,410)
<b>Total other financing sources (uses)</b>	<b>331</b>	<b>3,968</b>	<b>463</b>	<b>2,452</b>	<b>10,266</b>	<b>559</b>	<b>1,666</b>	<b>(655)</b>	<b>(432)</b>	<b>533</b>
<b>Net change in fund balances</b>	<b>\$ (237)</b>	<b>\$ 243</b>	<b>\$ (1,844)</b>	<b>\$ 1,452</b>	<b>\$ 6,312</b>	<b>\$ (2,807)</b>	<b>\$ 1,384</b>	<b>\$ (4,258)</b>	<b>\$ 6,774</b>	<b>\$ 12,762</b>

Debt service and capital outlay as a percentage of non-capital expenditures

18.4%	23.0%	19.5%	10.1%	20.7%	40.9%	22.5%	12.3%	13.3%	17.5%
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*continued*

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

Fiscal Year	Property Tax	Resort Sales Tax	Total
1996	\$ 16,309	\$ -	\$ 16,309
1997	16,856	-	16,856
1998	17,446	-	17,446
1999	18,701	-	18,701
2000	21,650	-	21,650
2001	23,622	4,105 <sup>1</sup>	27,727
2002	22,443	5,446	27,889
2003	23,031	14 <sup>2</sup>	23,045
2004	27,675	4,664	32,339
2005	28,540	10,119	38,659

<sup>1</sup> First year of voter approved sales tax ordinance (CAFR 2001).

<sup>2</sup> Decommissioning of voter approved resort sales tax ordinance subject to State Court orders (CAFR 2002).

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

Valuation Increase

Property Tax Year	Assessed Valuation	Homeowner's Exemptions	Net Taxable Value	Valuation Increase		Tax Rate per \$1,000 Value (1)
				Amount	Percentage	
2004	\$ 8,801,547,283	\$ 1,269,400,159	\$ 7,532,147,124	\$ 706,475,023	10.35%	\$ 3.65
2003	7,994,404,661	1,168,732,560	6,825,672,101	382,959,959	5.94%	3.98
2002	7,565,515,887	1,122,803,745	6,442,712,142	413,723,396	6.86%	3.47
2001	7,098,457,083	1,069,468,337	6,028,988,746	324,916,036	5.70%	3.58
2000	6,726,402,236	1,022,329,526	5,704,072,710	228,070,994	4.16%	3.58
1999	6,444,466,553	968,464,837	5,476,001,716	146,198,282	2.74%	4.04
1998	6,244,894,863	915,091,429	5,329,803,434	22,062,958	0.42%	3.89
1997	6,221,888,454	914,147,978	5,307,740,476	128,908,702	2.49%	3.46
1996	6,053,249,997	874,418,223	5,178,831,774	362,742,099	7.53%	3.36
1995	5,648,861,153	832,771,478	4,816,089,675	454,587,496	10.42%	3.40

Notes:

(1) Tax Rate per \$1,000 Value includes the Kootenai EMS levy. The EMS levy is a legally separate taxing district, but is part of the County budget approved by the Board of County Commissioners. Included for informational purposes.

(2) Values based on 2004 December values certified by the State of Idaho.

(3) Property tax year lags one year behind fiscal year.

Kootenai County Comprehensive Annual Financial Report - FY 2005

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

	FISCAL YEAR									
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
<b>County Direct Rates</b>										
County Direct Rate	2.47	3.48	3.65	3.14	3.43	3.92	3.73	3.31	3.21	3.26
<b>City Rates</b>										
Athol	3.07	3.60	3.93	3.62	4.13	3.83	3.78	3.88	3.60	3.21
Coeur d'Alene	5.10	5.56	5.70	5.67	5.62	5.53	5.42	5.25	5.23	5.41
Dalton Gardens	0.43	0.52	0.54	0.53	0.51	0.49	0.54	0.50	0.50	0.50
Fernan	1.11	1.39	1.79	2.08	2.06	2.10	2.10	2.08	2.01	1.94
Harrison	3.26	3.77	3.79	3.72	3.53	4.28	4.32	4.25	4.18	5.67
Hauser Lake	0.48	0.58	0.56	0.45	0.46	0.46	0.49	0.48	0.50	5.87
Hayden	0.93	1.09	1.14	1.15	1.18	1.14	1.17	1.11	1.03	1.02
Hayden Lake	0.57	0.71	0.74	0.79	0.77	0.76	0.70	0.70	0.70	0.69
Huetter	5.34	6.17	5.91	5.91	-	-	-	-	-	-
Post Falls	4.64	5.35	5.47	5.33	5.34	5.28	5.18	5.27	4.74	1.80
Rathdrum	3.84	4.20	4.17	4.01	3.27	4.68	4.71	4.19	4.09	4.14
Spirit Lake	4.73	5.16	5.76	5.62	5.70	5.48	5.39	4.37	4.20	3.93
Worley	2.41	2.90	2.83	2.70	2.81	3.81	3.81	3.72	3.69	4.80
<b>School District Rates</b>										
Coeur d'Alene # 271	5.23	6.29	6.51	6.26	6.23	6.39	6.33	6.21	6.21	6.06
Lakeland Joint #272	4.76	5.92	5.66	5.10	5.60	5.66	5.30	6.03	6.57	5.12
Post Falls # 273	5.61	6.28	6.43	6.18	6.08	5.85	5.95	5.29	4.57	4.79
Kootenai # 274	5.03	5.51	5.36	4.01	3.64	3.85	3.83	4.04	4.54	4.81
Kellogg Joint #391	7.48	8.61	7.76	8.18	8.78	8.45	8.04	8.56	6.48	6.80
St. Maries Joint #41	-	-	-	-	-	-	-	-	1.05	1.17
Plummer-Worley Joint #44	2.67	3.36	3.36	3.25	3.03	3.34	3.55	3.56	3.01	2.97
URD	-	-	-	-	-	-	7.00	-	-	-
<b>Highway District Rates</b>										
Post Falls # 1	0.47	0.57	0.58	0.60	0.65	0.66	0.67	0.68	0.69	0.68
Lakes # 2	0.59	0.78	0.84	0.88	0.90	0.91	0.90	0.93	0.91	0.95
Eastside # 3	0.48	0.61	0.63	0.63	0.61	0.61	0.59	0.57	0.55	0.57
Worley # 4	0.95	1.19	1.26	1.31	1.30	1.30	1.24	1.21	1.16	1.17

*continued*

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

	FISCAL YEAR									
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
<b>Fire District Rates</b>										
Athol	-	-	-	-	-	-	1.37	1.35	1.30	1.25
Bayview	-	-	-	-	-	-	1.27	1.22	1.19	1.29
Eastside	0.85	1.22	1.31	1.34	1.32	1.32	1.32	1.32	1.37	1.65
Hauser Lake	0.98	1.22	1.20	0.83	0.82	0.81	0.80	0.78	0.76	0.83
Northern Lakes	0.95	1.18	1.24	1.25	1.26	1.22	1.22	1.19	1.17	1.12
KC Fire & Rescue	1.72	2.06	2.13	1.69	1.67	-	-	-	-	-
Kootenai Fire #1	-	-	-	-	-	1.87	1.87	1.78	1.80	1.73
Mica Kidd Island	0.55	0.72	0.78	0.88	0.91	0.96	-	-	-	-
Post Falls	-	-	-	-	-	1.50	1.21	1.26	1.26	1.21
Rathdrum	-	-	-	-	-	0.95	0.94	0.93	0.94	0.98
Shoshone County #2	2.07	2.39	2.37	2.33	2.10	1.94	1.90	1.89	2.06	2.16
Spirit Lake	0.97	1.18	1.22	1.23	1.23	1.18	0.54	0.61	0.64	0.64
St. Maries	0.95	0.99	0.97	0.96	0.92	0.92	0.93	0.80	0.85	0.92
Timberlake	1.09	1.38	2.16	2.21	1.37	1.38	-	-	-	-
Worley	0.77	0.92	1.00	1.04	1.03	1.04	1.00	0.98	0.95	0.90
<b>Water/Sewer District Rates</b>										
Cataldo Water	0.58	0.69	0.38	0.66	0.59	0.58	0.52	0.51	0.54	0.57
Cleland Bay Sewer	0.43	0.48	0.51	0.54	0.54	0.56	0.56	0.59	0.98	1.06
Hayden Lake Sewer	0.05	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.07	0.07
Kidd Island Bay Sewer	0.40	0.56	0.65	0.74	0.85	0.86	0.89	1.02	1.00	1.17
Kingston-Cataldo Sewer	0.66	0.79	0.78	0.76	0.70	0.68	0.57	0.62	0.65	0.67
Kootenai Water #1	1.35	1.69	1.80	1.79	1.73	1.79	1.73	1.52	1.53	1.70
North Kootenai Water	-	-	-	-	-	-	-	0.21	0.16	0.17
Twin Lakes										
Recreational Sewer	-	-	-	-	-	-	-	-	-	0.07
<b>Other Special District Rates</b>										
Kootenai										
Consolidated Library	0.23	0.29	0.27	0.28	0.30	0.30	0.60	0.59	0.51	0.29
KCEMSS	0.14	0.16	0.33	0.33	0.15	0.13	0.15	0.15	0.14	0.14
North Idaho College	0.71	0.74	0.77	0.77	0.77	0.94	1.03	1.03	1.03	1.21
Flood Control #17	0.53	0.67	0.45	0.36	0.35	0.35	0.35	0.35	0.35	0.39

Notes:

- (1) All Urban Renewal Districts have been omitted from this schedule.
- (2) In 2000, Athol and Bayview Fire Districts consolidated to form Timberlake Fire District.
- (3) In 2001, Post Falls Fire and Kootenai Fire #1 consolidated to form KC Fire & Rescue.
- (4) Also in 2001, Northern Lakes Fire annexed Rathdrum Fire District.

# Kootenai County Comprehensive Annual Financial Report - FY 2005

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

Cumulative levy totals for all agencies within each classification

Tax Year	County	Cities	Highways	Schools	Fire Districts	Water and Sewer Districts	Other Districts
2005	0.002468453	0.035916892	0.002483670	0.030773805	0.010888023	0.003468993	0.105449883
2004	0.003482997	0.041000599	0.003139852	0.035959945	0.013253901	0.004276786	0.125660894
2003	0.003652017	0.042334497	0.003308564	0.035085212	0.014383529	0.004492494	0.363509314
2002	0.003140035	0.041565119	0.003411077	0.032983081	0.013771297	0.004566066	0.201849335
2001	0.003427068	0.035371535	0.003460433	0.033352073	0.012628555	0.004484972	0.238703475
2000	0.003915718	0.037854269	0.003468173	0.003539487	0.015088141	0.004532184	0.229523911
1999	0.003734459	0.037504859	0.003404645	0.033002545	0.014368614	0.004343491	0.073524235
1998	0.003315163	0.035805428	0.003387526	0.033705983	0.014128578	0.004531613	0.052961226
1997	0.003210522	0.034459270	0.003314207	0.032419272	0.014292133	0.004938789	0.033408797
1996	0.003260597	0.036705240	0.003377785	0.031727106	0.014685807	0.005486823	0.034239553

Tax Year 2005	Cities	Highways	Schools	Fire	Water & Sewer	Other
Number of taxing districts	13	4	6	10	6	11
Average tax rate per district	0.002762838	0.000620918	0.005128968	0.001088802	0.000578166	0.009586353
Minimum levy rate	0.000431213	0.000468999	0.002665805	0.000549748	0.000052430	0.000135077
Maximum levy rate	0.005344220	0.000950418	0.007478901	0.002066439	0.001348897	0.015783958

Notes:

- (1) Tax rates are expressed as \$1 per market value.
- (2) Other Districts include Libraries, North Idaho College, Kootenai Hospital, Kootenai EMS, Flood Control, and URDs.
- (3) The number of URDs may change from year to year.
- (4) No single taxpayer in Kootenai County is subject to all tax levies.
- (5) 2005 Levies as of 9/30/05.

**KOOTENAI COUNTY, IDAHO**  
Principal Property Taxpayers, Current Year and Nine Years Ago  
September 30, 2005

Taxpayer	2005 <sup>1</sup>			1996		
	Assessed Valuation	Rank	Percentage of Total Assessed Value	Assessed Valuation	Rank	Percentage of Total Assessed Value
Avista Corporation (formerly Washington Water Power)	\$ 128,592,087	1	1.28%	\$ -	-	-
Rathdrum Power, LLC	121,958,000	2	1.21%	-	-	-
Verizon Northwest, Inc. (formerly General Telephone)	93,420,416	3	0.93%	-	-	-
Hagadone Hospitality Co., Duane B. Hagadone, Et al	81,970,251	4	0.82%	65,328,658	1	1.36%
Stephen F. Meyer, Et al <sup>2</sup>	63,458,172	5	0.63%	13,651,557	8	0.28%
PG & E Gas Transmission NW Corp.	49,450,399	6	0.49%	-	-	-
The Club at Black Rock LLC, Black Rock Development Inc.	40,683,909	7	0.40%	-	-	-
Stimson Lumber Company	35,043,748	8	0.35%	-	-	-
Burlington Northern & Santa Fe RR	32,613,423	9	0.32%	-	-	-
Flexcel Inc., Kimball International Mkt Inc.	32,010,613	10	0.32%	32,206,334	3	0.67%
Price Development Company LPT	25,467,686	11	0.25%	25,202,758	4	0.52%
Kootenai Cable Inc.	18,070,467	12	0.18%	-	-	-
Harlan D. Douglass, Etux	17,008,443	13	0.17%	-	-	-
Norton Aero LTD	16,333,778	14	0.16%	-	-	-
Inland Empire Paper	15,458,295	15	0.15%	20,755,644	6	0.43%
Idaho Forest Industries	-	-	-	41,052,472	2	0.85%
Silver Lake Mall	-	-	-	-	-	-
Crown Pacific Inland Lumber, Ltd.	-	-	-	24,074,968	5	0.50%
Louisiana Pacific Corporation	-	-	-	18,283,370	7	0.38%
Arrow Point Development Company	-	-	-	10,438,664	9	0.22%
Hecla Mining	-	-	-	10,368,179	10	0.22%
Isamet of Idaho, Inc.	-	-	-	9,514,865	11	0.20%
Cecelia Abrahamson	-	-	-	8,730,163	12	0.18%
CDA Factory Outlets, Ltd Partnership	-	-	-	8,672,311	13	0.18%
Potlatch Corporation	-	-	-	8,089,889	14	0.17%
Gillhoover-McIntire, Et al	-	-	-	6,810,334	15	0.14%
<b>Sub Total</b>	<b>771,539,687</b>		<b>7.67%</b>	<b>303,180,166</b>		<b>6.30%</b>
<b>All Other Taxpayers</b>	<b>9,283,772,270</b>		<b>92.33%</b>	<b>4,512,909,509</b>		<b>93.70%</b>
<b>Total Assessed Taxable Value</b>	<b>\$ 10,055,311,957</b>		<b>100.00%</b>	<b>\$ 4,816,089,675</b>		<b>100.00%</b>

Notes:

<sup>1</sup> Based on 2005's Net Taxable Value as of December 1, 2005.

<sup>2</sup> Stephen F. Meyer, Et al and Glacier Partners, Et al have merged since 1995.

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
1996	15,286,450	15,184,926	99.34%	78,182	15,263,108	99.85%
1997	15,702,051	15,342,943	97.71%	322,736	15,665,679	99.77%
1998	16,624,913	15,840,187	95.28%	738,430	16,578,617	99.72%
1999	17,656,414	16,148,066	91.46%	1,435,131	17,583,197	99.59%
2000	20,449,866	18,784,468	91.86%	1,569,116	20,353,584	99.53%
2001	22,320,671	20,988,738	94.03%	1,247,792	22,236,530	99.62%
2002	20,662,654	19,448,102	94.12%	1,119,059	20,567,161	99.54%
2003	20,230,349	19,062,164	94.23%	1,050,703	20,112,867	99.42%
2004	24,961,652	23,500,153	94.15%	1,147,074	24,647,227	98.74%
2005	26,229,791	25,576,366	97.51%	204,058 <sup>1</sup>	25,780,424	98.29%

<sup>1</sup> Tax collections as of December 20, 2005.

Note:

Tax levy and collection figures include Kootenai EMS.

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

Fiscal Year Ended September 30,	Real Property	Personal Property	Operating Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate <small>(per \$1,000 of assessed value)</small>
1996	5,575,692	234,380	231,483	451,117	5,590,438	3.26
1997	6,027,718	247,897	325,217	871,407	5,729,425	3.21
1998	6,219,010	248,242	321,732	898,046	5,890,938	3.31
1999	6,417,632	296,975	303,215	926,178	6,091,644	3.73
2000	6,737,713	285,820	292,714	991,511	6,324,736	3.92
2001	7,023,966	297,652	371,735	1,026,345	6,667,008	3.43
2002	7,415,876	325,707	443,826	1,045,132	7,140,277	3.14
2003	7,864,975	341,458	431,239	1,097,787	7,539,885	3.65
2004	8,707,566	351,025	427,830	1,129,531	8,356,890	3.48
2005	11,578,807	413,118	430,171	1,147,009	11,275,087	2.47

Notes:

- (1) Operating property values are wholly assigned by the Idaho State Tax Commission.
- (2) 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 Foregone Amounts  
 as of the 2004 Tax Year

<u>District</u>	<u>Foregone Amount</u>
City of Athol	5,755
City of Coeur d'Alene	1,002,635
City of Fernan Lake	3,091
City of Harrison	1
City of Post Falls	401,767
City of Rathdrum	1,978
City of Spirit Lake	1
Kootenai County Ambulance District	37
East Side Fire	16,518
Hauser Lake Fire	85
Kootenai County Fire & Rescue	7,497
Timberlake Fire	521
Flood Control #17	6,930
Post Falls Highway #1	385,386
Lakes Highway #2	622,267
Worley Highway #4	634
North Idaho College	3,457,667
Cleland Bay Sewer	668
Hayden Lake Rec Water/Sewer	2,305
Kidd Island Bay Sewer	8,604
Kingston Cataldo Sewer	1

Note: Foregone is defined as an allowable increase in budget dollars that could have been levied for in a particular year but wasn't. This amount is available for the district to add to the regular budget increase calculation and levy on in subsequent years.

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

Legal Debt Margin Calculation For Fiscal Year 2005

Assessed Valuations:	
Assessed Value	\$ 7,532,147,124
Add Back Homestead Exemptions	1,269,400,159
<b>Total Assessed Value</b>	<b>\$ 8,801,547,283</b>

Legal Debt Margin	
Debt Limitation*: 2% of assessed market value	\$ 176,030,946
Less: Debt applicable to limitation:	
Solid Waste Refunding Bonds, Series 1993 <sup>1</sup>	0
<b>Legal Debt Margin</b>	<b>\$ 176,030,946</b>

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Debt Limit	\$115,215,597	\$112,977,223	\$121,065,000	\$124,897,897	\$128,889,331	\$134,528,045	\$141,124,142	\$151,310,318	\$159,888,093	\$176,030,946
Total net debt applicable to limit	5,205,000	7,555,000	3,870,000	3,160,000	2,425,000	1,655,000	845,000	-	-	-
Legal debt margin	\$110,010,597	\$105,422,223	\$117,195,000	\$121,737,897	\$126,464,331	\$132,873,045	\$140,279,142	\$151,310,318	\$159,888,093	\$176,030,946
Total net debt applicable to the limit as a percentage of debt limit	4.52%	6.69%	3.20%	2.53%	1.88%	1.23%	0.60%	0.00%	0.00%	0.00%

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

<sup>1</sup> Solid Waste Refunding Bonds were paid in full in the 2002-2003 fiscal year.

Kootenai County Comprehensive Annual Financial Report - FY 2005

KOOTENAI COUNTY, IDAHO  
 Schedule Of Direct and Overlapping Debt  
 September 30, 2005

Number of Issues	Jurisdiction	Net Debt Outstanding	Earliest Issue Date (Month/Year)	Oldest Maturity Date (Month/Year)	Applicable to Kootenai County Percentage	Applicable to Kootenai County Amount
<b>Direct Debt:</b>						
3	Kootenai County*	\$ 6,441,154	Dec/96	May/18	100.00%	\$ 6,441,154
<b>Direct Debt</b>		6,441,154			100.00%	6,441,154
<b>Overlapping Debt:</b>						
3	City of Coeur d'Alene	3,915,000	Dec/00	Mar/11	100.00%	3,915,000
1	City of Harrison	57,402	Jan/77	Jan/17	100.00%	57,402
4	City of Hayden	843,777	Sep/94	May/17	100.00%	843,777
9	City of Post Falls	19,403,663	Apr/93	Dec/25	100.00%	19,403,663
2	City of Rathdrum	743,390	Jan/96	Mar/11	100.00%	743,390
3	City of Spirit Lake	1,024,692	Jan/93	Aug/24	100.00%	1,024,692
1	Coeur d'Alene SD #271	9,285,000	Oct/97	Jul/13	100.00%	9,285,000
3	Lakeland SD #272	15,150,000	Jul/02	Oct/23	99.91%	15,136,365
2	Post Falls SD #273	21,445,000	Dec/97	Aug/18	100.00%	21,445,000
2	Kootenai Joint SD #274	2,841,388	Dec/02	Dec/12	99.39%	2,824,056
1	Kellogg Joint SD #391	5,050,000	Mar/98	Mar/18	20.01%	1,010,505
1	Kootenai Consolidated Library	245,000	Sep/95	Aug/06	97.19%	238,116
1	Kootenai County Fire & Rescue	1,310,000	Sep/00	Sep/10	100.00%	1,310,000
1	Northern Lakes Fire Protection District	12,672	Aug/96	Aug/06	100.00%	12,672
3	Bayview Water/Sewer District	1,853,090	Nov/03	Nov/22	100.00%	1,853,090
2	Green Ferry Water/Sewer District	141,555	Jul/77	Jun/18	100.00%	141,555
3	Hayden Lake Recreational Sewer District	260,000	Dec/00	Dec/14	100.00%	260,000
1	Kidd Island Bay Lots Sewer District	355,716	Apr/93	Apr/12	100.00%	355,716
1	Kingston-Cataldo Sewer District	188,286	Dec/79	Dec/19	6.90%	12,992
1	Kootenai County Water District #1	18,719	Feb/91	Feb/11	100.00%	18,719
1	North Kootenai Water District	1,800,000	Aug/99	Aug/14	100.00%	1,800,000
<b>Overlapping Debt</b>		85,944,350			92.96%	79,891,709
<b>Total Overlapping &amp; Underlying Debt</b>		\$ 92,385,504			93.45%	\$ 86,332,863

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

\* As of 9/30 balances owed on Administration Building, Public Defender Building, and Jail Expansion.

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

Population				
Year	Kootenai County	Change from prior year	State of Idaho	Change from prior year
1996	96,590	4.0%	1,203,083	2.1%
1997	100,108	3.6%	1,228,520	2.1%
1998	102,717	2.6%	1,252,330	1.9%
1999	106,346	3.5%	1,275,674	1.9%
2000	108,685	2.2%	1,293,953	1.4%
2001	111,659	2.7%	1,321,228	2.1%
2002	114,323	2.4%	1,343,194	1.7%
2003	117,614	2.9%	1,367,034	1.8%
2004	122,350	4.0%	1,393,262	1.9%
2005	128,800 <sup>1</sup>	5.3%	1,429,096 <sup>1</sup>	2.3%

Per Capita Personal Income					
Year	Kootenai County	State of Idaho	Kootenai Co. as a % of State of Idaho	Personal Income (thousands of dollars)	Unemployment Rate
1996	\$ 20,031	\$ 20,248	98.9%	\$ 1,934,833	7.9%
1997	20,471	20,648	99.1%	2,049,308	8.4%
1998	21,547	21,789	98.9%	2,213,204	7.8%
1999	22,016	22,786	96.6%	2,341,299	7.9%
2000	23,014	24,076	95.6%	2,520,710	7.5%
2001	23,615	24,947	94.7%	2,638,522	7.8%
2002	24,164	25,476	94.9%	2,761,150	8.2%
2003	24,805	25,911	95.7%	2,917,364	7.1%
2004	N/A <sup>2</sup>	N/A	N/A	N/A	6.3%
2005	N/A <sup>2</sup>	N/A	N/A	N/A	5.5%

Year	School Enrollment <sup>(a) 3</sup>	Regular High School Diplomas <sup>(a) 4</sup>	Median Age
1996	18,507	1,008	1990 Census 35.0
1997	18,922	1,059	1995 35.7
1998	19,071	1,098	2000 36.1
1999	19,550	1,134	2001 36.4
2000	20,022	1,153	2002 36.6
2001	20,315	1,238	2003 36.8
2002	20,351	1,156	2004 37.0
2003	20,667	1,192	
2004	21,153	1,239	
2005	21,707	1,358	

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

(a) Idaho Department of Education

<sup>1</sup> Population estimate by Idaho Department of Commerce & Labor as of July 1, 2005.

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

<sup>3</sup> School enrollment includes data from School District 44 and School District 391 which are joint districts and partially located in Kootenai County.

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

Kootenai County Comprehensive Annual Financial Report - FY 2005

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

Employer	2005			1996		
	Range of Employees	Rank	Percentage of Total County Employment	Range of Employees	Rank	Percentage of Total County Employment
Kootenai Medical Center	1,600 - 1,699	1	3.04 - 3.23%	1,000 - 1,099	3	2.70 - 2.96%
Coeur d'Alene School District	1,200 - 1,299	2	2.28 - 2.46%	1,000 - 1,099	1	2.70 - 2.96%
Center Partners	1,200 - 1,299	3	2.28 - 2.46%	-	-	-
Hagadone Hospitality	1,100 - 1,199	4	2.09 - 2.28%	1,000 - 1,099	2	2.70 - 2.96%
North Idaho College	800 - 899	5	1.52 - 1.71%	800 - 899	4	2.16 - 2.42%
Coeur d'Alene Tribe	700 - 799	6	1.33 - 1.51%	-	-	-
Verizon Northwest	700 - 799	7	1.33 - 1.51%	-	-	-
Kootenai County	600 - 699	8	1.14 - 1.32%	500 - 599	5	1.35 - 1.61%
Post Falls School District	600 - 699	9	1.14 - 1.32%	400 - 499	8	1.08 - 1.34%
Lakeland School District	500 - 599	10	0.95 - 1.13%	300 - 399	10	0.81 - 1.07%
Harpers	-	-	-	400 - 499	6	1.08 - 1.34%
Idaho Forest Industries	-	-	-	400 - 499	7	1.08 - 1.34%
Advanced Input Devices	-	-	-	300 - 399	9	0.81 - 1.07%
Kootenai County Non-Farm Payroll Employment Total <sup>1</sup>	52,679			37,098		
Average employment size of the 10 largest employers	916			636		

Source for Data: Idaho Department of Commerce & Labor

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

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Function										
General Government	225	236	245	251.4	227.4	269.3	249.5	270.6	275.6	280
Public Safety										
Sheriff	93	94	97	96	96	100.9	97.9	103.9	99.9	99.9
Jail	70	72	72	73.8	78.3	82.9	92.9	98.9	108.9	113.9
Justice	44	44	49	52	55	58.5	62.7	64.1	64.6	66.6
Public Health	38	38	38	39	32	32	31	34.5	35.5	35.5
Building	12	12	12	12	12	12	12.5	12.5	11	12
Public Works										
Airport	6	6	6	6.5	6.5	6.5	7	7	7	7.1
Solid Waste										
Transfer Station	38	36	36	35.5	35.5	36.5	36.6	37	39	44
Noxious Weed Control	2	2	2	2.3	2.3	2	3	3	2	2
Health & Welfare										
County Assistance	7	7	7	8	8	8	7	7	7	7
Culture & Recreation										
Snowmobile	0	0	0	0	0	0	0.5	1	1	0
Parks & Recreation	2.5	3	3	3	3	3	1	2.1	3	3
Waterways	2.5	2.5	3	3	3.5	3.5	5	5.5	3.5	3
Marine Deputy <sup>1</sup>	2	2	2	1.5	1.5	2	2	2	2	0.6
Total	542	554.5	572	584	561	617.1	608.6	649.1	660	674.6

Source: Kootenai County Adopted Budget documents

<sup>1</sup> Temporary Seasonal Deputies total approximately 8-10 per year.

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

Function/Program	Fiscal Year									
	1996	1997 <sup>1</sup>	1998	1999	2000	2001	2002	2003	2004	2005
<b>Police</b>										
Physical arrests	N/A	5,794	6,188	5,933	6,369	5,926	5,904	6,727	7,288	7,382
<b>District Court Caseloads</b>										
Felonies	1,701	1,734	1,832	1,967	1,807	1,802	2,004	2,660	2,966	3,183
Misdemeanors	10,649	13,349	13,413	13,269	12,704	8,260	9,211	11,069	11,645	10,788
Infractions	14,662	19,734	20,564	17,071	19,311	14,608	16,439	18,428	19,067	17,326
<b>Refuse Collection</b>										
Refuse collected <sup>2</sup>	109	130	123	128	130	139	144	150	168	179
Recyclables collected <sup>2</sup>	7.4	12.4	8.9	10.9	11.5	11.1	11.1	12.1	12.9	16.4
<b>Parks and Waterways</b>										
Improved facilities	N/A	N/A	22	22	23	23	23	24	24	24
<b>Airport</b>										
Hangars <sup>3</sup>	4	9	13	16	20	22	27	29	33	35

Sources: Various County Departments

<sup>1</sup> In 1997, Kootenai County experienced an ice storm that caused substantial damage and a measurable increase in refuse and recyclables.

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

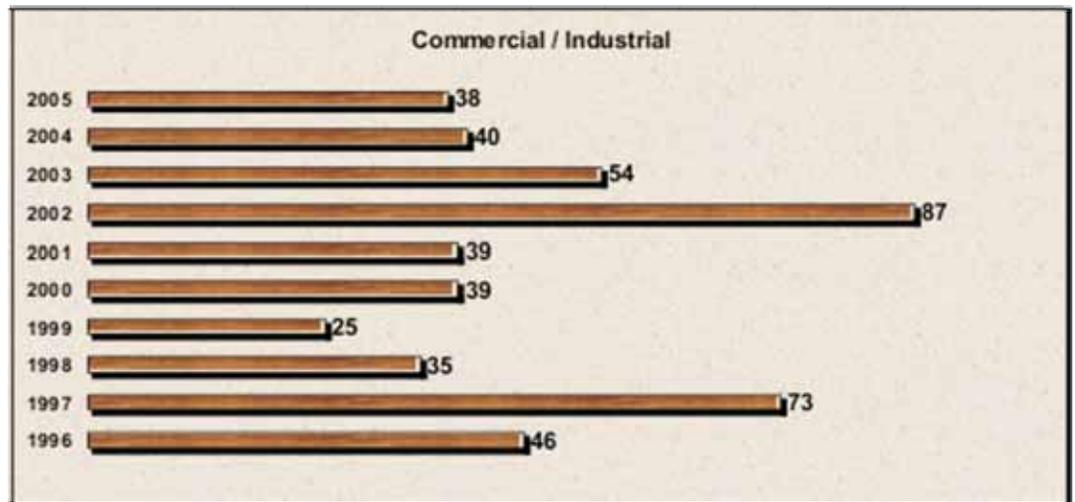
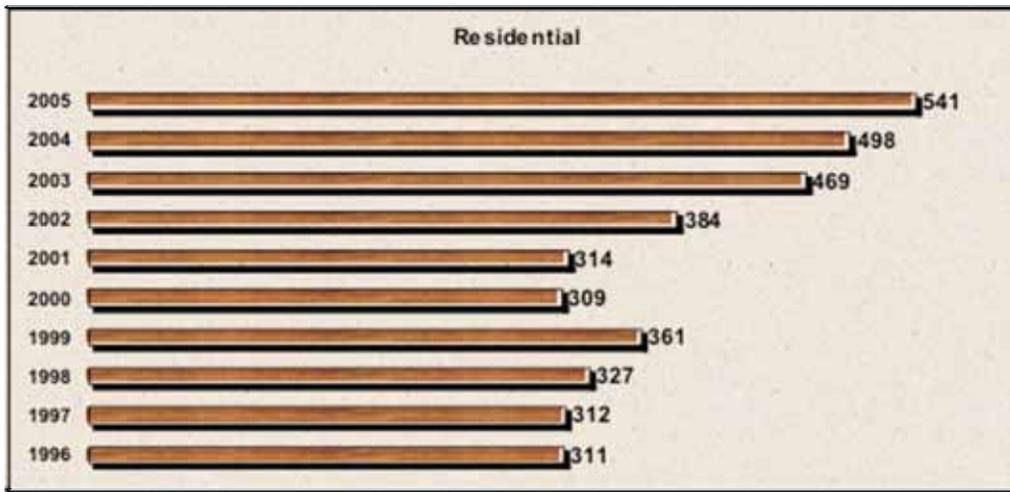
<sup>3</sup> Each year reflects the cumulative total of completed hangars located at the Coeur d'Alene Airport.

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

Year	Residential		Commercial / Industrial	
	Permits	Value	Permits	Value
2005	541	\$ 120,616,808	38	\$ 6,447,755
2004	498	114,339,369	40	7,251,883
2003	469	89,862,245	54	8,674,813
2002	384	68,390,040	87	16,937,617
2001	314	54,604,525	39	20,118,138
2000	309	49,985,661	39	5,022,672
1999	361	52,305,316	25	1,859,695
1998	327	39,898,615	35	2,400,879
1997	312	40,048,752	73	4,044,109
1996	311	39,605,188	46	4,770,837

Notes:

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



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

Institution Type	Number of Branches	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
<i>(1) Data as of June 30th</i>											
Commercial Banks	34	\$ 1,302	\$ 1,271	\$ 1,002	\$ 923	\$ 880	\$ 847	\$ 802	\$ 696	\$ 728	\$ 738
FDIC Savings Banks	6	170	142	127	106	69	60	47	82	57	41
<b>Subtotal FDIC-Insured Institutions</b>	<b>40</b>	<b>1,472</b>	<b>1,413</b>	<b>1,129</b>	<b>1,029</b>	<b>949</b>	<b>907</b>	<b>849</b>	<b>778</b>	<b>785</b>	<b>779</b>
<i>(2) Data as of December 31st</i>											
Credit Unions	1	9	10	23	22	23	20	21	20	16	15
<b>Total</b>	<b>81</b>	<b>\$ 1,482</b>	<b>\$ 1,436</b>	<b>\$ 1,151</b>	<b>\$ 1,052</b>	<b>\$ 969</b>	<b>\$ 928</b>	<b>\$ 869</b>	<b>\$ 794</b>	<b>\$ 800</b>	<b>\$ 794</b>

Kootenai County's total deposit market share for all FDIC-Insured institutions rank at 9.73% of the total deposits at like institutions within the State of Idaho.

(1) Source: Federal Deposit Insurance Corporation

(2) Source: National Credit Union Administration

KOOTENAI COUNTY, IDAHO  
 Capital Asset Values by Function  
 Last Eight Fiscal Years  
 (amounts expressed in thousands)

Function	1998	1999	2000	2001	2002	2003	2004	2005
<b>General government:</b>								
Land	\$ 837	\$ 837	\$ 1,476	\$ 1,523	\$ 1,523	\$ 1,894	\$ 1,931	\$ 1,931
Buildings	12,192	14,195	14,195	14,195	14,409	14,663	14,454	14,454
Improvements	-	-	-	-	-	3	33	-
Machinery and equipment	5,441	5,877	5,815	6,317	6,813	7,000	7,305	7,585
<b>Public works:</b>								
Land	133	676	676	676	986	1,819	1,819	1,828
Buildings	-	-	-	-	256	502	502	562
Improvements	7,548	7,944	8,786	11,244	13,396	13,219	13,222	17,440
Machinery and equipment	697	745	767	1,460	1,624	1,625	1,660	1,707
<b>Public safety:</b>								
Land	65	65	65	65	65	65	65	65
Buildings	7,144	7,144	7,144	9,140	9,090	20,184	20,213	20,213
Improvements	-	-	-	-	-	13	13	22
Machinery and equipment	4,343	5,060	5,366	5,508	5,606	5,954	6,108	6,313
<b>Sanitation:</b>								
Land	735	735	735	450	450	986	1,275	1,275
Buildings	183	183	183	183	183	183	572	572
Improvements	16,049	16,049	16,049	16,049	18,247	18,720	19,826	20,435
Machinery and equipment	4,340	4,973	5,104	5,362	5,447	6,215	6,535	6,855
<b>Health &amp; welfare:</b>								
Machinery and equipment	41	48	35	35	33	35	35	32
<b>Culture and recreation:</b>								
Land	-	85	85	85	85	250	249	249
Buildings	2,984	2,995	2,995	3,005	3,212 <sup>1</sup>	228	239	239
Improvements	-	-	134	140	-	136	585	591
Machinery and equipment	1,270	1,284	1,343	1,053	956	993	1,044	1,029
<b>Capital projects:</b>								
Construction in progress	1,167	948	5,531	11,210	11,298	1,588	3,684	3,157
<b>Total Capital Assets</b>	<b>\$ 65,169</b>	<b>\$ 69,843</b>	<b>\$ 76,350</b>	<b>\$ 87,694</b>	<b>\$ 93,819</b>	<b>\$ 96,272</b>	<b>\$ 101,339</b>	<b>\$ 106,587</b>

<sup>1</sup> In 2002 and 2003 North Idaho Fair and Rodeo's Machinery and Equipment \$108 and Buildings \$2,928 were removed from Culture and Recreation.

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

<b>Function</b>	1998	1999	2000	2001	2002	2003	2004	2005
<b>Public safety:</b>								
Kootenai County Sheriff								
Sheriff Office	1	1	1	1	1	1	1	1
Patrol Units	50	56	57	57	57	57	58	58
Public Safety Building	1	1	1	2	2	3	3	3
<b>Sanitation:</b>								
Ramsey Transfer Station								
Trash Rolloff Bins	12	15	15	15	15	20	34	34
Loader	3	3	3	3	3	3	3	3
Tractor Truck	4	5	5	5	5	6	6	5
Transfer Trailer	13	13	13	15	17	18	20	21
Fighting Creek Landfill								
Heavy Machinery & Equipment	5	5	8	8	8	8	8	9
<b>Culture and Recreation:</b>								
Waterways/Park & Recreation								
Pumpouts	8	8	10	10	10	10	10	10
Vault Toilets								
Wood	6	6	6	7	7	7	7	7
Concrete	0	0	1	2	2	3	3	3

Sources: Various County Departments

# Single Audit Section

## Life Goes On *continued*

### Where Are We?

The investigation eventually led across the state border to Montana. The tactical team that shot to the secluded site had to sleep in cars and eat whatever food they'd brought along because the area was as far removed from civilization as possible. ISP Capt. Wayne Longo, who led the team, left Coeur d'Alene so quickly that he still wore his Class A uniform. They arrived at twilight. Longo positioned his team, then walked down a road to acclimate himself.



Photo courtesy of: Robert Pittsley

"Here I am in the middle of nowhere and I hear a truck," he says.

The truck carried two huckleberry pickers. They stopped when they saw Longo, confused. He told them he was operating a DUI checkpoint because he couldn't tell them the real nature of the operation. The woman in the truck looked at his ISP uniform and said, "Do you realize you're not in Idaho?"

*continued, page 145*



# Auditors' Section

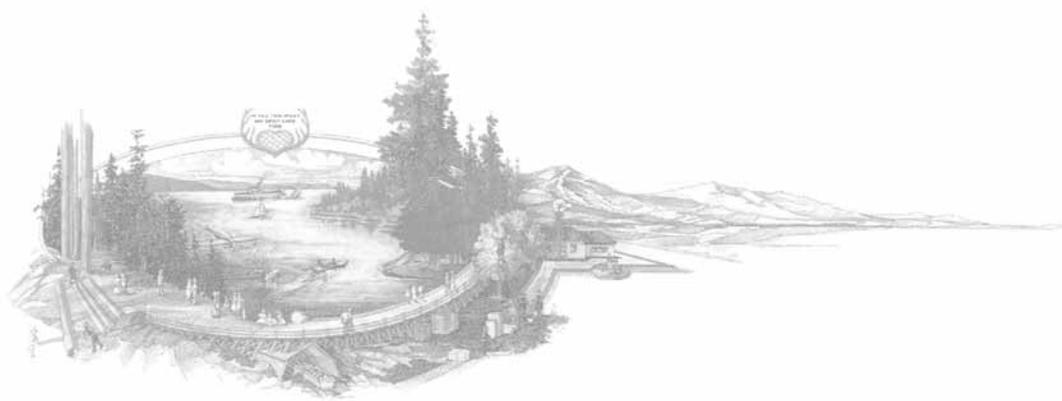
Thank You Very Much

*"If we didn't have something, someone else did. There could have been a lot of teeth-gnashing over who would pay, but there were no squabbles."* Sheriff's Capt. Travis Chaney



*Kootenai County's Emergency Operations Center hard at work during the Wolf Lodge murder and kidnapping case.*

*continued page 153*



**INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of Kootenai County, Idaho (the "County") as of and for the year ended September 30, 2005, and have issued our report thereon dated December 15, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

*Internal Control Over Financial Reporting*

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

*Compliance*

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

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Spokane, Washington  
December 15, 2005

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

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

*Compliance*

We have audited the compliance of Kootenai County (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended September 30, 2005. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of audit findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended September 30, 2005.

*Internal Control Over Compliance*

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*LeMaster & Daniels PLLC*

Spokane, Washington

December 15, 2005

KOOTENAI COUNTY, IDAHO

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2005

Section I – Summary of Auditors’ Results

FINANCIAL STATEMENTS:

FINANCIAL STATEMENTS:

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Reportable condition(s) identified that are not considered to be material weakness(es)  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Reportable condition(s) identified that are not considered to be material weakness(es)  Yes  None reported

Type of auditors’ report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in compliance with section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee?  Yes  No

**KOOTENAI COUNTY, IDAHO**

**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2005**

**Section II - Financial Statement Findings**

There were no current year audit findings.

**KOOTENAI COUNTY, IDAHO**

**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2005**

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

No matters were reported.

# Auditees' Section

## Thank You Very Much *continued*

The crime happened in Kootenai County, yet city, state and federal agencies never hesitated to chip in resources-people, equipment, supplies, utilities. Cost didn't come into question. Criminals never ask first if an area can bear the cost of the crime they're about to commit.

"We invited the Board of County Commissioners to come see the operation," says Sheriff's Capt. Travis Chaney. "They have to pay for it. They were very supportive. They let the workers know the commissioners were committed."



Unified Command-ISP Capt. Wayne Longo, Chaney and the FBI's Don Robinson-reacted to needs on the spot rather than wait for decisions from higher-ups out of the area.

"We didn't have the luxury of time to call our bosses and bounce things off them," Longo says. "We had to be able to make a decision and stand by it even if it turned out wrong."

The unified commanders earned justified praise, but they knew the operation worked because hundreds of people helped. So they told them. At daily briefings, Chaney told the troops the unified command was there to do what they needed.

"How can we make your job easier?" he asked them. So much depended on them.

Investigators at the Kootenai County Landfill sorted through 100 tons of garbage in search of evidence. The Unified Command thanked them for their work on a thankless job.

"We had what we needed to get the job done," says Sandy Von Behren, OEM director. "Support from the county, agencies, businesses, citizens. That's what it takes in a disaster. That's why the Office of Emergency Management is important."

KOOTENAI COUNTY, IDAHO

Schedule Of Expenditures Of Federal Awards  
As of September 30, 2005

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Identifying Number	Pass-Through Award amount	2004-2005 expenditures
<b>U. S. DEPARTMENT of AGRICULTURE</b>				
Passed through Idaho State Superintendent of Public Instruction:				
School Breakfast - Lunch Program	10.553	RC-28-03	variable	\$ 77,590.81
Passed thru Idaho Department of Lands				
Wildland Urban Interface Community & Rural Fire Assistance	10.664	NFPG 01-I-12-CP	3,098,385.00	674,069.64
				<u>751,660.45</u>
<b>U. S. DEPARTMENT of INTERIOR</b>				
Passed through Idaho Bureau of Land Management				
Wildland Urban Interface Community & Rural Fire Assistance	15.228	DAA010411	285,000.00	35,718.47
SMD Snowmobile Grant	15.225	DAA990211	7,500.00	8,394.36
Passed through Idaho State Historical Society				
Plesantview School Restoration Project	15.912		1,750.00	1,687.00
				<u>45,799.83</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>				
Direct Programs:				
EPA Financial Assistance Grant Agreeemnt Coeur d'Alene Basin				
	66.802	V-97052401-1	50,000.00	6,765.31
				<u>6,765.31</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Direct Programs:				
Community Policing and Public Safety Grants	16.710	2002-UMWX-0160	150,000.00	38,931.69
Juvenile Drug Court	16.585	2002-LB-BX-0048	498,500.00	52,034.75
Ballistic Vest Program	16.607		2,473.32	2,061.99
LLEBG FY04	15.592	2004-LB-BX-0436	10,607.00	10,744.93
Passed through Idaho Department of Juvenile Corrections:				
Female Offender Project	16.540	02-JCHE-05	1,955.00	1,953.24
Substance Abuse Project	16.540	03-SA11-01/04-SA11-01	43,207.00	18,370.92
Mentor Project	16.540	04-JJ11-01	13,936.00	11,806.36
JAIBG	16.523	02-JA11-04;03-JA11-04	380,625.00	298,009.20
Passed through Idaho Department of Health and Welfare:				
Domestic Violence Grant	16.576	KC189700/KC204600	42,500.00	22,990.39
Passed through Idaho State Police				
STOP Violence Against Women	16.588	03ST1K00PR	78,898.00	16,493.23
KC Adult Drug Court	16.579	04-BY-02-PA-1K-00-2	73,271.00	19,138.90
				<u>492,535.60</u>
<b>U. S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>				
Passed through Idaho Department of Health and Welfare:				
Domestic Violence Grant	93.671	KC204600	13,000.00	2,863.28
				<u>2,863.28</u>

# Kootenai County Comprehensive Annual Financial Report - FY 2005

## U.S. DEPARTMENT OF COMMERCE

### Direct Program

Public Works & Economic Development Facilities Program - Airport Infrastructure	11.300	07-01-05614	1,341,000.00	1,185,365.00
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### Passed through Idaho State Dept of Commerce

Rural Community Block Grant - Airport Infrastructure	11.300	RCBG-04-I-03-ED;RCBG 05-I-2	1,000,000.00	25,000.00
				<u>1,210,365.00</u>

## U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

### Passed thru Idaho Department of Commerce

Garwood Water Project	14.228	ICDBG 04-1-23-IM	100,000.00	3,000.00
CDA Homes Project	14.228	ICDBG 05-1-07-PF	500,000.00	460,931.00
				<u>463,931.00</u>

## U.S. DEPARTMENT OF TRANSPORTATION

### Direct Programs:

Airport Improvement Program	20.106	Major Program	various	2,024,171.24
FTA Section 5307 Small Urbanized Area Grant	20.507	ID-90-X060	291,107.00	243,446.50

### Passed through Idaho Office of Highway Safety

KC Enhanced Misdemeanor DUI Probation officer Program	20.601	SJ80504	19,625.00	19,625.00
402 Impaired Driving Program	20.600	SAL0507	7,500.00	7,500.00

### Passed through State Department of Parks and Recreation:

SMD Snowmobile Grant	20.219	GMW6-1-28-2	7,500.00	7,500.00
Boating Safety Financial Assistance	20.005	GBBS51281-00	49,384.00	49,384.00
				<u>2,351,626.74</u>

## U.S. DEPARTMENT OF HOMELAND SECURITY

### Passed through State of Idaho Military Division:

CEMPG	97.042	EMS-2004-GR-0002	45,453.06	3,807.79
All Hazard Emergency Operating Planning (EOP)	97.051	EMS-2003-GR-4048	80,850.00	24.54
Homeland Security - EMPG	97.004	2005-GE-T5-0044	45,198.78	45,198.78
Homeland Security - Equipment (1)	16.007	SHSGPE/SHSG9-II	151,490.07	15,439.71
Homeland Security - Exercise Personnel Grant	16.007	SHSGPEX-II	100,000.00	55,022.14
Homeland Security - Equipment (2)	97.004	2004-GE-T4-0034	173,815.19	9,044.00
Homeland Security - Exercise Personnel Grant	97.004	2004-GE-T4-0034	42,000.00	6,152.74
Homeland Security - Citizens Corp	97.004	2004-GE-T4-0034	50,562.00	31,034.35
Homeland Security - Planning	97.004	2004-GE-T4-0034	28,343.02	9,880.00
Homeland Security - Admin	97.004	2004-GE-T4-0034	5,985.27	3,024.00
Flood Mitigation	97.029	EMS-2004-PC-0018	63,594.00	37,094.00
				<u>215,722.05</u>

## **TOTAL EXPENDITURES OF FEDERAL AWARDS**

**\$ 5,541,269.26**

(1) 2003 Homeland Security Grant Program - Equipment Award is a pass through from the State of Idaho Military Division. Total Grant Award Part 1 was for \$253,333; Part II \$477,608; Part III \$87,593 for a total Award of \$818,534. Only \$151,490 was budgeted for entities within the county. The remaining amounts were awarded to fire districts and cities within Kootenai County.

(2) 2004 Homeland Security Grant Program - Equipment Award is a pass through from the State of Idaho Military Division. Total Grant Award for Equipment is \$255,087, only \$173,815 was budgeted within the county entities. The remaining amounts were awarded to fire districts and cities.

**KOOTENAI COUNTY, IDAHO**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended September 30, 2005**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Kootenai County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Not all of the state pass-through identifying numbers have been made available.

**KOOTENAI COUNTY, IDAHO**

**CORRECTIVE ACTION PLAN  
For the Year Ended September 30, 2005**

**Contact Person Responsible for Corrective Action:**

David McDowell, Finance Director  
451 Government Way  
P.O. Box 9000  
Coeur d'Alene, ID 83816-9000

**Corrective Action Planned:**

No matters were reported.

**KOOTENAI COUNTY, IDAHO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended September 30, 2005**

**Findings from the Year Ended September 30, 2004**

No matters were reported.

**KOOTENAI COUNTY, IDAHO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended September 30, 2005**

**Findings from the Year Ended September 30, 2003, and Prior**

All matters have been resolved.