

KOOTENAI COUNTY, IDAHO



COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2008
Daniel J. English ~ Auditor



KOOTENAI COUNTY, IDAHO

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2008

Daniel J. English
County Auditor

Prepared by the Office of the County Auditor

KOOTENAI COUNTY, IDAHO

Office of the County Auditor

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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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FOR THE FISCAL YEAR ENDING September 30, 2008

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Introductory Section

Spring Flood of 2008

The mountains that feed the Coeur d'Alene River basin, collect a snowpack with an average water content of 22+ inches. This amounts to nearly half the annual rain fall for the area. This winter water storage is what we depend on to replenish our lakes and underground water reservoirs plus keep our streams and rivers flowing.

An early warm weather pattern can melt the snowpack too fast resulting in flooding of streams, rivers, and the lakes they feed.

This year we document the flooding that occurred in the spring of 2008.





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, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. R.", written in a cursive style.

President

A handwritten signature in black ink, reading "Jeffrey R. Emmer", written in a cursive style.

Executive Director



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) 446-1661
E-MAIL: denglish@kcgov.us

DAN ENGLISH

CLERK OF THE
DISTRICT COURT

AUDITOR

RECORDER

March 30, 2009

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, 2008. 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 Management's Discussion and Analysis 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 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 North Idaho Fair & Rodeo and the Kootenai County Emergency Medical Services System.

PROFILE OF THE GOVERNMENT

Kootenai County was established on December 22, 1864 by the Second Territorial Legislature of the Idaho Territory. A trading post below Lake Pend Oreille named Senequoteen 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 of approximately 137,000. The largest city and county seat is Coeur d'Alene. Nearby population centers include Spokane and Spokane Valley, Washington, thirty miles to the west, and Missoula, Montana 150 miles to the east, with populations of approximately 281,000

and 64,000 respectively. Kootenai County is adjacent to the Panhandle National Forest and contains several beautiful lakes covering 70.6 square miles, including the 25 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, Kootenai Medical Center, and Urban Renewal Districts (URDs). 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, Kootenai County, and the three largest school districts in the county. 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 qualified and traditionally minded workforce and high tech infrastructure. Citylink Transit continues to provide free public transportation to residents of Kootenai and Benewah counties. With over 80 stops connecting Fernan, Coeur d'Alene, Hayden, Post Falls, Huetter, Worley, Rathdrum, and State Line Village. Citylink's service helps people get around Kootenai County easily. One of this year's highlights has been the construction of the Salvation Army Coeur d'Alene Ray & Joan Kroc Corps Community Center. The facility is 123,000 square feet on 12 acres with anticipated employment of 130 to 150 employees, opening in May of 2009.

The population growth rate in Kootenai County was 2.4%, out pacing the slower State-wide population increase of 1.8%. The regional economic picture has stagnated in recent months with several sectors experiencing significant retractions; however, the long term prospects continue to look strong with forecasts indicating increasing activity and lower unemployment. Projections indicate that Idaho in general will not suffer as severe an economic slow-down as the national trend, but the business environment will be going through significant recovery phase over the next year.

Kootenai County remains in sound financial condition at the conclusion of fiscal year 2008 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. The November 2008 general election ballot measure for jail expansion, Sheriff's complex, and other county improvements failed, and the Board is considering alternatives to address this pressing need. The dramatic economic downturn in the final quarter of 2008 was accredited as significantly influencing the outcome.

Major Initiatives

The major accomplishments and events of the County during 2008 included continued facilities improvement. Several goals were met during fiscal year 2008. These include:

1. One of the most significant occurrences during the fiscal year was the substantial completion of the Solid Waste Department's Prairie Transfer Station sited on the west side of Kootenai County. The site was chosen due to its close proximity to railroad access, which can facilitate the transport of waste out of this transfer station once the landfill has been exhausted. The facility is expected to be completed and opened for operation early in fiscal year 2009.

2. Law Enforcement sworn officer compensation was also addressed again this year with anniversary wage adjustments and indexing of the Sworn Officer pay matrix system.
3. A significant number of new positions were added during the year to address the needs created by the growing population. Nine and two thirds new positions were created with 31% of those positions being added to the law and order operations, and the balance spread across the rest of the county operations primarily to address growth needs.

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 2008. 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 and a primary focus on public safety structures.

The replacement reserve which was established at the end of fiscal year 2005 will continue to be funded each year to assure that adequate funds are set aside for the ongoing upkeep of existing county facilities in future years.

Continuing planning and development of the airport to accommodate additional economic development and growth.

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 \$2,820,000 was recognized in fiscal year 2008; reported on page 31 in the Government-Wide Statement of Activities. Of this amount, \$1,073,332 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, 2008, the Solid Waste operation continues to be debt free. 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.

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, 2007. 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 fourteen consecutive years (fiscal years 1994-2007). 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 Kim Stevenson, Keith Taylor, Willeen Corey, and Randi Bain, Accountants.

Sincerely,



Daniel J. English

Kootenai County Auditor



Todd Tondee
Commissioner District #1



Rick Currie
Commissioner District #2



Rich Piazza
Commissioner District #3



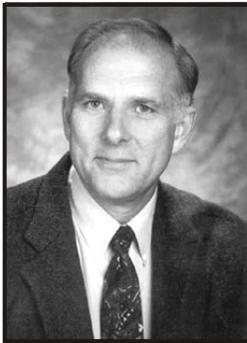
Daniel J. English
County Clerk



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

District Judge

Magistrate Judge

Magistrate Judge

Magistrate Judge

Magistrate Judge

Magistrate Judge

Magistrate Judge

Lansing Haynes

John T. Mitchell

John P. Luster

Charles Hosack

Scott Wayman

Barry E. Watson

James D. Stow

Benjamin R. Simpson

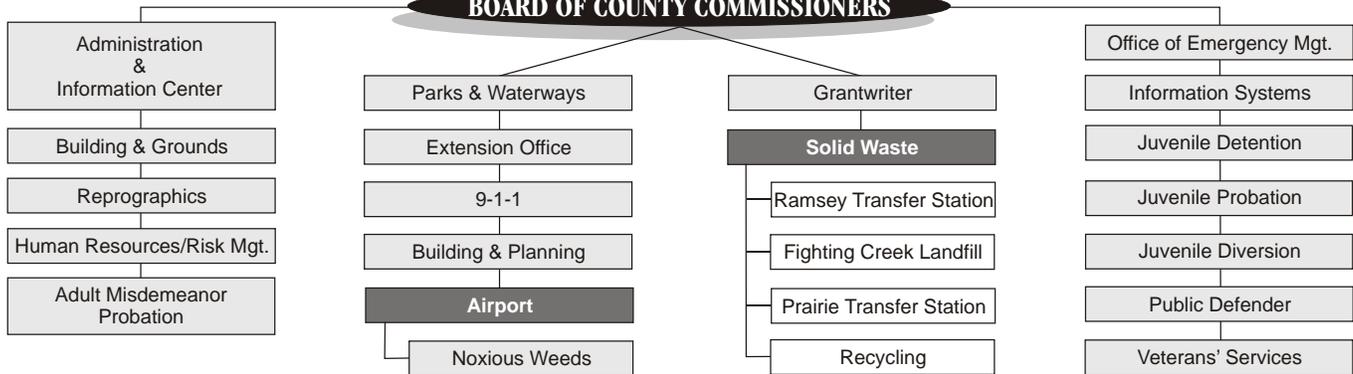
Eugene A. Marano

Penny Friedlander

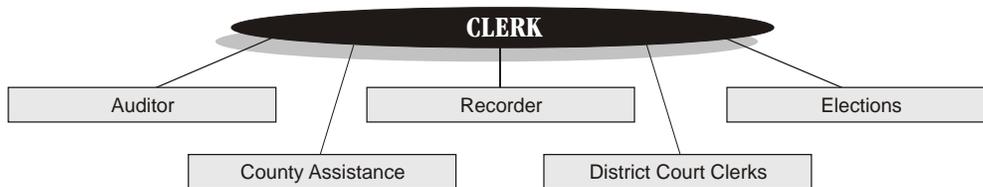
KOOTENAI COUNTY, IDAHO ORGANIZATIONAL CHART February 2009

VOTERS

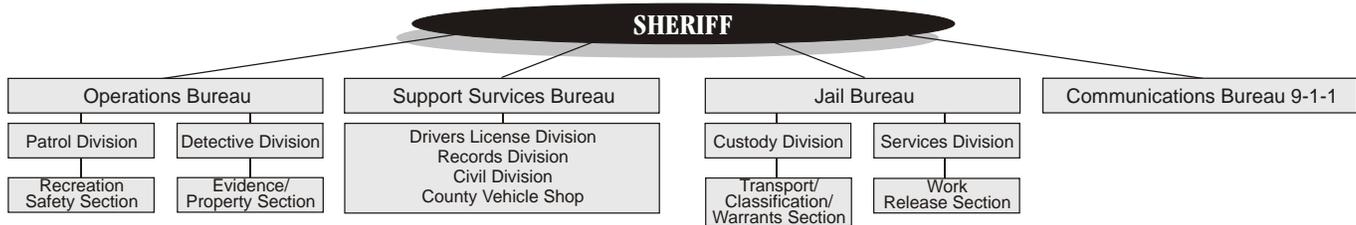
BOARD OF COUNTY COMMISSIONERS



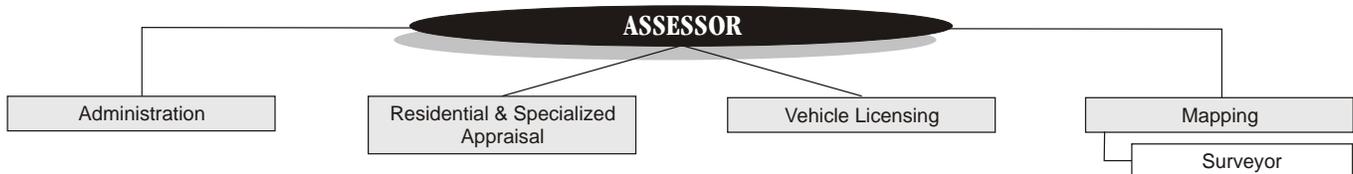
CLERK



SHERIFF



ASSESSOR



DISTRICT COURT JUDGES



PROSECUTING ATTORNEY



CORONER

TREASURER

ELECTED OFFICIAL

LEGEND

Department

Division

Sub Department

Designed for the Kootenai County Comprehensive Annual Financial Report

Financial Section

The Coeur d'Alene River at Cataldo reached a discharge rate of 31,200 cubic feet per second on May 19, 2008. The discharge rate averaged 21,870 cubic feet per second for the period of May 16th to 25th. At the rivers entrance to lake Coeur d'Alene, it reached a flood stage of 46 feet.





INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kootenai County, Idaho (the "County") as of and for the year ended September 30, 2008, and the business-type activities of the County as of and for the years ended September 30, 2008 and 2007, which collectively comprise 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, 2007, and Kootenai County Emergency Medical Services System as of and for the year ended September 30, 2008 - 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 opinion.

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, remaining aggregate fund information, and the respective budgetary comparison for the General Fund of Kootenai County, Idaho, as of September 30, 2008, 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, 2008 and 2007, and the respective cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Kootenai County Comprehensive Annual Financial Report - FY 2008

Management's Discussion and Analysis and Required Supplementary Budgetary Comparison on pages 13 through 25 and pages 67 through 71, respectively, are 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 procedures applied in our audits 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 March 30, 2009, 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 audits were 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 audits 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
March 30, 2009

Management's Discussion and Analysis

Many areas in the Coeur d'Alene River basin were under water and several homes were inaccessible. Roads suffered washouts. Bridges were closed due to buildup of debris carried by the flood waters.





KOOTENAI COUNTY
Management's Discussion and Analysis
For the Year Ended September 30, 2008
(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, 2008. 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 2008 are as follows:

At the end of the current year, the County's combined governmental and business activities reported an ending net asset balance of \$113,119 thousand. Of this amount, \$31,318 thousand is available for spending (unrestricted net asset balance) on behalf of its citizens.

At the end of the current year, unrestricted net assets from Government activity was \$22,242 thousand, which represents a 2.3% decrease from the prior year and represents 36.8% of total Governmental activity expenditures. A large portion of the decrease in unrestricted net asset balance is explained by a \$181 thousand decrease in revenue from police protection fees and a \$170 thousand decrease of interest revenue.

The County maintained its policy of fiscal discipline by controlling expenditures in 2008. Operating expenditures were under budget by \$3,461 thousand or 7% compared to 2008 budget due to decreased service expenditures. Additionally, capital expenditures were under budget in the current year by \$1,518 thousand or 42.6 % compared to budget with major computer project expenditures carrying over into Fiscal Year 2009.

The county continues to maintain a very low level of debt that significantly strengthens its balance sheet position. Debt decreased by 10.9% over the prior year to \$680 thousand at September 30, 2008.

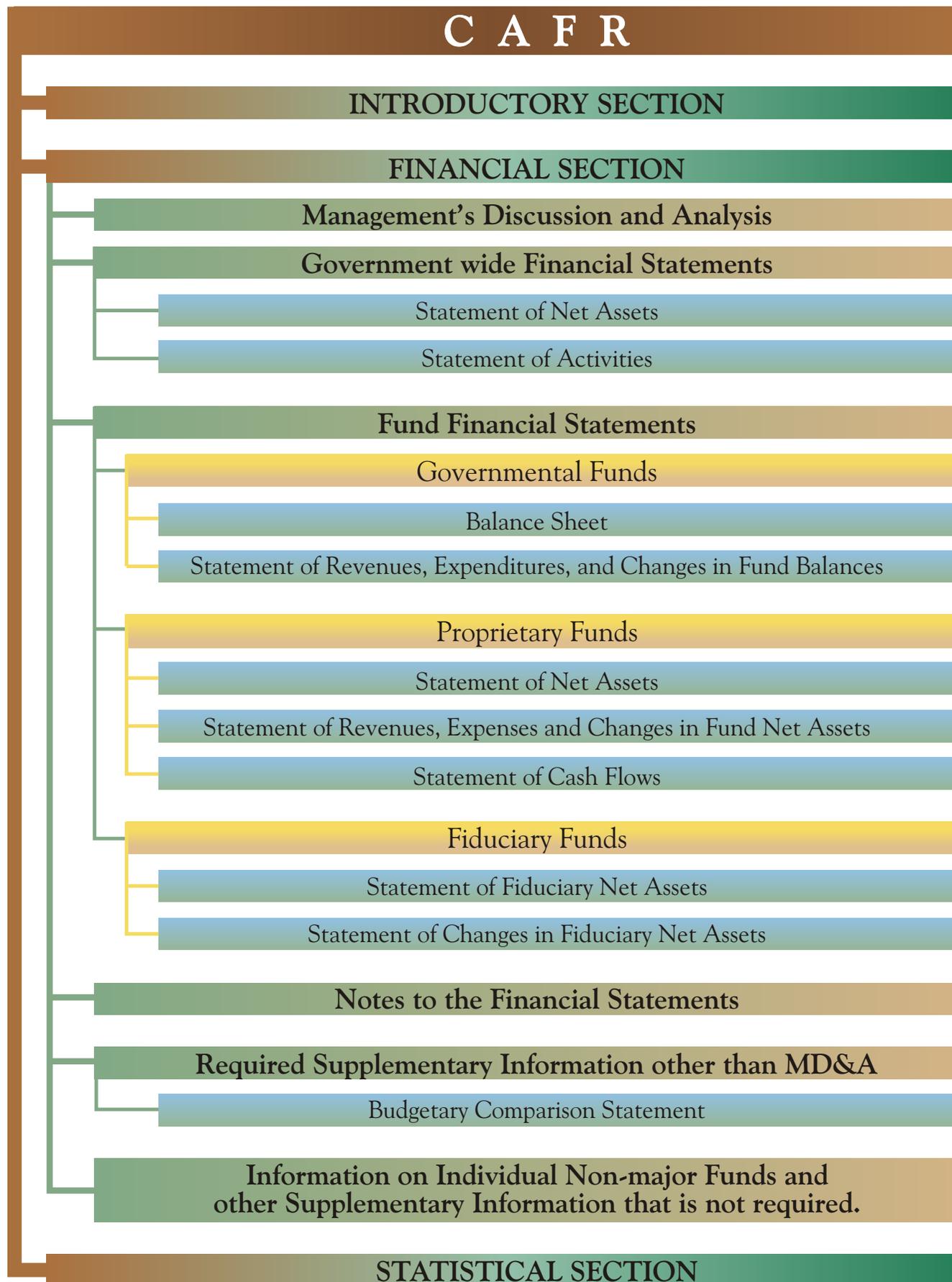
Net justice activities utilized fund balance of \$215 thousand more than planned as program expenditures exceeded charges for services. Additionally, justice operations were slightly over budget due to higher than expected personnel costs during the year.

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 below.

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.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 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 the financial 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 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-wide and fund financial statements.

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

Government-wide Financial Analysis

Table 1 summarizes the Kootenai County's net assets for 2007 and 2008:

	Kootenai County's Net Assets (amounts in 000)						
	Governmental Activities		Business-type Activities		Total		Total % Change
	2007	2008	2007	2008	2007	2008	2007-2008
Current and other assets	\$ 66,674	\$ 68,636	\$ 29,143	\$ 24,204	\$ 95,817	\$ 92,840	-3.1%
Capital assets	48,373	47,429	13,296	22,970	61,669	70,399	14.2%
Total assets	115,047	116,065	42,439	47,174	157,486	163,239	3.7%
Long-term debt outstanding	4,506	685	203	-	4,709	685	-85.5%
Other liabilities	38,606	43,133	5,348	6,302	43,954	49,435	12.5%
Total liabilities	43,112	43,818	5,551	6,302	48,663	50,120	3.0%
Net assets							
Invested in capital assets, net of related debt	47,604	46,749	13,296	22,970	60,900	69,719	14.5%
Restricted	1,562	3,256	15,772	8,826	17,334	12,082	-30.3%
Unrestricted	22,769	22,242	7,820	9,076	30,589	31,318	2.4%
Total net assets	\$ 71,935	\$ 72,247	\$ 36,888	\$ 40,872	\$ 108,823	\$ 113,119	3.9%

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 \$35,354 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 this case, the Primary Governments assets exceeded liabilities by \$113,119 thousand (\$72,247 thousand in governmental activities and \$40,872 in business activities) as of September 30, 2008. By far, the largest portion of the County's net assets \$69,719 thousand, 62%, 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 outstanding debt used to acquire those assets. 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 cannot be used to liquidate these liabilities.

A portion of Kootenai County's Primary Government's net assets, \$12,082 thousand or 11% represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, \$31,318 thousand or 28% 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 2008

Table 2, shows the changes in net assets for 2007 and 2008:

	Changes in Kootenai County's Net Assets as of September 30, 2007 and 2008 (amounts in 000)						
	Governmental Activities		Business-type Activities		Total		Percentage Change
	2007	2008	2007	2008	2007	2008	2007-2008
Revenues							
Program revenues							
Charges for services	\$ 18,810	\$ 17,435	\$ 10,300	\$ 11,195	\$ 29,110	\$ 28,630	-1.6%
Federal grants	2,712	2,850	-	-	2,712	2,850	5.1%
State grants	1,710	1,252	-	-	1,710	1,252	-26.8%
General revenues							
Property taxes	28,408	35,421	-	-	28,408	35,421	24.7%
Other	3,309	3,366	1,471	1,216	4,780	4,582	-4.1%
Total revenues	54,949	60,324	11,771	12,411	66,720	72,735	9.0%
Expenses							
General government	21,233	23,408	-	-	21,233	23,408	10.2%
Public works	2,292	2,459	-	-	2,292	2,459	7.3%
Public safety	26,488	30,030	-	-	26,488	30,030	13.4%
Sanitation weed control	577	324	-	-	577	324	-78.1%
Health and welfare	2,660	3,312	-	-	2,660	3,312	24.5%
Culture and recreation	1,085	844	-	-	1,085	844	-22.2%
Capital projects	47	38	-	-	47	38	-19.1%
Interest on long term debt	55	37	-	-	55	37	-32.7%
Solid waste	-	-	7,378	7,923	7,378	7,923	7.4%
Total expenses	54,437	60,452	7,378	7,923	61,815	68,375	10.6%
Excess before special items and transfers	512	(128)	4,393	4,488	4,905	4,360	-11.1%
Gain on sale of assets	-	(116)	-	50	-	(66)	0.0%
Transfers In (out)	519	557	(519)	(557)	-	-	0.0%
Increase (decrease) net assets	\$ 1,031	\$ 313	\$ 3,874	\$ 3,981	\$ 4,905	\$ 4,294	-12.5%

Governmental Activities

Charges for services program revenues decreased overall by \$480 thousand, or 1.6% for the current year. Charges for services are the County's second largest sources of program revenue next to property tax revenue, accounting for \$17,435 thousand or 28.9% 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 \$4,537 thousand or 7.5% of total governmental revenues. The major recipients of intergovernmental program revenues were Public Transportation and Justice Services.

Property tax revenues in the governmental funds account for \$35,421 thousand of the \$60,324 thousand total revenues for governmental activities, or 58.7% of total revenues, and the general government property tax revenues increased by \$7,013 thousand or 24.5% from the prior year. The significant increase in property tax collections resulted from the end of property tax relief revenue which had been provided through local option sales tax in the amount of \$4,060 thousand in FY 2007. In addition, actual property tax collections increased by \$2,398 thousand in 2008.

The Sheriff's Jail program accounted for \$7,703 thousand of the \$60,452 thousand total expenses for governmental activities, or 12.7%. The next largest program was Sheriff's Patrol, accounting for \$4,777 thousand and representing 7.9% of total governmental expenses.

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Revenue from Federal grants increased slightly by \$138 thousand to \$2,712 thousand as the county continues to administer significant Airport Improvement Projects, Homeland Security grants, and Federal Transportation Administration grants. State grant revenue decreased from the prior year by \$458 thousand as \$590 thousand of Waterways Construction funds were realized in 2007 as a result of completed projects.

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, 2007 and 2008
(amounts in 000)

	Total Cost of Services		Percentage Change	Net Cost of Service		Percentage Change
	2007	2008	2007-2008	2007	2008	2007-2008
General government	\$ 22,898	\$ 23,408	2.2%	\$ 11,750	\$ 13,460	14.6%
Public works	2,234	2,459	10.1%	2,227	2,418	8.6%
Public safety	26,037	30,030	15.3%	15,445	19,754	27.9%
Sanitation (Weed control)	577	324	-43.9%	303	295	-2.6%
Health and welfare	2,607	3,312	27.0%	2,660	3,312	24.5%
Culture and recreation	610	844	38.4%	269	411	52.8%
Capital projects	47	38	-18.7%	(601)	(771)	-28.3%
Other	55	37	-33.2%	55	37	-32.7%
Total	\$ 55,065	\$ 60,452	9.8%	\$ 32,108	\$ 38,916	21.2%

The general governments total cost of services increased by \$510 thousand, or 2.2% compared to the prior year. This moderate increase in total costs is attributed to normal budgeted salary expense increases over the prior year. Net cost of services for the General Government increased \$1,710 thousand or 14.6% as revenues to cover costs decreased as a result of the slowing local economy. This is evident as the County realized a decrease of \$750 thousand in revenue from building and construction related fees.

Public Safety cost of services of \$30,030 thousand make up 49.7% of the total cost of services which is the largest portion of County expenditure classifications. Public Safety cost of services increased \$3,993 thousand from the prior year due to the increased costs of sheriff patrol and jail operation of \$771 thousand and \$1,624 thousand respectively. Additionally, District Court personnel costs increased as a result of a new Magistrate Judge position.

These governmental activities are funded by property taxes and intergovernmental revenues. Also, charges for services, operating grants programs, and capital grant revenues of \$21,536 thousand (35.6% of the total costs of services) are used to fund the County's general government expenses. Combined operational and capital grant/project revenues increased \$551 thousand to \$4,537 in 2008 as a result of additional funding from the US Department of Transportation. See Figure 1A below for a breakout of revenue by funding source.

Figure 1: Program Revenues and Expenses - Governmental Activities

The figure below provides a graphical analysis of revenues and expenses by their functional classification

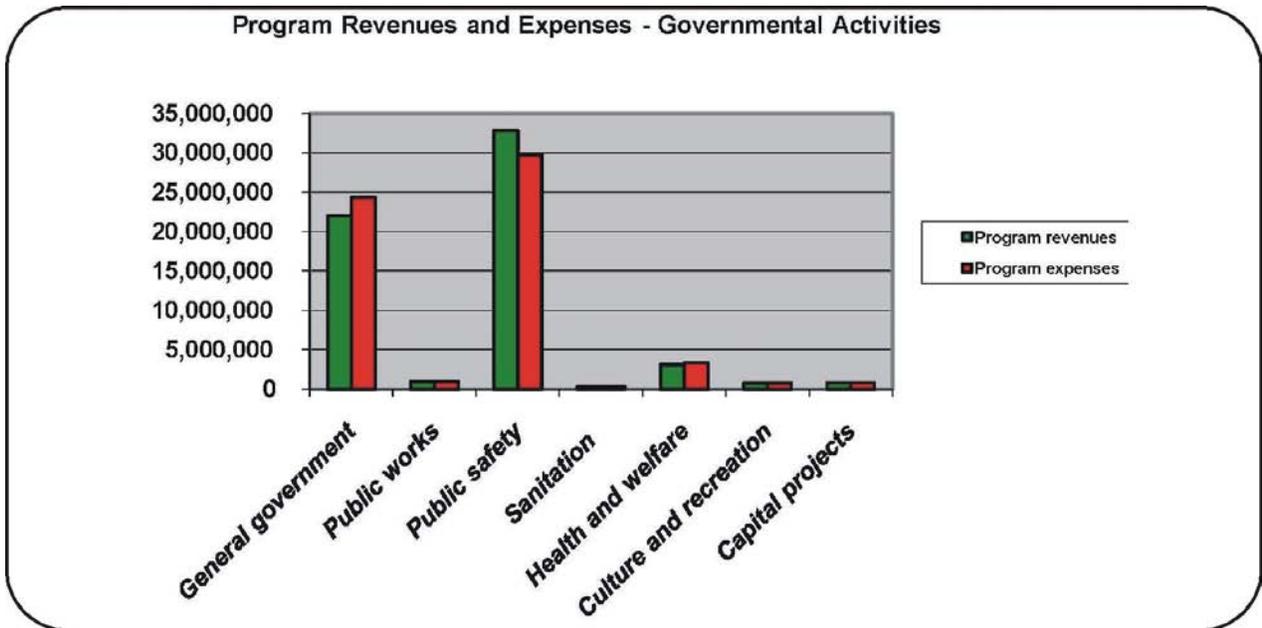
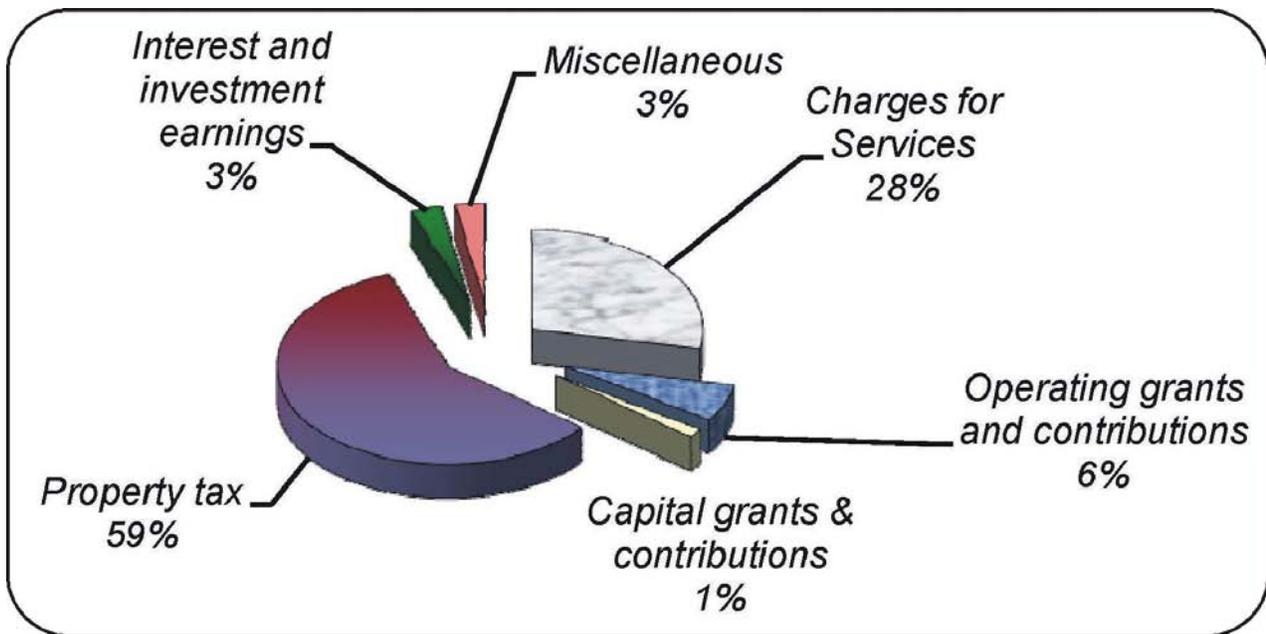


Figure 1A: Revenues by Source-Government Activities

The figure below breaks out Kootenai County revenue for fiscal year 2008 as a percentage by category. See the related dollar value of each category on the Statement of Activities on page _____



Business-Type Activities

The net assets for business-type activities increased by \$3,983 thousand during 2008, accounting for a 92.7% overall change in primary government net assets. The Business-type major revenue source is charges for services of \$11,195 thousand for 2008. (See figure 2)

Figure 2: Program Revenues and Expenses - Business-type Activities

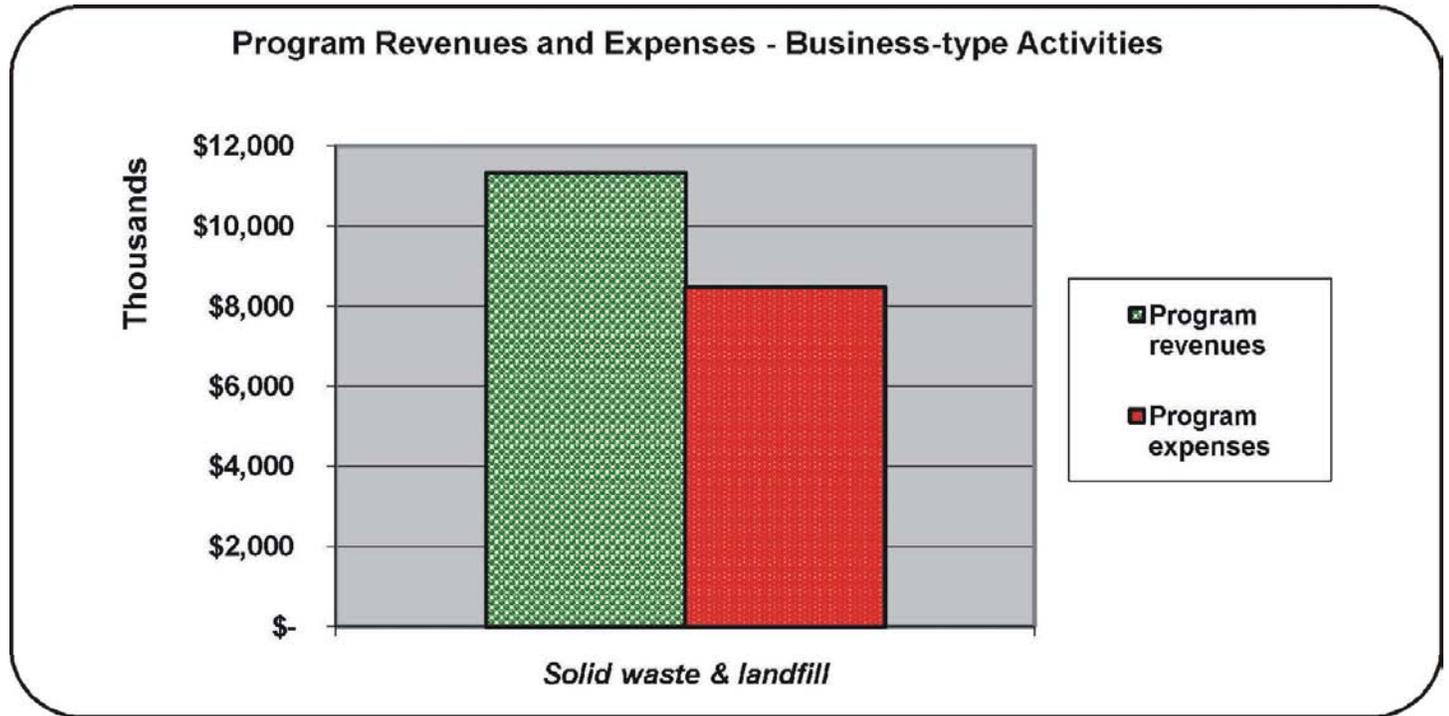
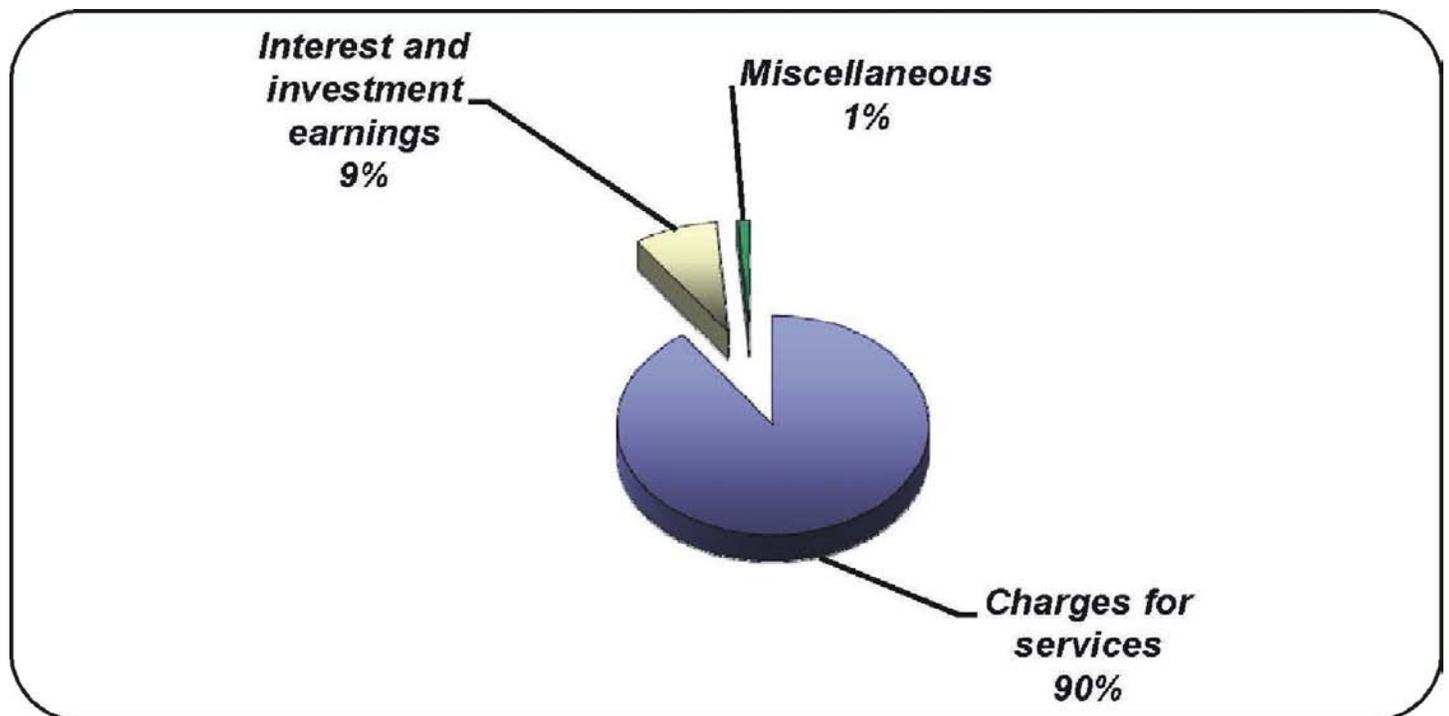


Figure 3: Revenues by Source - Business-type Activities



The accumulated net assets of the Business-Type Activities - Solid Waste Enterprise Fund will provide the funding necessary for planned capital projects. There were two significant Solid Waste capital projects in fiscal year 2008. The first project is the nearly completed Prairie Transfer station located near the City of Post Falls which has a total capital development cost of \$12,800 thousand. The second major capital construction project is a new Gas and Leachate System for Fighting Creek Landfill that was started in 2008 and has a total project cost of \$1,000 thousand. The accumulated resources in the Solid Waste Fund will eliminate the need for any future capital financing costs for these planned capital activities.

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, 2008, the County's governmental funds reported a combined ending fund balance of \$27,260 thousand, an increase of \$685 thousand in comparison with the prior year. Approximately 88.0% of this total or \$24,003 thousand constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved (approximately 12.0% or \$3,256 thousand), is committed for a variety of restricted purposes.

The General Fund is the primary operating fund of the County. At the end of 2008, unreserved fund balance was \$21,549 thousand, while total fund balance was \$24,685 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 governmental activity expenditures of \$45,897 thousand. Unreserved fund balance represents 46.9% of total General Fund expenditures, while total fund balance represents 53.7% of that same amount.

The County's General Fund balance has increased by \$1,341 thousand or 3.6% during fiscal year 2008. A key factor in this increase was lower than anticipated expenditures. Additionally, revenues other than property taxes exceeded expectations by \$2,244 thousand.

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, 2008, were \$9,076 thousand. Unrestricted net assets increased by \$1,255 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 \$2,483 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, 2008, amounts to \$70,398 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 net increase in the county's investment in capital assets for the current fiscal year (including depreciation, additions and deductions) was 14.2% (a 1.9% decrease for governmental activities and a 72% increase for business type activities).

Table: 4

	Kootenai County's Capital Assets (net of depreciation, in thousands of dollars)						Total Percentage Change 2007-2008
	Governmental Activities		Business-type Activities		Total		
	2007	2008	2007	2008	2007	2008	
Land	\$ 4,511	\$ 5,207	\$ 1,294	\$ 1,294	\$ 5,805	\$ 6,501	12.0%
Buildings	22,897	21,903	309	322	23,206	22,225	-4.2%
Improvements other than Buildings	11,064	14,046	8,809	7,552	19,873	21,598	8.7%
Machinery and Equipment	4,818	5,223	2,178	2,979	6,996	8,202	17.2%
Construction in Progress	5,083	1,050	706	10,822	5,789	11,872	105.1%
Total	\$ 48,373	\$ 47,429	\$ 13,296	\$ 22,969	\$ 61,669	\$ 70,398	14.2%

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

- ◆ The purchase of land on Carlin Bay for \$695,781 for continued County Parks and Waterways growth.
- ◆ Current fiscal year expenditures for on going improvements to the infrastructure at the Airport are \$4,774 thousand. Of that cost, \$1947 in additions and construction on a new Holding Apron and \$1,783 thousand for additions to Taxiway N including work on Apron 23, essential for ongoing development and commercial growth.
- ◆ Information Systems Department incurred costs for Software of \$541 thousand. \$448.5 thousand for continued additions to Logos (the County's new Financial and Human Resource software) as well as \$59 thousand for the Spillman Software (the County's Public Safety software).
- ◆ The Sheriffs Department purchased eight new patrol vehicles, as well as radios, radars, light bars and mobile data computers; expenditures totaled \$391 thousand.
- ◆ The Solid Waste Department continued with construction of the new Prairie Transfer Station for \$9,585 thousand. The Solid Waste department also replaced equipment and vehicles, in the amount of \$1,324 thousand, the most significant purchases being two Front End Loaders for the Ramsey Transfer Station and one for the new Prairie Transfer Station.

Additional information on Kootenai County's capital assets can be found in Note 5 (Capital Assets) to the financial statements for fiscal year 2008.

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Long-Term Debt – At September 30, 2008, the County had total general obligation debt outstanding of \$680 thousand. The County's long-term debt decreased by \$84 thousand or 12.3% during fiscal year 2008, explained in a large part by the retirement of the County Administration Building Note.

	Kootenai County's Outstanding Debt (amounts in 000)		
	Governmental Activities		Total Percentage Change
	2007	2008	2007-2008
Equipment leases	\$ 142	\$ 110	-22.5%
Facility leases	622	570	-8.4%
Total	\$ 764	\$ 680	-11.0%

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 (Leases) and Note 7 (General Long-Term Obligations) to the financial statements.

ECONOMIC FACTORS

Kootenai County's significant growth during the prior 5 years has slowed in the current year, more in line with the State and Federal economy as a whole. Under current projections and trends, economic activity will continue to be slow down over the coming year, but will expand at a higher rate than State and National levels once economic factors improve.

While population growth had been steady around 4% for each of the previous three years, this year the increase was only 2.4%. The July 2008 population estimate is 137,475. Housing starts continue to decrease both for commercial and residential building. Residential building permits decreased 45% in 2008 from the previous year. Assessed value for all property types in Kootenai County remained constant from the prior year at \$16.7 billion dollars this fiscal year.

Over the past five years, the most significant contributing growth component has been the continued migration 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 positive side effect of this trend is an abundance of skilled and professional workers willing and eager to find employment which continues to be very attractive to local employers and prospective businesses. A negative side effect of the prolonged period of migration into the County has been a burgeoning of a building and construction industry which has led to higher unemployment in the current period of slow growth. The County's unemployment rate is 7.4% compared with a state-wide average of 6.6% and a national rate of 6.8% national rate for the same time period last year.

Investment earnings have leveled off with the decreasing federal funds rate over 2008. In the prior year, the State Legislature has passed new legislation regarding Urban Renewal Districts (URDs), which provides tax increment funding for identified economically challenged areas within cities. Historically the underlying taxing districts (including Kootenai County) have been provided new growth property tax funding on URD values, the new legislation takes that funding away. There has not been any other 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 2009 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

Camp grounds along the river that would normally be busy with spring campers, were closed for an extended period for cleanup after the flooding. This was a minor part of the economic impact the flooding had on the local area.





KOOTENAI COUNTY, IDAHO
Statement of Net Assets
September 30, 2008

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	North Idaho Fair & Rodeo Dec. 31, 2007	KCEMSS Sept. 30, 2008
ASSETS					
Cash in bank and investments	\$ 28,951,762	\$ 17,067,503	\$ 46,019,265	\$ 562,602	\$ 2,699,850
Taxes current	35,353,764		35,353,764	-	-
Taxes delinquent-receivable	1,839,553	350,487	2,190,040	-	-
Accounts receivable, (net)	1,888,472	974,355	2,862,827	2,036	561,719
Interest receivable	266,348	104,887	371,235	-	-
Grants receivable	260,175	-	260,175	-	-
Inventories and prepaid expenses	75,738	-	75,738	-	11,731
Restricted assets:					
Cash held for closure and postclosure	-	5,706,565	5,706,565	-	-
Capital Assets:					
Land	5,207,049	1,293,975	6,501,024	-	-
Depreciable assets, (net)	41,101,124	10,853,380	51,954,504	1,555,329	886,504
Non-Depreciable other assets	71,503	-	71,503	-	102,725
Construction in progress	1,049,527	10,822,503	11,872,030	68,267	-
Total Assets	\$ 116,065,015	\$ 47,173,655	\$ 163,238,670	\$ 2,188,234	\$ 4,262,529
LIABILITIES					
Accounts payable	\$ 2,357,241	\$ 609,845	\$ 2,967,086	\$ 4,860	\$ 28,405
Payroll and related liabilities	1,642,821	101,300	1,744,121	7,042	-
Interest payable	4,261	-	4,261	-	-
Deferred property tax revenues	35,353,764	-	35,353,764	-	-
Other accrued liabilities	-	31,141	31,141	12,502	9,733
Deferred grant revenues	76,128	-	76,128	-	-
Non-current liabilities:					
Due within one year	177,749	5,350	183,099	-	-
Due in more than one year	4,205,867	184,608	4,390,475	-	-
Landfill closure liability	-	5,370,000	5,370,000	-	-
Total Liabilities	43,817,831	6,302,244	50,120,075	24,404	38,138
NET ASSETS					
Invested in capital assets, net of related debt	46,749,020	22,969,858	69,718,878	1,623,596	886,504
Restricted for:					
Sheriff Snowmobile	51,432	-	51,432	-	-
Juvenile justice services	167,646	-	167,646	-	-
Court interlock	38,674	-	38,674	-	-
Capital purchases	644,848	-	644,848	-	-
Replacement Reserve	513,180	-	513,180	-	-
Capital appropriations carryover	586,965	3,455,849	4,042,814	-	-
Landfill closure	-	5,370,000	5,370,000	-	-
Other Purposes	1,253,644	-	1,253,644	-	-
Unrestricted :					
Governmental type activities	22,241,775	-	22,241,775	-	-
Business type activities	-	9,075,704	9,075,704	540,234	3,337,887
Total Net Assets	72,247,184	40,871,411	113,118,595	2,163,830	4,224,391
Total Liabilities and Net Assets	\$ 116,065,015	\$ 47,173,655	\$ 163,238,670	\$ 2,188,234	\$ 4,262,529

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

KOOTENAI COUNTY, IDAHO
Statement of Activities
For the Year Ended September 30, 2008

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions
Primary government:				
Governmental activities:				
General government	\$ 23,408,007	\$ 7,526,590	\$ 2,351,719	\$ 70,860
Public works	2,459,153	40,971	-	-
Public safety	30,029,495	8,997,550	1,259,045	19,309
Sanitation	323,986	4,344	24,523	-
Health and welfare	3,312,401	-	-	-
Culture and recreation	843,825	428,994	3,500	-
Capital projects	37,677	896	-	807,859
Interest on long-term debt	37,223	-	-	-
Total governmental activities	60,451,767	16,999,345	3,638,787	898,028
Business-type activities:				
Solid waste and landfill	7,922,017	11,195,084	-	-
Total business-type activities	7,922,017	11,195,084	-	-
Total primary government	\$ 68,373,784	\$ 28,194,429	\$ 3,638,787	\$ 898,028
Component units:				
County fair	\$ 887,952	\$ 749,038	-	-
KCEMSS	4,723,973	2,880,662	-	-
Total component units	\$ 5,611,925	\$ 3,629,700	-	-

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Miscellaneous
- Interest and investment earnings
- Gain (Loss) on sale of assets/property

Transfers

Total general revenues and transfers

Change in net assets

Net assets—beginning

Net assets—ending

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

Kootenai County Comprehensive Annual Financial Report - FY 2008

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total	Component Units	
			North Idaho Fair & Rodeo	KCEMSS
\$ (13,458,838)	\$ -	\$ (13,458,838)	-	-
(2,418,182)	-	(2,418,182)	-	-
(19,753,591)	-	(19,753,591)	-	-
(295,119)	-	(295,119)	-	-
(3,312,401)	-	(3,312,401)	-	-
(411,331)	-	(411,331)	-	-
771,078	-	771,078	-	-
(37,223)	-	(37,223)	-	-
(38,915,607)	-	(38,915,607)	-	-
-	3,273,067	3,273,067	-	-
-	3,273,067	3,273,067	-	-
(38,915,607)	3,273,067	(35,642,540)	-	-
			\$ (138,914)	\$ -
			-	(1,843,311)
			(138,914)	(1,843,311)
35,420,832	-	35,420,832	100,000	1,747,441
1,620,414	143,026	1,763,440	174,444	63,375
1,746,668	1,073,332	2,820,000	22,542	101,973
(116,135)	50,350	(65,785)	-	-
556,616	(556,616)	-	-	-
39,228,395	710,092	39,938,487	296,986	1,912,789
312,788	3,983,159	4,295,947	158,072	69,478
71,934,396	36,888,252	108,822,648	2,005,758	4,154,913
\$ 72,247,184	\$ 40,871,411	\$ 113,118,595	\$ 2,163,830	\$ 4,224,391

Kootenai County Comprehensive Annual Financial Report - FY 2008

KOOTENAI COUNTY, IDAHO
 Balance Sheet
 Governmental Funds
 September 30, 2008

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash in bank and investments	\$ 24,468,784	\$ 3,817,851	\$ 28,286,635
Taxes delinquent-receivable	1,409,629	429,924	1,839,553
Accounts receivable, (net)	1,831,745	7,856	1,839,601
Interest receivable	265,899	449	266,348
Grants receivable	107,262	152,913	260,175
Prepays	75,476	262	75,738
Due from other funds	381,733	-	381,733
Total Assets	\$28,540,528	\$4,409,255	\$32,949,783
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 883,325	\$ 914,196	\$ 1,797,521
Payroll and related liabilities	1,458,137	\$184,183	1,642,320
Deferred revenues	511,886	49,117	561,003
Deferred property taxes	935,255	295,625	1,230,880
Deferred grant revenues	66,620	9,508	76,128
Due to other funds	-	381,733	381,733
Total Liabilities	3,855,223	1,834,362	5,689,585
Fund Balances:			
Reserved for:			
Juvenile justice services	167,646	-	167,646
Court interlock	-	38,674	38,674
Capital purchases	644,848	-	644,848
Replacement reserve	513,180	-	513,180
Sheriff snowmobile	-	51,432	51,432
Property tax relief	-	-	-
Capital appropriations carryover	556,965	30,000	586,965
Other purposes	1,253,644	-	1,253,644
Unreserved:			
General Fund	21,549,022	-	21,549,022
Special Revenue Funds	-	2,715,860	2,715,860
Capital Projects Funds (deficit)	-	(261,073)	(261,073)
Total Fund Balances	24,685,305	2,574,893	27,260,198
Total Liabilities and Fund Balances	\$ 28,540,528	\$ 4,409,255	\$ 32,949,783

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, 2008

Total governmental fund balances (page 32)	\$	27,260,198
Amounts reported for governmental activities in the statement of net assets (page 29) 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:		47,429,203
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Property Taxes	1,230,880	
Intergovernmental	561,003	
Total		1,791,883
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(4,261)
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.		153,777
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	(680,182)	
Compensated Absences	(3,703,434)	
Total		(4,383,616)
Total Net Assets of Governmental Activities as shown on the Statement of Net Assets:	\$	72,247,184

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

KOOTENAI COUNTY, IDAHO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2008

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 27,406,219	\$ 8,077,404	\$ 35,483,623
Licenses and permits	1,305,077	184,515	1,489,592
Intergovernmental	8,435,865	2,828,824	11,264,689
Interest	1,707,647	39,021	1,746,668
Fines and forfeitures	354,178	950,472	1,304,650
Charges for services	6,444,152	916,032	7,360,184
Miscellaneous	733,621	904,679	1,638,300
Total Revenues	46,386,759	13,900,947	60,287,706
Expenditures			
Current:			
General government	18,816,925	3,802,911	22,619,836
Public works	-	711,171	711,171
Public safety	24,629,712	4,443,020	29,072,732
Sanitation	-	293,190	293,190
Health & welfare	284,401	3,020,467	3,304,868
Culture and recreation	-	715,085	715,085
Capital projects	-	8,866	8,866
Debt Service:			
Principal retirement	84,181	-	84,181
Interest expense	37,196	266	37,462
Capital Outlay:			
Capital expenditures	2,007,747	246,249	2,253,996
Construction in progress	36,834	1,030,939	1,067,773
Total Expenditures	45,896,996	14,272,164	60,169,160
Excess of Revenues Over (Under) Expenditures	489,763	(371,217)	118,546
Other Financing Sources (Uses)			
Proceeds insurance	8,668	872	9,540
Transfers In	4,992,347	121,497	5,113,844
Transfers (out)	(4,557,228)	-	(4,557,228)
Total Other Financing Sources (Uses)	443,787	122,369	566,156
Net Change in Fund Balances	933,550	(248,848)	684,702
Fund Balances Beginning of Year	23,751,755	2,823,741	26,575,496
Fund Balances End of Year	\$ 24,685,305	\$ 2,574,893	\$ 27,260,198

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, 2008

Net change in fund balances - total governmental funds (page 34)	\$	684,702
Amounts reported for governmental activities in the statement of activities (pages 30 and 31) 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.		66,524
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (\$3,321,769 - \$4,106,996)		(785,227)
Loss on disposal of capital assets		(152,613)
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.		84,181
Insurance proceeds provide current financial resources to governmental funds. This is the amount by which insurance proceeds exceeded repayments.		(9,540)
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.		39,658
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.		385,103
Total Change in Net Assets of Governmental Activities as shown on the Statement of Activities	\$	312,788

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

KOOTENAI COUNTY, IDAHO
Statement of Net Assets
Proprietary Funds
September 30, 2008 and 2007

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2008	2007	2008	2007
Assets				
Current Assets:				
Cash and cash equivalents	\$ 17,067,503	\$ 22,948,646	\$ 665,128	\$ 287,273
Taxes delinquent-receivable	350,487	289,467	-	-
Accounts receivable, (net)	974,355	889,610	48,871	5,269
Interest receivable	104,887	143,424	-	-
Inventories and prepaid expenses	-	2,707	-	-
Total Current Assets	<u>18,497,232</u>	<u>24,273,854</u>	<u>713,999</u>	<u>292,542</u>
Noncurrent Assets:				
Restricted Assets:				
Cash held for closure and post closure	5,706,565	4,869,000	-	-
Capital Assets:				
Land	1,293,975	1,293,975	-	-
Depreciable capital assets, (net)	10,853,380	11,295,756	-	-
Construction in progress	10,822,503	706,446	-	-
Total Noncurrent Assets	<u>28,676,423</u>	<u>18,165,177</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 47,173,655</u>	<u>\$ 42,439,031</u>	<u>\$ 713,999</u>	<u>\$ 292,542</u>
Liabilities				
Current Liabilities:				
Accounts payable	\$ 609,845	\$ 420,579	\$ 119,906	\$ 249,867
Payroll and other related liabilities	101,300	57,171	502	274,001
Other accrued liabilities	31,141	1,082	439,814	-
Total Current Liabilities	<u>742,286</u>	<u>478,832</u>	<u>560,222</u>	<u>523,868</u>
Long-Term Liabilities:				
Due within one year	5,350	21,656	-	-
Due in more than one year	184,608	181,291	-	-
Landfill closure liability	5,370,000	4,869,000	-	-
Total Long-Term Liabilities	<u>5,559,958</u>	<u>5,071,947</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>6,302,244</u>	<u>5,550,779</u>	<u>560,222</u>	<u>523,868</u>
Net Assets				
Invested in capital assets (deficit), net of related debt	22,969,858	13,296,177	-	-
Restricted for:				
Landfill closure	5,370,000	4,869,000	-	-
Capital appropriations carryover	3,455,849	10,902,820	-	-
Unrestricted	9,075,704	7,820,255	153,777	(231,326)
Total Net Assets	<u>40,871,411</u>	<u>36,888,252</u>	<u>153,777</u>	<u>(231,326)</u>
Total Liabilities and Net Assets	<u>\$ 47,173,655</u>	<u>\$ 42,439,031</u>	<u>\$ 713,999</u>	<u>\$ 292,542</u>

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 Fiscal Years Ended September 30, 2008 and 2007

	Business-type activity		Governmental-type activity	
	Solid Waste	Enterprise Fund	Health Insurance	Internal Service Fund
	2008	2007	2008	2007
Operating Revenues				
Charges for services	\$ 11,195,084	\$ 10,300,164	\$ 5,519,435	\$ 4,541,454
Miscellaneous	143,026	44,530	-	-
Total Operating Revenues	11,338,110	10,344,694	5,519,435	4,541,454
Operating Expenses				
Personal services	2,328,634	2,205,922	11,936	11,606
Professional services	1,881,081	1,769,905	5,212,586	5,242,685
Utilities	88,512	92,128	-	-
Materials and supplies	875,612	681,064	-	-
Maintenance and repairs	265,131	265,428	-	-
Other services and expenses	174,837	336,843	1,350	1,225
Depreciation and amortization	1,807,210	1,503,349	-	-
Landfill closure and post closure expense (note 9)	501,000	524,000	-	-
Total Operating Expenses	7,922,017	7,378,639	5,225,872	5,255,516
Operating Income	3,416,093	2,966,055	293,563	(714,062)
Non-Operating Revenues (Expenses)				
Intergovernmental revenues	-	-	91,540	103,573
Interest and investment revenue	1,073,332	1,426,946	-	-
Miscellaneous revenue	-	-	-	-
Gain on sale of assets	50,350	600	-	-
Total Non-Operating Revenues (Expenses)	1,123,682	1,427,546	91,540	103,573
Income before Contributions and Transfers	4,539,775	4,393,601	385,103	(610,489)
Transfers (out)	(556,616)	(519,116)	-	-
Change in Net Assets	3,983,159	3,874,485	385,103	(610,489)
Net Assets Beginning of Year (deficit)	36,888,252	33,013,767	(231,326)	379,163
Net Assets End of Year	\$ 40,871,411	\$ 36,888,252	\$ 153,777	\$ (231,326)

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

KOOTENAI COUNTY, IDAHO
Statement of Cash Flows
Proprietary Fund
For the Fiscal Years Ended September 30, 2008 and 2007

	Business-type Activities - Enterprise Fund Solid Waste		Governmental Activities Internal Service Fund Health Insurance	
	2008	2007	2008	2007
Cash Flows from Operating Activities				
Cash received from customers	\$ 11,052,026	\$ 10,405,440	\$ 5,475,833	\$ 4,536,185
Other cash receipts	143,026	44,530	-	-
Cash payments to employees	(2,267,435)	(2,159,535)	(11,936)	(11,606)
Cash payments for goods and services	(3,095,907)	(3,028,547)	(5,177,582)	(5,272,116)
Internal activity - payments from other funds	38,537	(128,428)	-	-
Net cash provided by operating activities	5,870,247	5,133,460	286,315	(747,537)
Cash Flows from Noncapital Financing Activities				
Intergovernmental revenues	-	-	91,540	103,573
Transfers out	(556,616)	(519,116)	-	-
Net cash provided (used) by noncapital financing activities	(556,616)	(519,116)	91,540	103,573
Cash Flows from Capital and Related Financing Activities				
Payments for capital acquisitions	(11,480,891)	(1,753,308)	-	-
Insurance proceeds	-	-	-	-
Proceeds from sale of capital assets	50,350	600	-	-
Net cash used by capital and related financing activities	(11,430,541)	(1,752,708)	-	-
Cash Flows from Investing Activities				
Interest on investments	1,073,332	1,426,946	-	-
Net cash provided by investing activities	1,073,332	1,426,946	-	-
Net increase in Cash and Cash Equivalents	(5,043,578)	4,288,582	377,855	(643,964)
Cash and Cash Equivalents Beginning of Year	27,817,646	23,529,064	287,273	931,237
Cash and Cash Equivalents End of Year	\$ 22,774,068	\$ 27,817,646	\$ 665,128	\$ 287,273
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$ 3,416,093	\$ 2,966,055	\$ 293,563	\$ (714,062)
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>				
Depreciation	1,807,210	1,503,349	-	-
Loss on disposal of asset	-	-	-	-
(Increase) Decrease in Assets:				
Accounts receivable	(145,765)	107,983	(43,602)	(5,269)
Interest receivable	38,537	(128,428)	-	-
Inventories and prepaid expenses	2,707	(2,707)	-	-
Increase (Decrease) in Liabilities:				
Accounts payable	189,266	116,821	36,354	(28,206)
Accrued payroll	43,047	24,731	-	-
Payable accruals	-	-	-	-
Compensated absences payable	18,152	21,656	-	-
Landfill closure/postclosure liability	501,000	524,000	-	-
Net Cash Provided by Operating Activities	\$ 5,870,247	\$ 5,133,460	\$ 286,315	\$ (747,537)

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, 2008

	Private-Purpose Trust Funds	Agency Funds
Assets		
Cash in bank and investments	\$ 6,485,101	\$ 2,204,879
Receivables:		
Taxes delinquent	-	4,787,665
Accounts receivable, (net)	-	-
Total Assets	6,485,101	\$ 6,992,544
Liabilities		
Accounts payable	33,077	\$1,155,786
Deferred property taxes	736,166	-
Due in more than one year	8,214	-
Due to other individuals	3,671,809	-
Due to agency activity	1,801,362	5,836,758
Total Liabilities	6,250,628	\$ 6,992,544
Net Assets		
Held in trust for other purposes	\$ 234,473	

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, 2008

	Private-Purpose Trust Funds
	2008
Additions	
Trust receipts	\$ 3,606,483
Total Additions	3,606,483
Deductions	
Trust turnovers	3,372,010
Total Deductions	3,372,010
Increase in Net Assets	234,473
Net Assets Beginning of Year	-
Net Assets End of Year	\$ 234,473

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

Notes to the Financial Statement

The Coeur d'Alene River's overflow caused major damage to the Centennial Trail, or Trail of the Coeur d'Alenes as it is know in the Cataldo area.





NOTES TO THE FINANCIAL STATEMENTS

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KOOTENAI COUNTY, IDAHO
Notes to the Financial Statements
September 30, 2008

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 infrastructure (roads, bridges, etc.).

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, and reported a change of net assets of \$158,072 for the fiscal year ending December 31, 2007. As of September 30, 2008, KCEMSS reported a change in net assets of \$69,478 for their current fiscal year.

Basis of Presentation

The 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 for Kootenai County.

B. Government-wide and Fund Financial Statements

Government-Wide Statements

The County uses government-wide financial statements to report its financial position and the results of operations. The Statement of Net 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-type activities are financed in whole or in part by fees charged to external parties for goods or services. Internal service funds are included with governmental activities in the government-wide statements and are included with the proprietary funds in the financial statements, and are not eliminated in the process of consolidation.

Statement of Net Assets

The Statement of Net Assets presents the County's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are displayed in the following three categories: *Invested in Capital Assets, Net of Related 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 related 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 financial statements are presented for the governmental, proprietary, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. The emphasis in the fund statements is on major funds. Major governmental and business-type funds are reported as separate columns in the fund statement. The remaining governmental and business-type funds are considered to be nonmajor funds and are consolidated in a nonmajor funds column (on the combined fund statements). The nonmajor funds are displayed individually in combining financial statements and schedules.

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 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 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 account for financial resources used for the acquisition or construction of major capital assets (other than those financed by proprietary funds).

Certain amounts in the 2007 CAFR were reclassified to conform with the 2008 presentation with no effect on previously reported fund balances.

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 activities and an internal service fund to account for self-insured health services.

1. Enterprise Funds – Enterprise funds account for operations that meet one of two criteria. (1) The activity runs in a manner similar to private business enterprises. Moreover, the intent of the governing body is that the ongoing operating costs (including depreciation) of providing goods or services to the public are financed or recovered primarily through user charges. (2) Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
2. Internal service funds 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 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 do not have a measurement focus, and use the accrual basis of accounting. Kootenai County utilizes private purpose trust funds for cash bonds, restitution trust, and escheated property.
2. Agency Funds – Agency funds are used to account for assets held solely in a custodial capacity and as a result assets equal liabilities. Agency funds do not have a measurement focus. Kootenai County uses agency funds to account for taxes collected by the County on behalf of other governments and maintains approximately 25 agency funds for taxing districts within the county, including cities, highway districts, school districts, water and sewer districts, and urban renewal districts.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include intergovernmental revenues (including state and federal grants) and charges for current services. Other revenues including licenses, permits, fines, forfeitures, and miscellaneous are not measurable until received; therefore, recognition occurs upon collection. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to debt service, compensated absences, claims and judgments, are recorded when payment is due. 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 Statement of Net Assets. Net assets are segregated into Invested in capital assets, net of related debt and restricted and/or unrestricted assets. Proprietary fund Statements of Revenues, Expenses, and Changes in Fund Net Assets present the increases (revenues) and decreases (expenses) in net 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. Also, the proprietary fund distinguishes operating revenues and expenses as the revenues and expenses generally resulting from provision of services in connection with the operation of waste disposal. Operating expenses for the enterprise fund include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Property Taxes:

The County levies property taxes on or before the third Monday in September and billings are sent to the taxpayers in November. The taxes are due in two installments. One-half of the real property taxes and all of the personal property taxes are due by December 20. The remainder is due by the following June 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment role as delinquent on the first day of January of the succeeding year. In accordance with applicable GAAP standards, 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 maturity dates 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, 2008.

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, then invested by the County Treasurer in certificates of deposit, United States Treasury Securities, and United States Obligations 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 note 16 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 \$5,000 and an estimated useful life of more than one year are capitalized. The costs of normal repairs and maintenance that do not add to the asset's utility or materially extend an asset's useful life are not capitalized.

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:

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

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

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

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

At September 30, 2008, total compensated absences payable by the County is \$3,893,392. Of this amount, \$3,703,434 arises from governmental activity operations, and \$189,958 is attributable to business activity operations. See note 7 for the schedule illustrating changes in long-term obligations.

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 note 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 governmental fund assets and fund liabilities is called fund equity. For governmental and proprietary fund types the equity position is called net assets. In the fund financial statements, government funds report restrictions of fund equity to identify assets that are not available for appropriation in the following year or are legally segregated for specific future uses. See note 17-D 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 interfund loans, transfers, and reimbursements are 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 proprietary 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 (See note 12). 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 \$4,383,616 difference are as follows:

Capital Leases - current balances as of 9/30/08

Equipment leases	\$	109,688	
Facility leases		<u>570,494</u>	
Total Capital leases	\$		680,182

Compensated absences 3,703,434

Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities* \$ 4,383,616

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 \$153,777 difference are as follows.

Net assets of the internal service fund	\$	713,999
Less: Internal payables		<u>(560,222)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$	<u>153,777</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 \$(785,227) difference are as follows:

Capital outlay	\$ 3,321,769
Depreciation expense	<u>(4,106,996)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (785,227)</u>

Property taxes in the amount of \$66,524 were collected more than sixty days after the County's fiscal year end, and not considered "available" revenues in the governmental funds.

Capital lease repayments in the amount of \$84,181 exceeded proceeds.

Loss on the disposal of Capital Assets in the amount of (\$152,613) exceeded gains from the sale of Land, \$36,478 by (\$116,135).

Insurance proceeds provide current financial resources to governmental funds. The amount by which insurance proceeds exceed prepayments is \$(9,540)

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 \$39,658 difference are as follows:

Compensated absences	\$ 38,537
Change in accrued Interest	<u>1,121</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 39,658</u>

Another element of the reconciliation states the "internal service funds are used by management to charge the cost of certain activities, such as health insurance, to individual funds." The details of this \$385,103 difference are as follows:

Revenues:	
Intergovernmental	\$ 91,540
Charges for Services	<u>5,519,435</u>
Total Revenues	5,610,975
Less expenditures:	<u>(5,225,872)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 385,103</u>

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. See the schedule on page 70 for the details of capital improvement carry forwards.

For the year ending September 30, 2008, there was one supplemental appropriation for unanticipated revenue received over the course of the fiscal year totaling \$2,482,557.

NOTE 3: DEPOSITS AND INVESTMENTS

As of September 30, 2008, Kootenai County had the following investments:

Investment Type (amounts are in thousands)	9/30/2008 (Fair Value)	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 18,473	0.91
State of Idaho Local Government Investment Pool	19,148	0.05
Certificates of Deposits	20,100	0.14
Total fair value of investments:	\$ 57,721	
Portfolio weighted average maturity		0.36

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 allow local government entities of the State of Idaho to aggregate funds for investment purposes. The pooling is intended to improve efficiency and increase 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. Idaho's LGIP is rated by Standard and Poor’s which assigned the portfolio as having ‘extremely strong protection against losses from credit defaults’, and ‘possesses extremely low sensitivity to changing market conditions. Oversight of the LGIP is provided by the STO, and Idaho Code defines allowable investments. An annual audit of Joint Powers Investment Pool is conducted by the State Legislative Auditors Office. The State of Idaho’s reported weighted average maturity of investments for the LGIP as of September 30, 2008, was 51 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's Local Government Investment Pool is rated 'AAAf.' by Standard and Poor's Rating Services which signifies that the portfolio holdings provide extremely strong protection against losses from credit default.

Concentration of credit risk. Currently, Kootenai County has no official investment policy or resolution concerning investment decisions and restrictions in concentration risk of any one issuer. The Board of Kootenai County Commissioners authorizes the County Treasurer to utilize all investment options available under Idaho Law. As of September 30, 2008, the following issuer had more than 5% in concentration of Kootenai County’s total investment portfolio:

Investment Institution	Portfolio %
US Bank	29.5%
Federal National Mortgage Association	13.2%
Federal Home Loan Bank	6.9%

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. As of September 30, 2008, \$44,089 of Kootenai County's bank balance of \$60,311,381, was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name. As of the same date the Kootenai County Emergency Medical Services System (KCEMSS), a discretely presented component unit had no exposure to custodial credit risk because none of KCEMSS' bank balance of \$2,720,890 was uninsured or collateralized with securities held by the pledging

financial institution's trust department or agent, but not in the KCEMSS's name. The North Idaho Fair & Rodeo, another discretely presented component unit had exposure to custodial credit risk as of December 31, 2007, because \$40,693 of the North Idaho Fair & Rodeo's bank balance of \$563,041 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the North Idaho Fair & Rodeo's name.

Custodial credit risk -- investments. 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. Of the investment in U.S. Treasuries of \$18,472,672, Kootenai County has no custodial credit risk exposure where the related securities are uninsured, unregistered and held by Kootenai County's brokerage firm which is also the counterparty for these particular securities. Kootenai County does not have an investment policy limiting the amount of securities that can be held by counterparties.

NOTE 4: RECEIVABLES

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

	General	Non-major Governmental Funds	Solid Waste	Total
Receivables:				
Interest	\$ 265,899	\$ 449	\$ 104,887	\$ 371,235
Accounts Receivable	1,831,745	7,856	1,080,309	2,919,910
Taxes	1,409,629	429,924	350,487	2,190,040
Grants Receivable	107,262	152,913	-	260,175
Gross receivables	3,614,535	591,142	1,535,683	5,741,360
Less: allowance for doubtful accounts	-	-	(57,083)	(57,083)
Net total receivables	\$ 3,614,535	\$ 591,142	\$ 1,478,600	\$ 5,684,277

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, 2008, 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)	\$ 935,255	\$ -
Delinquent property taxes receivable (other governmental funds)	295,625	-
Intergovernmental services not yet performed (general fund)	511,886	-
District Court services not yet performed (other governmental funds)	49,117	-
Grant draw downs prior to meeting all eligibility requirements	-	76,128
Total deferred and unearned revenue for governmental funds	\$ 1,791,883	\$ 76,128

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NOTE 5: CAPITAL ASSETS

Capital asset activity for the year Ended September 30, 2008 was as follows:

GOVERNMENTAL ACTIVITIES	Balance 9/30/07	Additions	Deletions/Transfers	Balance 9/30/08
Capital assets, not being depreciated:				
Other Assets	\$ 71,503	\$ -	\$ -	\$ 71,503
Land	4,511,268	695,781	-	5,207,049
Construction in progress	5,082,935	1,040,520	(5,073,928)	1,049,527
Total capital assets, not being depreciated	9,665,706	1,736,301	(5,073,928)	6,328,079
Capital assets, being depreciated:				
Buildings	36,718,471	19,024	33,312	36,770,807
Improvements other than buildings	21,764,144	34,462	4,760,692	26,559,298
Machinery and equipment	20,006,295	1,805,629	(933,197)	20,878,727
Total capital assets, being depreciated	78,488,910	1,859,115	3,860,807	84,208,832
Less accumulated depreciation for:				
Buildings	(13,821,569)	(1,045,641)	-	(14,867,210)
Improvements other than buildings	(10,700,251)	(1,813,443)	-	(12,513,694)
Machinery and equipment	(15,259,459)	(1,247,912)	780,567	(15,726,804)
Total accumulated depreciation	(39,781,279)	(4,106,996)	780,567	(43,107,708)
Total capital assets, being depreciated, net:	38,707,631	(2,247,881)	4,641,374	41,101,124
Government activity capital assets, net:	\$ 48,373,337	\$ (511,580)	\$ (432,534)	\$ 47,429,203
BUSINESS-TYPE ACTIVITIES				
	Balance 9/30/07	Additions	Deletions/Transfers	Balance 9/30/08
Capital assets, not being depreciated:				
Land	\$ 1,293,975	\$ -	\$ -	\$ 1,293,975
Construction in progress	706,446	10,116,057	-	10,822,503
Total capital assets, not being depreciated	2,000,421	10,116,057	-	12,116,478
Capital assets, being depreciated:				
Buildings	571,660	41,198	-	612,858
Improvements other than buildings	20,910,718	-	-	20,910,718
Machinery and equipment	8,001,026	1,323,635	(208,775)	9,115,886
Total capital assets, being depreciated	29,483,404	1,364,833	(208,775)	30,639,462
Less accumulated depreciation for:				
Buildings	(262,661)	(28,430)	-	(291,091)
Improvements other than buildings	(12,101,800)	(1,267,066)	10,683	(13,358,183)
Machinery and equipment	(5,823,186)	(511,714)	198,092	(6,136,808)
Total accumulated depreciation	(18,187,647)	(1,807,210)	208,775	(19,786,082)
Total capital assets, being depreciated, net:	11,295,757	(442,377)	-	10,853,380
Business-type activities capital assets, net:	\$ 13,296,178	\$ 9,673,680	\$ -	\$ 22,969,858

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

Governmental Activities:	
General Government	\$ 885,968
Public Works	1,779,665
Public Safety	1,258,503
Sanitation	8,716
Health and Welfare	1,048
Culture and Recreation	173,096
Capital Project	-
Total governmental activities current year depreciation expense	\$ 4,106,996
Business-type activity:	
Solid Waste	\$ 1,807,210
Total business-type activities current year depreciation expense	\$ 1,807,210

The above is a summary of general government and solid waste capital assets and related accumulated depreciation as of September 30, 2008.

Kootenai County's Land holdings increased \$695,781 with the acquisition of property at Carlin Bay for increased waterfront access for the Parks and Waterways Department.

The balance of Construction in Progress, \$1,049,527, for fiscal year 2008 includes the following projects:

- Loch Haven Park project costs are \$5,680.
- Construction costs for the second of year project, AIP 27, are \$842,145. This project involves construction of new taxi lanes and fencing.
- Airport Infrastructure Improvements, including the relocation of utilities and runway lighting, are \$182,541.
- Project costs associated with Jail Security Systems for fiscal year 2008 are \$2,832.
- Construction costs for increased usefulness of 911 communications are \$6,750 for the year.
- Hauser Dock project costs for fiscal year 2008 are \$9,332.
- Waterways costs for a project at Carlin Bay are \$250.

Buildings increased by \$52,336 which includes the purchase of a new Pole building for storage purposes to benefit the Noxious Weeds Dept. and \$33,312 for the completion of a floating toilet project by the Waterways Department.

Improvements Other than Buildings increased \$4,760,692 consisting of the following additions:

- The completion of Airport project 26 consisting of a parking apron for \$1,947,509 and Flood lighting costs of \$26,750.
- Airport Improvement project 24 completed with costs of \$1,783,701 for improvements and expansions to Taxiway N, \$885,284 for work on Taxiway N5, \$23,924 for taxiway lighting, and \$93,507 for perimeter fencing.

Additions for Machinery and Equipment of \$1,805,629 includes ten sheriff vehicles, eighteen county vehicles, additions to the county-wide Financial/ HR software, mobile data units for Sheriff patrol vehicles, and safety equipment. Disposals for Machinery and Equipment with historical costs of \$933,197, and related depreciation of \$780,567 included ten vehicles, two boats, and obsolete office and computer equipment.

The Solid Waste Enterprise Fund capital expenditures during fiscal year 2008 totaled \$11,480,890. This included:

- Construction in Progress increased by \$10,116,057 for construction at the new Prairie Transfer Station in Post Falls.
- Buildings increase by \$41,198 for a new Hazardous Materials Storage building.
- Machinery and Equipment purchases of \$1,323,635 included three new Front End Loaders and new Knuckleboom Crane.

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- Machinery and Equipment disposals totaling \$208,775 include a truck and a loader both of which have been fully depreciated.

Discretely presented component units:

Activity for the Kootenai County Emergency Medical Services System for the year Ended September 30, 2008, was as follows:

	Balance 10/1/07	Additions	Deletions	Balance 9/30/08
KCEMSS Component Unit Activity				
Capital assets, being depreciated:				
Machinery and equipment	\$ 334,558	\$ 60,108	\$ -	\$ 394,666
Vehicles	1,467,084	226,977	-	1,694,061
Total capital assets, being depreciated	1,801,642	287,085	-	2,088,727
Less accumulated depreciation for:				
Machinery and equipment	(64,057)	(62,422)	-	(126,479)
Vehicles	(859,278)	(216,466)	-	(1,075,744)
Total accumulated depreciation	(923,335)	(278,888)	-	(1,202,223)
Total capital assets, being depreciated, net	878,307	8,197	-	886,504
KCEMSS activity capital assets, net	\$ 878,307	\$ 8,197	\$ -	\$ 886,504

Activity for the North Idaho Fair and Rodeo for the year ended December 31, 2007 was as follows:

	Balance 12/31/06	Additions	Deletions	Balance 12/31/07
North Idaho Fair Component Unit Activity				
Capital Assets, not being depreciated:				
Construction in Progress	\$ 73,360	-	(5,093)	68,267
Total capital assets, not being depreciated	73,360	-	(5,093)	68,267
Capital assets, being depreciated:				
Machinery and Equipment	270,105	21,289	-	291,394
Buildings	2,175,037	117,105	-	2,292,142
Total capital assets, being depreciated	2,445,142	138,394	-	2,583,536
Less accumulated depreciation for:				
Machinery and Equipment	(168,644)	(16,950)	-	(185,594)
Buildings	(770,710)	(71,903)	-	(842,613)
Total accumulated depreciation	(939,354)	(88,853)	-	(1,028,207)
Total capital assets, being depreciated, net	1,505,788	49,541	-	1,555,329
North Idaho Fair activity capital assets, net	\$ 1,579,148	\$ 49,541	\$ (5,093)	\$ 1,623,596

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, 2008.

Fiscal Year Ending September 30,	Governmental Activities
2009	\$ 200,684
2010	147,162
2011	146,196
2012	146,196
2013	140,177
2014 - 2018	690,855
Total Minimum Payments Required	\$ 1,471,272

The total expenditure for operating leases during the fiscal year ending September 30, 2008, totaled \$202,402.

6-B. Capital Leases:

Under capital lease arrangements, the County leases equipment and buildings with a historical cost totaling \$1,116,113. Capital equipment leases are arranged through lease financing agreements with financial institutions such as Mountain West Bank. The county also has a lease agreement with the City of Post Falls for the equipment used by the 911/Emergency Management System. These arrangements provide for an initial down payment with annual payments varying from three to nine years, and fixed interest ranging from 4.13% to 5.14%.

The schedule below is an analysis of assets under capital leases as of September 30, 2008:

	(Historical Cost) Governmental Activities	(Less) Accumulated Depreciation	Net of Depreciation
Asset:			
Buildings and Improvements	\$ 331,576	\$ (57,990)	\$ 273,586
Machinery, Equipment, and Other	784,537	(634,209)	150,328
Total Capital Leases	\$ 1,116,113	\$ (692,199)	\$ 423,914

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The future minimum lease obligations of governmental activities under capital leases for the next ten years as of September 30, 2008, were as follows:

Fiscal Year Ending September 30	Governmental Activities
2009	\$ 117,724
2010	117,724
2011	125,569
2012	77,724
2013	77,724
2014 - 2018	302,586
Total Minimum Lease Payments	819,052
Less: Amount Representing Interest	(139,100)
Present Value of Minimum Lease Payments	\$ 679,952

NOTE 7: GENERAL LONG-TERM OBLIGATIONS

General long-term obligations of the County include lease installment purchase contracts and loan agreements (other debt service requirements) that are payable from specified revenues.

Changes in Long-term Obligations:

During the year ending September 30, 2008, the following changes occurred with liabilities reported in the general long-term obligations:

	Balance 10/1/2007	Additions	Reductions	Balance 9/30/2008	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
<i>Bonds and notes payable:</i>					
Capital leases	\$ 764,336	\$ -	\$ 84,154	\$ 680,182	\$ 83,095
<i>Other Liabilities:</i>					
Compensated Absences	3,741,972	-	38,538	3,703,434	94,654
Governmental activities long-term liabilities	\$ 4,506,308	\$ -	\$ 122,692	\$ 4,383,616	\$ 177,749
BUSINESS-TYPE ACTIVITIES					
Compensated Absences	\$ 202,947	\$ -	\$ 12,989	\$ 189,958	\$ 5,350
Business-type activities long-term liabilities	\$ 202,947	\$ -	\$ 12,989	\$ 189,958	\$ 5,350

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, 2008, includes discretely presented financial information from the following component units, North Idaho Fair & Rodeo and Kootenai County Emergency Medical Services System (KCEMSS). There are no outstanding notes payable for the year ending December 31, 2008, for North Idaho Fair & Rodeo. KCEMSS has no outstanding notes payable for the year ending September 30, 2008.

NOTE 9: LANDFILL CLOSURE AND POST-CLOSURE 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 post-closure 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, 2006, Phase I of the landfill closure was complete. Based upon actual utilization and closure costs incurred, and revised engineering estimates for the Fighting Creek Landfill through 2007-2008 an increase of \$501,000 in closure and post-closure liability and costs has been recognized for the period ending September 30, 2008.

A total of \$5,370,000 has been recognized for closure and post-closure liability as of the balance sheet date. This figure is based on 72% utilization of the landfill's estimated capacity of 2,430,675 tons and the total estimated closure and post-closure costs of \$9,252,277. This amount totals \$6,657,169, less a reduction for actual closure expenses incurred of \$1,286,879. The remainder of the estimated closure and post-closure costs of \$2,595,108 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.

Funds totaling \$5,370,000 plus interest have been reserved in the Solid Waste Enterprise Fund to meet the funding requirements for closure and post-closure costs. In the short-term, these funds will be invested in the Idaho State Investment Pool and other similar investment vehicles, as are many other unobligated funds of the County.

The potential for changes to the landfill closure and post-closure costs may exist due to inflation, deflation, technology, and any revisions to the applicable laws or regulations. It is anticipated that part of any future cost increases 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 post-closure 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 2007-08 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 for all ICRMP insureds collectively.

On December 30, 2008, the County had thirty (30) 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.

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.

Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. Benefits are calculated based on annual service retirement allowances of 2.000% or 2.300% (depending upon employee classification) multiplied by their average monthly salary for the highest consecutive 42 months.

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 had 729 employees actively contributing to PERSI as of September 30, 2008. Total contributions required and paid were \$ 3,003,880, \$2,771,640, and \$2,591,867 for the three years ending September 30, 2008, 2007, and 2006 respectively.

NOTE 12: RESTATEMENT OF BEGINNING NET ASSETS

The County's Private-Purpose Trust Fund's beginning net assets were restated to more fairly present the County's fiduciary position for Private-Purpose Trust Fund Activities in fiscal year ending September 30, 2007. The reclassification results in \$0 balance in Net Assets for fiscal year 2007.

Net Assets, September 30, 2007, as previously reported -	
Private-Purpose Trust Fund Activity:	\$ 4,414,014
Reclass from Net Assets to Liabilities:	<u>4,414,014</u>
Net Assets, September 30, 2007, as restated -	
Private-Purpose Trust Fund Activity:	<u><u>\$ -</u></u>

NOTE 13: CLASSIFICATION OF FUNDS

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

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

NOTE 14: JOINT GOVERNED ORGANIZATIONS

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

One HARSB member is appointed by the Kootenai County Board of County Commissioners. The County 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, 2008.

Because, the Board of County Commissioners approves the annual KCEMSS operating budget and appoints one board member, the county has elected to report their operations as a component unit. See note 1-A for more information.

NOTE 15: 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 16: INTERNAL BALANCES AND INTERFUND TRANSFERS

The composition of internal balances as of September 30, 2008 is as follows:

Receivable Fund	(Payable) Funds
<u>Major Funds:</u>	
General Fund	\$ 381,733
<u>Non-Major Special Revenue Funds: Funds:</u>	
County Assistant Fund	(66,402)
<u>Non-Major Capital Projects Funds:</u>	
General construction Fund	(315,331)
Total	\$ -

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

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Interfund transfers:

		Transfer In		
		General Fund	Other Governmental Activities	Total
Transfer out	General Fund	\$ -	\$ 77,381	\$ 77,381
	Other Governmental Funds	-	-	-
	Business-type Activities	512,500	44,116	556,616
	Total	\$ 512,500	\$ 121,497	\$ 633,997

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, total transfers out of the Solid Waste Enterprise fund to General Fund and Other Non-major governmental funds totaled \$556,616. Administrative, accounting, and legal services are provided by other departments for the Solid Waste Enterprise fund.

NOTE 17: FUND EQUITY

17-A. Deficit Fund Equity:

At September 30, 2008, the following individual fund has a deficit fund balance included in the non-major capital projects fund: Capital Projects fund \$261,073. The deficit in the fund will be resolved through a combination of increasing tax revenue over annual expenditures and fund balance transfers in fiscal year 2009.

17-B. Net Assets Restricted Proprietary Fund:

At September 30, 2008 Proprietary Funds had the following restricted net asset balance:

	Proprietary Fund
Landfill Closure/Post Closure	\$ 5,370,000
Capital Appropriations carryover	3,455,849
Total Restricted Net Assets	\$ 8,825,849

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.

17-C. Restrictions of Fund Equity:

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

17-D. Restricted Fund Equity Balances:

At September 30, 2008 the following fund equity balances were restricted:

Fund Equity Balances Restricted for:	General	Special Revenue	Trusts	Total
Juvenile Justice Services	\$ 167,646	\$ -	\$ -	\$ 167,646
Court Interlock	-	38,674	-	38,674
Capital purchases	644,848	-	-	644,848
Replacement reserve	513,180	-	-	513,180
Capital appropriations carryover	556,965	30,000	-	586,965
Other purposes	1,253,644	-	-	1,253,644
Sheriff Snowmobile	-	51,432	-	51,432
Trusts	-	-	234,473	234,473
Total restricted fund balances	\$ 3,136,283	\$ 120,106	\$ 234,473	\$ 3,490,862

Required Supplementary Information

When disasters strike in Kootenai County, many agencies may be called upon to join together in the response. Kootenai County's Office of Emergency Management, was activated for the spring floods of 2008. County departments involved include the County Commissioners, Sheriff's Department, Parks and Waterways, Building and Planning Department, and the Coeur d'Alene Airport.

Other agencies involved in the spring flood:

Bureau of Homeland Security
Idaho Transportation Dept.
Post Falls Highway District
Coeur d'Alene Fire Dept.
Mica Kidd Island Fire District
Idaho Dept. of Parks & Rec.

Dept. of Environmental Quality
Panhandle Health District
Worley Highway District
Kootenai County Fire & Rescue
US Army Corps of Engineers
Union Pacific Railroad

Idaho Dept. of Lands
Eastside Highway District
City of Coeur d'Alene
Kellogg Fire District #1
Coeur d'Alene Tribe





KOOTENAI COUNTY, IDAHO
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 27,278,548	\$ 27,278,548	\$ 27,406,219	\$ 127,671
Licenses and permits	1,237,900	1,250,300	1,305,077	54,777
Intergovernmental	7,282,248	7,857,248	8,435,865	578,617
Interest	1,300,000	1,650,000	1,707,647	57,647
Fines and forfeitures	221,542	303,742	354,178	50,436
Charges for services	6,423,170	6,732,470	6,444,152	(288,318)
Miscellaneous	271,258	433,508	733,621	300,113
<i>Total Revenues</i>	44,014,666	45,505,816	46,386,759	880,943
Expenditures				
Current:				
General government				
Assessor	1,560,853	1,561,413	1,536,279	25,134
Building & Grounds	537,364	667,364	634,738	32,626
County Clerk	3,753,157	3,753,157	3,713,609	39,548
Cooperative Extension	151,453	151,453	138,576	12,877
County Auto Shop	226,638	226,638	223,830	2,808
County Commissioner	581,540	1,278,498	590,924	687,574
County Grant Writer	60,411	60,411	61,200	(789)
General Accounts	1,770,481	2,320,880	995,789	1,325,091
Office of Emergency Management	534,840	540,840	719,443	(178,603)
Human Resources	213,304	222,304	224,070	(1,766)
Information Services	1,763,740	2,085,811	2,261,837	(176,026)
Legal Services	563,849	563,849	570,759	(6,910)
Liability Insurance	650,000	650,000	687,397	(37,397)
Planning & Zoning	1,985,050	1,985,050	1,822,685	162,365
Prosecuting Attorney	2,011,691	2,011,691	1,957,419	54,272
Public Defender	1,871,713	1,871,713	1,794,456	77,257
Reprographics/Mail Room	290,800	290,800	261,349	29,451
Treasurer	543,874	543,874	530,232	13,642
Veterans Services	102,881	102,881	92,332	10,549

(Continued)

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KOOTENAI COUNTY, IDAHO
 Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 General Fund
 For the Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
Public safety				
9-1-1	\$ 2,472,299	\$ 2,472,299	\$ 2,381,384	\$ 90,915
Adult Misdemeanor Probation	558,246	558,246	527,874	30,372
Coroner	260,744	260,744	274,482	(13,738)
Justice - General Accounts	570,000	220,000	286,552	(66,552)
Juvenile Detention Center	2,306,369	2,332,569	2,269,724	62,845
Juvenile Diversion	294,316	294,316	291,483	2,833
Juvenile Probation	1,286,480	1,286,480	1,265,145	21,335
Sheriff	16,473,389	17,079,279	17,333,068	(253,789)
Health & welfare				
County Assistance	325,000	325,000	284,402	40,598
Debit service:				
Principal retirement	77,724	77,724	84,181	(6,457)
Interest expense	-	-	37,196	(37,196)
Capital outlay:				
Capital expenditures	2,749,190	3,563,238	2,044,581	1,518,657
Total Expenditures	46,547,396	49,358,522	45,896,996	3,461,526
Excess of Revenues Over (Under)				
Expenditures	(2,532,730)	(3,852,706)	489,763	4,342,469
Other Financing Sources (Uses)				
Proceeds insurance	3,637	3,637	8,668	5,031
Planned Fund Balance Utilization	2,168,913	2,863,578	-	(2,863,578)
Transfers In	4,983,679	5,260,144	4,992,347	(267,797)
Transfers (out)	(4,623,499)	(4,274,653)	(4,557,228)	(282,575)
Total Other Financing Sources (Uses)	2,532,730	3,852,706	443,787	(3,408,919)
Revenues and Other Financing Sources Over (Under)			933,550	
Expenditures and Other Financing Uses				
Reconciling Items				
Changes Affected by Accrued Revenue			-	
Changes Affected by Accrued Expenditures			-	
Fund Balances Beginning of Year			23,751,755	
Fund Balances End of Year			\$ 24,685,305	

The accompanying note is an integral part of this financial schedule.

KOOTENAI COUNTY, IDAHO
Required Supplementary Information
Note to Required Supplementary Information
Basis of Budgetary Reporting
Stewardship, Compliance, and Accountability
For the Year Ended September 30, 2008

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.

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For the year ending September 30, 2008, there was one supplemental appropriation for unanticipated revenues received over the course of the fiscal year totaling \$2,482,557. 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 Board of County Commissioners approved three unexpended appropriations of projects totaling \$11,891,191 to be carried over from fiscal year 2007 budget as allowed by Idaho Code Section 13, Chapter 16. The budgeted expenditures of these incomplete projects were included in prior year budget comparison reports and are therefore excluded from amounts on the Schedule of Budgetary Control Levels on the next page. The following schedule details the in process projects carried over from prior year:

	Prior Appropriations	Prior Year Expenditures	Carryforward Balance 10/1/2007	Appropriation FY 2008	Expenditures FY 2008	Carryforward Balance 9/30/2008
Prairie Solid Waste Transfer Station	\$11,610,000	\$ 707,180	\$ 10,902,820	\$ 1,200,000	\$ 9,584,945	\$ 2,517,875
Fighting Creek Gas & Leachate System	-	-	-	1,000,000	62,026	937,974
Property Tax Software System	829,727	202,178	627,549	-	70,584	556,965
Financial Accounting Software System	1,014,671	653,849	360,822	-	306,614	54,208
Loch Haven Park Development	-	-	-	30,000	-	30,000
Total Carryforward			<u>\$ 11,891,191</u>			<u>\$ 4,097,022</u>

KOOTENAI COUNTY, IDAHO
Required Supplementary Information
Schedule of Expenditure Compliance at the Legal Level of Budgetary Control
Budget and Actual
By Elected Official
For the Year Ended September 30, 2008

	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget (Over) Under
Board of County Commissioners	\$ 42,053,462	\$ 39,495,892	\$ 2,557,570
County Clerk	\$ 6,221,533	\$ 6,162,432	\$ 59,101
Administrative District Judge	\$ 2,025,550	\$ 1,744,741	\$ 280,809
Treasurer	\$ 550,512	\$ 536,870	\$ 13,642
County Assessor	\$ 3,642,130	\$ 3,515,216	\$ 126,914
Coroner	\$ 260,744	\$ 274,482	\$ (13,738)
County Sheriff	\$ 18,087,032	\$ 18,415,948	\$ (328,916)
Prosecuting Attorney	\$ 2,043,776	\$ 1,994,094	\$ 49,682



Supplementary Information

By the 20th of May 2008, the Latour Creek bridge was well on it's way to complete wash out.





**Non-major Governmental Funds
Special Revenue Funds**

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

Centennial Trail Fund - 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.

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

Airport Fund - 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 the County's 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 the 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 the County. Funding is provided through property taxes and fees.

Aquifer Protection Fund - This fund is used to account for Aquifer Protection fees collected for the preservation and protection of the Rathdrum Prairie Aquifer.

Non-major Capital Projects Funds
Capital Projects Funds

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

General Construction Fund - This fund is used to account for major capital projects established within the County's operation of the general governmental activities. Funding arises from financing of general long-term debt and receipts of various capital grants from Federal, State, and other governmental agencies.

Combining Financial Statements

At Latour Creek bridge - a sign states the obvious. Emergency work (placement of large boulders and heavy riprap) was done to prevent further wash out at the bridge.





KOOTENAI COUNTY, IDAHO
 Combining Balance Sheet
 Non-major Governmental Funds
 September 30, 2008

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Assets			
Cash and cash equivalents	\$ 3,817,851	\$ -	\$ 3,817,851
Taxes delinquent-receivable	429,924	-	429,924
Accounts receivable, (net)	7,856	-	7,856
Interest receivable	449	-	449
Grants receivable	26,058	126,855	152,913
Prepays	262	-	262
Total Assets	\$ 4,282,400	\$ 126,855	\$ 4,409,255
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 841,599	\$ 72,597	\$ 914,196
Payroll and related liabilities	184,183	-	184,183
Deferred revenues	49,117	-	49,117
Deferred grant revenues	9,508	-	9,508
Deferred property taxes	295,625	-	295,625
Due to other funds	66,402	315,331	381,733
Total Liabilities	1,446,434	387,928	1,834,362
Fund Balances			
Reserved for:			
Court Interlock	38,674	-	38,674
Park Development	30,000	-	30,000
Sheriff Snowmobile	51,432	-	51,432
Unreserved & Undesignated:			
Special Revenue Funds	2,715,860	-	2,715,860
Capital Projects Funds	-	(261,073)	(261,073)
Total Fund Balances (deficit)	2,835,966	(261,073)	2,574,893
Total Liabilities and Fund Balances	\$ 4,282,400	\$ 126,855	\$ 4,409,255

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Non-major Special Revenue Funds
September 30, 2008

	Centennial Trail Special Revenue	Tourism Promo. Special Revenue	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue
Assets					
Cash and cash equivalents	\$ 51,686	\$ 1,581	\$ 22,168	\$ 103,510	\$ 120,118
Taxes delinquent-receivable	-	-	33,442	2,057	15,059
Accounts receivable, (net)	-	681	7,175	-	-
Interest receivable	-	-	-	-	-
Grants receivable	-	-	-	-	-
Prepays	-	-	-	-	-
Total Assets	\$ 51,686	\$ 2,262	\$ 62,785	\$ 105,567	\$ 135,177
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ 603	\$ 19,851	\$ 24,999	\$ 7,365
Payroll and related liabilities	-	-	18,996	-	5,605
Deferred revenues	-	-	(2,330)	-	6,106
Deferred grant revenues	-	-	-	-	763
Deferred property taxes	-	-	23,830	1,328	10,315
Due to other funds	-	-	-	-	-
Total Liabilities	-	603	60,347	26,327	30,154
Fund Balances					
Reserved for:					
Court Interlock	-	-	-	-	-
Park Development	-	-	-	-	-
Sheriff Snowmobile	-	-	-	-	-
Unreserved & Undesignated:					
Special Revenue Funds	51,686	1,659	2,438	79,240	105,023
Total Fund Balances (deficit)	51,686	1,659	2,438	79,240	105,023
Total Liabilities and Fund Balances	\$ 51,686	\$ 2,262	\$ 62,785	\$ 105,567	\$ 135,177

See accompanying Independent Auditors' Report

continued

KOOTENAI COUNTY, IDAHO
 Combining Balance Sheet
 Non-major Special Revenue Funds
 September 30, 2008

	Health District Special Revenue	Historical Society Special Revenue	Parks & Rec Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue
Assets					
Cash and cash equivalents	\$ 195,565	\$ 13,040	\$ 161,399	\$ 222,742	\$ 117,075
Taxes delinquent-receivable	32,257	972	12,040	-	-
Accounts receivable, (net)	-	-	-	-	-
Interest receivable	-	-	-	-	-
Grants receivable	-	3,500	-	567	-
Prepays	-	-	-	163	-
Total Assets	\$ 227,822	\$ 17,512	\$ 173,439	\$ 223,472	\$ 117,075
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 165,801	\$ 6,767	\$ 19,133	\$ 4,630	\$ 4,616
Payroll and related liabilities	-	-	6,637	81	15,428
Deferred revenues	-	-	-	-	-
Deferred grant revenues	-	-	-	-	-
Deferred property taxes	21,492	571	8,083	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	187,293	7,338	33,853	4,711	20,044
Fund Balances					
Reserved for:					
Court interlock	-	-	-	-	-
Park Development	-	-	30,000	-	-
Sheriff Snowmobile	-	-	-	51,432	-
Unreserved & Undesignated:					
Special Revenue Funds	40,529	10,174	109,586	167,329	97,031
Total Fund Balances	40,529	10,174	139,586	218,761	97,031
Total Liabilities and Fund Balances	\$ 227,822	\$ 17,512	\$ 173,439	\$ 223,472	\$ 117,075

See accompanying Independent Auditors' Report

continued

KOOTENAI COUNTY, IDAHO
Combining Balance Sheet
Non-major Special Revenue Funds
September 30, 2008

	Public Access Special Revenue	Indigent Special Revenue	FTA Public Trans Special Revenue	District Court Special Revenue
Assets				
Cash and cash equivalents	\$ 81,421	\$ 100	\$ 496,784	\$ 1,235,218
Taxes delinquent-receivable	-	77,004	-	44,093
Accounts receivable, (net)	-	-	-	-
Interest receivable	449	-	-	-
Grants receivable	-	-	21,991	-
Prepays	-	-	-	-
Total Assets	\$ 81,870	\$ 77,104	\$ 518,775	\$ 1,279,311
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 4,242	\$ 510,030	\$ 60,889
Payroll and related liabilities	-	12,463	-	47,208
Deferred revenues	-	-	-	45,341
Deferred grant revenues	-	-	8,745	-
Deferred property taxes	-	51,396	-	28,231
Due to other funds	-	66,402	-	-
Total Liabilities	-	134,503	518,775	181,669
Fund Balances				
Reserved for other purposes				
Court interlock	-	-	-	38,674
Park Development	-	-	-	-
Sheriff Snowmobile	-	-	-	-
Unreserved & Undesignated: Special Revenue Funds	81,870	(57,399)	-	1,058,968
Total Fund Balances	81,870	(57,399)	-	1,097,642
Total Liabilities and Fund Balances	\$ 81,870	\$ 77,104	\$ 518,775	\$ 1,279,311

See accompanying Independent Auditors' Report

continued

KOOTENAI COUNTY, IDAHO
 Combining Balance Sheet
 Non-major Special Revenue Funds
 September 30, 2008

	Revaluation Special Revenue	KCEMSS Special Revenue	Aquifer Protection Special Revenue	Total Nonmajor Special Revenue Funds
Assets				
Cash and cash equivalents	\$ 606,632	\$ 259,048	\$ 129,764	\$ 3,817,851
Taxes delinquent-receivable	101,389	87,741	23,870	429,924
Accounts receivable, (net)	-	-	-	7,856
Interest receivable	-	-	-	449
Grants receivable	-	-	-	26,058
Prepays	99	-	-	262
Total Assets	\$ 708,120	\$ 346,789	\$ 153,634	\$ 4,282,400
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 11,072	\$ -	\$ 1,601	\$ 841,599
Payroll and related liabilities	77,765	-	-	184,183
Deferred revenues	-	-	-	49,117
Deferred grant revenues	-	-	-	9,508
Deferred property taxes	67,713	58,817	23,849	295,625
Due to other funds	-	-	-	66,402
Total Liabilities	156,550	58,817	25,450	1,446,434
Fund Balances				
Reserved for other purposes				
Court Interlock	-	-	-	38,674
Park Development	-	-	-	30,000
Sheriff Snowmobile	-	-	-	51,432
Unreserved & Undesignated: Special Revenue Funds	551,570	287,972	128,184	2,715,860
Total Fund Balances	551,570	287,972	128,184	2,835,966
Total Liabilities and Fund Balances	\$ 708,120	\$ 346,789	\$ 153,634	\$ 4,282,400

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
 Combining Balance Sheet
 Non-major Capital Projects Funds
 September 30, 2008

	General Construction Capital Projects	Total Non-major Capital Project Funds
Assets		
Cash and cash equivalents	\$ -	\$ -
Grants receivable	126,855	126,855
Total Assets	\$ 126,855	\$ 126,855
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 72,597	\$ 72,597
Due to other funds	315,331	315,331
Total Liabilities	387,928	387,928
Fund Balances		
Unreserved & Undesignated:		
Capital Projects Funds	(261,073)	(261,073)
<i>Total Fund Balances (deficit)</i>	<i>(261,073)</i>	<i>(261,073)</i>
Total Liabilities and Fund Balances	\$ 126,855	\$ 126,855

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended September 30, 2008

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues			
Taxes	\$ 8,077,404	\$ -	\$ 8,077,404
Licenses and permits	184,515	-	184,515
Intergovernmental	2,020,069	808,755	2,828,824
Interest	39,021	-	39,021
Fines and forfeitures	950,472	-	950,472
Charges for services	916,032	-	916,032
Miscellaneous	876,273	28,406	904,679
<i>Total Revenues</i>	13,063,786	837,161	13,900,947
Expenditures			
Current:			
General government	3,802,911	-	3,802,911
Public works	711,171	-	711,171
Public safety	4,443,020	-	4,443,020
Sanitation	293,190	-	293,190
Health & welfare	3,020,467	-	3,020,467
Culture and recreation	715,085	-	715,085
Capital projects	-	8,866	8,866
Debt service:			
Interest expense	266	-	266
Capital Outlay:			
Capital expenditures	246,249	-	246,249
Construction in progress	202,644	828,295	1,030,939
<i>Total Expenditures</i>	13,435,003	837,161	14,272,164
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(371,217)	-	(371,217)
Other Financing Sources			
Proceeds from Insurance	872	-	872
Transfers In	121,497	-	121,497
<i>Total Other Financing Sources</i>	122,369	-	122,369
<i>Net Change in Fund Balances</i>	(248,848)	-	(248,848)
<i>Fund Balances Beginning of Year (deficit)</i>	3,084,814	(261,073)	2,823,741
<i>Fund Balances End of Year (deficit)</i>	\$ 2,835,966	\$ (261,073)	\$ 2,574,893

See accompanying Independent Auditors' Report

Kootenai County Comprehensive Annual Financial Report - FY 2008

KOOTENAI COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
For the Year Ended September 30, 2008

	Centennial Trail Special Revenue	Tourism Promo. Special Revenue	Airport Special Revenue	County Fair Special Revenue	Noxious Weeds Special Revenue
Revenues					
Taxes	\$ -	\$ -	\$ 542,312	\$ 31,193	\$ 262,679
Licenses and permits	-	-	-	-	-
Intergovernmental	-	5,891	-	-	28,417
Interest	-	-	-	-	-
Fines and forfeitures	-	-	400	-	-
Charges for services	10,000	-	40,571	-	450
Miscellaneous	-	-	369,710	-	7,793
<i>Total Revenues</i>	10,000	5,891	952,993	31,193	299,339
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	711,171	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	293,190
Health & welfare	-	-	-	-	-
Culture and recreation	-	5,210	-	100,000	-
Debt service:					
Interest expense	-	-	266	-	-
Capital Outlay:					
Capital expenditures	-	-	32,109	-	19,024
Construction in progress	-	-	197,764	-	-
<i>Total Expenditures</i>	-	5,210	941,310	100,000	312,214
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	10,000	681	11,683	(68,807)	(12,875)
Other Financing Sources					
Proceeds from Insurance	-	-	-	-	-
Transfers in	5,000	-	20,000	-	19,266
<i>Total Other Financing Sources</i>	5,000	-	20,000	-	19,266
<i>Net Change in Fund Balances</i>	15,000	681	31,683	(68,807)	6,391
<i>Fund Balances Beginning of Year (deficit)</i>	36,686	978	(29,245)	148,047	98,632
Fund Balances End of Year (deficit)	\$ 51,686	\$ 1,659	\$ 2,438	\$ 79,240	\$ 105,023

See accompanying Independent Auditors' 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, 2008

	Health District Special Revenue	Historical Society Special Revenue	Parks & Rec. Special Revenue	Snowmobile Special Revenue	County Vessel Special Revenue
Revenues					
Taxes	\$ 609,582	\$ 15,176	\$ 221,267	\$ -	\$ -
Licenses and permits	-	-	275	144,626	864
Intergovernmental	-	3,500	-	567	618,778
Interest	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	43,842	-	2,636
Miscellaneous	-	-	29	6,746	(2,437)
<i>Total Revenues</i>	609,582	18,676	265,413	151,939	619,841
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	-	-	-	5,732	339,026
Sanitation	-	-	-	-	-
Health & welfare	663,199	-	-	-	-
Culture and recreation	-	18,500	244,120	129,477	217,778
Debt service:					
Interest expense	-	-	-	-	-
Capital Outlay:					
Capital expenditures	-	-	31,115	39,557	49,443
Construction in progress	-	-	4,880	-	-
<i>Total Expenditures</i>	663,199	18,500	280,115	174,766	606,247
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(53,617)	176	(14,702)	(22,827)	13,594
Other Financing Sources					
Proceeds from Insurance	-	-	-	-	-
Transfers in	44,116	-	33,115	-	-
<i>Total Other Financing Sources</i>	44,116	-	33,115	-	-
<i>Net Change in Fund Balances</i>	(9,501)	176	18,413	(22,827)	13,594
<i>Fund Balances Beginning of Year (deficit)</i>	50,030	9,998	121,173	241,588	83,437
Fund Balances End of Year (deficit)	\$ 40,529	\$ 10,174	\$ 139,586	\$ 218,761	\$ 97,031

See accompanying Independent Auditors' Report

continued

Kootenai County Comprehensive Annual Financial Report - FY 2008

KOOTENAI COUNTY, IDAHO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
For the Year Ended September 30, 2008

	Public Access Special Revenue	Indigent Special Revenue	FTA Public Trans. Special Revenue	District Court Special Revenue
Revenues				
Taxes	\$ -	\$ 1,460,474	\$ -	\$ 894,393
Licenses and permits	-	-	-	-
Intergovernmental	9,054	-	1,221,900	90,487
Interest	3,170	-	-	-
Fines and forfeitures	-	-	-	950,072
Charges for services	-	-	664,842	152,663
Miscellaneous	-	493,170	-	111
<i>Total Revenues</i>	12,224	1,953,644	1,886,742	2,087,726
Expenditures				
Current:				
General government	-	-	1,834,262	-
Public works	-	-	-	-
Public safety	-	-	-	1,737,843
Sanitation	-	-	-	-
Health & welfare	-	2,017,053	-	-
Culture and recreation	-	-	-	-
Debt service:				
Interest expense	-	-	-	-
Capital Outlay:				
Capital expenditures	-	5,338	52,480	6,897
Construction in progress	-	-	-	-
<i>Total Expenditures</i>	-	2,022,391	1,886,742	1,744,740
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	12,224	(68,747)	-	342,986
Other Financing Sources				
Proceeds from Insurance	-	-	-	-
Transfers in	-	-	-	-
<i>Total Other Financing Sources</i>	-	-	-	-
<i>Net Change in Fund Balances</i>	12,224	(68,747)	-	342,986
<i>Fund Balances Beginning of Year (deficit)</i>	69,646	11,348	-	754,656
<i>Fund Balances End of Year (deficit)</i>	\$ 81,870	\$ (57,399)	\$ -	\$ 1,097,642

See accompanying Independent Auditors' 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, 2008

	Revaluation Special Revenue	Kootenai Emergency Management Special Revenue	Aquifer Protection District Special Revenue	Total Non-major Special Revenue Funds
Revenues				
Taxes	\$ 1,916,377	\$ 1,655,552	\$ 468,399	\$ 8,077,404
Licenses and permits	-	38,750	-	184,515
Intergovernmental	-	41,475	-	2,020,069
Interest	-	35,851	-	39,021
Fines and forfeitures	-	-	-	950,472
Charges for services	1,028	-	-	916,032
Miscellaneous	1,151	-	-	876,273
<i>Total Revenues</i>	1,918,556	1,771,628	468,399	13,063,786
Expenditures				
Current:				
General government	1,968,649	-	-	3,802,911
Public works	-	-	-	711,171
Public safety	-	2,360,419	-	4,443,020
Sanitation	-	-	-	293,190
Health & welfare	-	-	340,215	3,020,467
Culture and recreation	-	-	-	715,085
Debt service:				
Interest expense	-	-	-	266
Capital Outlay:				
Capital expenditures	10,286	-	-	246,249
Construction in progress	-	-	-	202,644
<i>Total Expenditures</i>	1,978,935	2,360,419	340,215	13,435,003
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(60,379)	(588,791)	128,184	(371,217)
Other Financing Sources				
Proceeds from Insurance	872	-	-	872
Transfers in	-	-	-	121,497
<i>Total Other Financing Sources</i>	872	-	-	122,369
<i>Net Change in Fund Balances</i>	(59,507)	(588,791)	128,184	(248,848)
<i>Fund Balances Beginning of Year (deficit)</i>	611,077	876,763	-	3,084,814
<i>Fund Balances End of Year (deficit)</i>	\$ 551,570	\$ 287,972	\$ 128,184	\$ 2,835,966

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-major Capital Projects Funds
 For the Year Ended September 30, 2008

	General Construction Capital Projects	Total Non-major Capital Projects Funds
Revenues		
Intergovernmental	\$ 808,755	\$ 808,755
Miscellaneous	28,406	28,406
<i>Total Revenues</i>	837,161	837,161
Expenditures		
Current:		
Capital projects	8,866	8,866
Capital Outlay:		
Capital expenditures	-	-
Construction in progress	828,295	828,295
<i>Total Expenditures</i>	837,161	837,161
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-
<i>Net Change in Fund Balances</i>	-	-
<i>Fund Balances Beginning of Year (deficit)</i>	(261,073)	(261,073)
<i>Fund Balances End of Year (deficit)</i>	\$ (261,073)	\$ (261,073)

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Centennial Trail and Tourism Promotion Special Revenue Funds
For the Year Ended September 30, 2008

	Centennial Trail Special Revenue Fund			Tourism Promotion 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)
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	10,000	10,000	-	7,500	5,891	(1,609)
<i>Total Revenues</i>	10,000	10,000	-	7,500	5,891	(1,609)
Expenditures						
Current:						
Culture and recreation	15,000	-	15,000	7,500	5,210	2,290
<i>Total Expenditures</i>	15,000	-	15,000	7,500	5,210	2,290
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(5,000)	10,000	15,000	-	681	681
Other Financing Sources						
Transfers In	5,000	5,000	-	-	-	-
<i>Total Other Financing Sources</i>	5,000	5,000	-	-	-	-
<i>Net Change in Fund Balances</i>	-	15,000	15,000	-	681	681
<i>Fund Balances Beginning of Year (deficit)</i>	36,686	36,686	-	978	978	-
<i>Fund Balances End of Year (deficit)</i>	\$ 36,686	\$ 51,686	\$ 15,000	\$ 978	\$ 1,659	\$ 681

See accompanying Independent Auditors' Report

Kootenai County Comprehensive Annual Financial Report - FY 2008

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Airport and County Fair Special Revenue Funds
For the Year Ended September 30, 2008

	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)
Revenues						
Taxes	\$ 535,176	\$ 542,312	\$ 7,136	\$ 28,115	\$ 31,193	\$ 3,078
Fines and forfeitures	-	400	400	-	-	-
Charges for services	54,000	40,571	(13,429)	-	-	-
Miscellaneous	252,000	369,710	117,710	71,885	-	(71,885)
<i>Total Revenues</i>	841,176	952,993	111,817	100,000	31,193	(68,807)
Expenditures						
Current:						
Public works	714,797	711,171	3,626	-	-	-
Culture and recreation	-	-	-	100,000	100,000	-
Debt Service:						
Principal Retirement	60,000	-	60,000	-	-	-
Interest expense	-	266	(266)	-	-	-
Capital outlay:						
Capital expenditures	40,000	32,109	7,891	-	-	-
Construction in progress	60,000	197,764	(137,764)	-	-	-
<i>Total Expenditures</i>	874,797	941,310	(66,513)	100,000	100,000	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(33,621)	11,683	45,304	-	(68,807)	(68,807)
Other Financing Sources						
Transfers In	33,621	20,000	(13,621)	-	-	-
<i>Total Other Financing Sources</i>	33,621	20,000	(13,621)	-	-	-
<i>Net Change in Fund Balances</i>	-	31,683	31,683	-	(68,807)	(68,807)
<i>Fund Balances Beginning of Year (deficit)</i>	(29,245)	(29,245)	-	148,047	148,047	-
<i>Fund Balances End of Year (deficit)</i>	\$ (29,245)	\$ 2,438	\$ 31,683	\$ 148,047	\$ 79,240	\$ (68,807)

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Noxious Weeds and Health District Special Revenue Funds
For the Year Ended September 30, 2008

	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)
Revenues						
Taxes	\$ 258,153	\$ 262,679	\$ 4,526	\$ 602,772	\$ 609,582	\$ 6,810
Intergovernmental	206,325	28,417	(177,908)	-	-	-
Charges for services	1,000	450	(550)	-	-	-
Miscellaneous	25,100	7,793	(17,307)	16,311	-	(16,311)
<i>Total Revenues</i>	490,578	299,339	(191,239)	619,083	609,582	(9,501)
Expenditures						
Current:						
Sanitation	492,426	293,190	199,236	-	-	-
Health & welfare	-	-	-	663,199	663,199	-
Capital outlay:						
Capital expenditures	19,266	19,024	242	-	-	-
<i>Total Expenditures</i>	511,692	312,214	199,478	663,199	663,199	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(21,114)	(12,875)	8,239	(44,116)	(53,617)	(9,501)
Other Financing Sources						
Transfers In	21,114	19,266	(1,848)	44,116	44,116	-
<i>Total Other Financing Sources</i>	21,114	19,266	(1,848)	44,116	44,116	-
<i>Net Change in Fund Balances</i>	-	6,391	6,391	-	(9,501)	(9,501)
<i>Fund Balances Beginning of Year (deficit)</i>	98,632	98,632	-	50,030	50,030	-
<i>Fund Balances End of Year (deficit)</i>	\$ 98,632	\$ 105,023	\$ 6,391	\$ 50,030	\$ 40,529	\$ (9,501)

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Schedule 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, 2008

	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)
Revenues						
Taxes	\$ 15,000	\$ 15,176	\$ 176	\$ 221,323	\$ 221,267	\$ (56)
Licenses and permits	-	3,500	3,500	-	275	275
Charges for Services	-	-	-	-	43,842	43,842
Miscellaneous	-	-	-	30,000	29	(29,971)
<i>Total Revenues</i>	15,000	18,676	3,676	251,323	265,413	14,090
Expenditures						
Current:						
Culture and recreation	15,000	18,500	(3,500)	215,062	244,120	(29,058)
Capital outlay:						
Capital expenditures	-	-	-	33,115	31,115	2,000
Construction in Progress	-	-	-	30,000	4,880	25,120
<i>Total Expenditures</i>	15,000	18,500	(3,500)	278,177	280,115	(1,938)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	176	176	(26,854)	(14,702)	12,152
Other Financing Sources						
Transfers In	-	-	-	37,986	33,115	(4,871)
<i>Total Other Financing Sources</i>	-	-	-	37,986	33,115	(4,871)
<i>Net Change in Fund Balances</i>	-	176	176	11,132	18,413	7,281
<i>Fund Balances Beginning of Year</i>	9,998	9,998	-	121,173	121,173	-
<i>Fund Balances End of Year (deficit)</i>	\$ 9,998	\$ 10,174	\$ 176	\$ 132,305	\$ 139,586	\$ 7,281

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Snowmobile and County Vessel Special Revenue Funds
For the Year Ended September 30, 2008

	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)
Revenues						
Licenses and permits	\$ 117,725	\$ 144,626	\$ 26,901	\$ -	\$ 864	\$ 864
Intergovernmental	-	567	567	507,368	618,778	111,410
Miscellaneous	56,079	6,746	(49,333)	9,833	199	(9,634)
<i>Total Revenues</i>	173,804	151,939	(21,865)	517,201	619,841	102,640
Expenditures						
Current:						
Public Safety	2,800	5,732	(2,932)	291,965	339,026	(47,061)
Culture and recreation	143,267	129,477	13,790	213,088	217,778	(4,690)
Capital outlay:						
Capital expenditures	50,000	39,557	10,443	-	49,443	(49,443)
<i>Total Expenditures</i>	196,067	174,766	21,301	505,053	606,247	(101,194)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	22,263	22,827	564	12,148	13,594	1,446
Other Financing Sources						
Transfer in	-	-	-	-	-	-
<i>Total Other Financing Sources</i>	-	-	-	-	-	-
<i>Net Change in Fund Balances</i>	(22,263)	(22,827)	(564)	12,148	13,594	1,446
<i>Fund Balances Beginning of Year</i>	241,588	241,588	-	83,437	83,437	-
<i>Fund Balances End of Year (deficit)</i>	\$ 219,325	\$ 218,761	\$ (564)	\$ 95,585	\$ 97,031	\$ 1,446

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Public Access and Indigent Special Revenue Funds
For the Year Ended September 30, 2008

	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)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 1,442,992	\$ 1,460,474	\$ 17,482
Intergovernmental	8,000	9,054	1,054	-	-	-
Miscellaneous	8,000	3,170	(4,830)	528,454	493,170	(35,284)
<i>Total Revenues</i>	16,000	12,224	(3,776)	1,971,446	1,953,644	(17,802)
Expenditures						
Current:						
Culture and recreation	16,000	-	16,000	-	-	-
Health & welfare	-	-	-	1,971,446	2,017,053	(45,607)
Capital Expenditure	-	-	-	-	5,338	(5,338)
<i>Total Expenditures</i>	16,000	-	16,000	1,971,446	2,022,391	(50,945)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	12,224	12,224	-	(68,747)	(68,747)
Other Financing Sources						
Transfers in	-	-	-	-	-	-
<i>Total Other Financing Sources</i>	-	-	-	-	-	-
<i>Net Change in Fund Balances</i>	-	12,224	12,224	-	(68,747)	(68,747)
<i>Fund Balances Beginning of Year (deficit)</i>	69,646	69,646	-	11,348	11,348	-
<i>Fund Balances End of Year (deficit)</i>	\$ 69,646	\$ 81,870	\$ 12,224	\$ 11,348	\$ (57,399)	\$ (68,747)

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
FTA Public Transportation Funds
For the Year Ended September 30, 2008

	FTA Public Transportation Special Revenue Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budge Over (Under)
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	1,000,932	1,221,900	220,968
Charges for services	683,654	664,842	(18,812)
<i>Total Revenues</i>	1,684,586	1,886,742	202,156
Expenditures			
Current:			
General government	1,684,586	1,834,262	(149,676)
Capital outlay:			
Capital expenditures	-	52,480	(52,480)
<i>Total Expenditures</i>	1,684,586	1,886,742	(202,156)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-
Other Financing Sources			
Transfers in	-	-	-
Transfers (out)	-	-	-
<i>Total Other Financing Sources</i>	-	-	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year</i>	-	-	-
<i>Fund Balances End of Year</i>	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report

Kootenai County Comprehensive Annual Financial Report - FY 2008

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
District Court and Revaluation Funds
For the Year Ended September 30, 2008

	District Court Special Revenue Fund			Revaluation 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)
Revenues						
Taxes	\$ 883,722	\$ 894,393	\$ 10,671	\$ 1,886,460	\$ 1,916,377	\$ 29,917
Intergovernmental	50,000	90,487	40,487	-	-	-
Fines and Forfeitures	823,992	950,072	126,080	-	-	-
Charges for services	140,800	152,663	11,863	2,000	1,028	(972)
Miscellaneous	127,036	111	(126,925)	192,257	1,151	(191,106)
<i>Total Revenues</i>	2,025,550	2,087,726	62,176	2,080,717	1,918,556	(162,161)
Expenditures						
Current:						
General government	-	-	-	2,077,694	1,968,649	109,045
Public Safety	1,973,808	1,737,843	235,965	-	-	-
Capital outlay:						
Capital expenditures	51,742	6,897	44,845	3,023	10,286	(7,263)
<i>Total Expenditures</i>	2,025,550	1,744,740	280,810	2,080,717	1,978,935	101,782
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	342,986	342,986	-	(60,379)	(60,379)
Other Financing Sources						
Proceeds from Insurance	-	-	-	-	872	872
Transfers In	-	-	-	-	-	-
<i>Total Other Financing Sources</i>	-	-	-	-	872	872
<i>Net Change in Fund Balances</i>	-	342,986	342,986	-	(59,507)	(59,507)
<i>Fund Balances Beginning of Year</i>	754,656	754,656	-	611,077	611,077	-
<i>Fund Balances End of Year</i>	\$ 754,656	\$ 1,097,642	\$ 342,986	\$ 611,077	\$ 551,570	\$ (59,507)

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Kootenai Emergency Management and Aquifer Protection District Special Revenue Funds
For the Year Ended September 30, 2008

	Kootenai Emergency Management Special Revenue Fund			Aquifer Protection 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)
Revenues						
Taxes	\$ 1,637,726	\$ 1,655,552	\$ 17,826	\$ -	\$ 468,399	\$ 468,399
Licenses and permits	25,000	38,750	13,750	-	-	-
Intergovernmental	25,000	41,475	16,475	-	-	-
Interest	-	35,851	35,851	-	-	-
<i>Total Revenues</i>	1,687,726	1,771,628	83,902	-	468,399	468,399
Expenditures						
Current:						
Public Safety	1,687,726	2,360,419	(672,693)	-	-	-
Health & welfare	-	-	-	-	340,215	(340,215)
Capital outlay:						
Capital expenditures	-	-	-	-	-	-
<i>Total Expenditures</i>	1,687,726	2,360,419	(672,693)	-	340,215	(340,215)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(588,791)	(588,791)	-	128,184	128,184
Other Financing Sources						
Transfers In	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
<i>Total Other Financing Sources</i>	-	-	-	-	-	-
<i>Net Change in Fund Balances</i>	-	(588,791)	(588,791)	-	128,184	128,184
<i>Fund Balances Beginning of Year</i>	876,763	876,763	-	-	-	-
<i>Fund Balances End of Year</i>	\$ 876,763	\$ 287,972	\$ (588,791)	\$ -	\$ 128,184	\$ 128,184

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 General Construction Capital Projects Funds
 For the Year Ended September 30, 2008

	General Construction Capital Project Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ -	\$ 808,755	\$ 808,755
Miscellaneous	-	28,406	28,406
<i>Total Revenues</i>	-	837,161	837,161
Expenditures			
Current:			
Capital projects	-	8,866	(8,866)
Culture and recreation	-	-	-
Capital outlay:			
Construction in progress	-	828,295	(828,295)
<i>Total Expenditures</i>	-	837,161	(837,161)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Balances Beginning of Year (deficit)</i>	(261,073)	(261,073)	-
<i>Fund Balances End of Year (deficit)</i>	\$ (261,073)	\$ (261,073)	\$ -

See accompanying Independent Auditors' Report

Internal Service & Health Insurance Funds

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 government and its other government 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, 2008 (with comparative totals for 2007)

	Governmental-type Activity	
	2008	2007
Assets		
Current Assets:		
Cash and cash equivalents	\$ 665,128	\$ 287,273
Accounts receivable, (net)	48,871	5,269
Total Current Assets	713,999	292,542
Total Assets	\$ 713,999	\$ 292,542
Liabilities		
Current Liabilities:		
Accounts payable	\$ 119,906	\$ 249,867
Payable accruals	440,316	274,001
Total Current Liabilities	560,222	523,868
Total Liabilities	560,222	523,868
Net Assets		
Unrestricted	153,777	(231,326)
Total Net Assets	153,777	(231,326)
Total Liabilities and Net Assets	\$ 713,999	\$ 292,542

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Health Insurance Internal Service Fund
For the Year Ended September 30, 2008 (with comparative totals for 2007)

	Governmental-type activity	
	2008	2007
Operating Revenues		
Charges for services	\$ 5,519,435	\$ 4,541,454
Total Operating Revenues	5,519,435	4,541,454
Operating Expenses		
Personal services	11,936	11,606
Professional services	5,212,586	5,242,685
Other services and expenses	1,350	1,225
Total Operating Expenses	5,225,872	5,255,516
Operating Income	293,563	(714,062)
Non-Operating Revenues (Expenses)		
Intergovernmental revenues	91,540	103,573
Total Non-Operating Revenues	91,540	103,573
Change in Net Assets	385,103	(610,489)
Net Assets Beginning of Year (deficit)	(231,326)	379,163
Net Assets End of Year	\$ 153,777	\$ (231,326)

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO
 Statement of Cash Flow
 Health Insurance Internal Service Fund
 For the Year Ended September 30, 2008 (with comparative totals for 2007)

	Internal Service Fund Health Insurance	
	2008	2007
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 5,475,833	\$ 4,536,185
Cash Payments to Employees	(11,936)	(11,606)
Cash Payments for Goods and Services	(5,177,582)	(5,272,298)
Net Cash Provided by Operating Activities	286,315	(747,719)
Cash Flows from Noncapital Financing Activities		
Intergovernmental Revenues	91,540	103,573
Net Cash provided by noncapital financing activities	91,540	103,573
Net Increase (decrease) in Cash and Cash Equivalents	377,855	(644,146)
Cash and Cash Equivalents Beginning of Year	287,273	931,237
Cash and Cash Equivalents End of Year	\$ 665,128	\$ 287,091
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 293,563	\$ (714,062)
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>		
<i>(Increase) Decrease in Assets:</i>		
Accounts Receivable	(43,602)	(5,269)
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable	36,354	(28,388)
Payable Accruals	-	-
Net Cash Provided by Operating Activities	\$ 286,315	\$ (747,719)

See accompanying Independent Auditors' Report

Agency Funds

Agency funds are established to account for resources held by Kootenai County in the fiduciary capacity for other governmental units. These funds are custodial in nature (assets = liabilities) and do not measure the results of operations. Also, each agency is responsible for preparing their annual financial reports.

Fiduciary Funds

Fiduciary funds are used to account for assets a governmental unit holds in the capacity of an agent or trustee for other 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 - are used to account for property tax receipts and other assets collected by the County for other taxing districts.

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
For the Year Ended September 30, 2008
With Comparative Totals for September 30, 2007

	Agency Funds			
	State of Idaho	Cities	Highway Districts	School Districts
Assets				
Cash in bank and investments	\$ 1,753,676	\$ 234,130	\$ 25,986	\$ 103,943
Receivables:				
Taxes delinquent	58,290	1,458,315	371,732	1,300,357
Accounts receivable, (net)	-	-	-	-
Total Assets	\$ 1,811,966	\$ 1,692,445	\$ 397,718	\$ 1,404,300
Liabilities				
Due to agency activity	1,811,966	1,692,445	397,718	1,404,300
Due to other taxing districts	-	-	-	-
Total Liabilities	1,811,966	1,692,445	397,718	1,404,300
Net Assets				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report

continued

KOOTENAI COUNTY, IDAHO
 Combining Statement of Fiduciary Assets and Liabilities
 Fiduciary Funds
 September 30, 2008
 With Comparative Totals for September 30, 2007

	Agency Funds			
	Fire Districts	Public Library	Water & Sewer Districts	North Idaho College
Assets				
Cash in bank and investments	\$ 46,888	\$ 6,770	\$ 2,890	\$ 36,605
Receivables:				
Taxes delinquent	578,132	88,064	27,785	446,109
Accounts receivable, (net)	-	-	-	-
Total Assets	\$ 625,020	\$ 94,834	\$ 30,675	\$ 482,714
Liabilities				
Due to agency activity	625,020	94,834	30,675	482,714
Due to other taxing districts	-	-	-	-
Total Liabilities	625,020	94,834	30,675	482,714
Net Assets				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report

continued

KOOTENAI COUNTY, IDAHO
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2008
With Comparative Totals for September 30, 2007

	Agency Funds		Totals	
	Public Hospital	Urban Renewal Districts	2008	2007
Assets				
Cash in bank and investments	\$ -	\$ (6,009)	\$ 2,204,879	\$ 1,913,116
Receivables:				
Taxes delinquent	-	458,881	4,787,665	3,891,541
Accounts receivable, (net)	-	-	-	741,043
Total Assets	\$ -	\$ 452,872	\$ 6,992,544	\$ 6,545,700
Liabilities				
Due to agency activity	-	452,872	6,992,544	3,026,119
Due to other taxing districts	-	-	-	3,519,581
Total Liabilities	-	452,872	6,992,544	6,545,700
Net Assets				
Held in trust for other purposes	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report

continued

KOOTENAI COUNTY, IDAHO
 Combining Statement of Fiduciary Assets and Liabilities
 Fiduciary Funds
 September 30, 2008
 With Comparative Totals for September 30, 2007

	Private Purpose Trust Funds	
	2008	2007
Assets		
Cash in bank and investments	\$ 6,485,101	\$ 6,505,152
Receivables:		
Taxes delinquent	-	57,997
Accounts receivable, (net)	-	33
	\$ 6,485,101	\$ 6,563,182
Liabilities		
Accounts payable	33,077	1,983,052
Deferred property taxes	736,166	-
Due in more than one year	8,214	-
Due to other individuals	3,671,809	4,500,511
Due to other governments	1,801,362	79,619
	6,250,628	6,563,182
Net Assets		
Held in trust for other purposes	\$ 234,473	\$ -

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, 2008

	Agency Funds			
	Balance 10/1/07	Additions	Deletions	Balance 9/30/08
<i>State of Idaho</i>				
Assets				
Cash in bank and investments	\$ 1,184,678	\$ 15,370,316	\$ 14,801,318	\$ 1,753,676
Receivables:				
Taxes delinquent	67,352	985,506	994,568	58,290
Total Assets	1,252,030	16,355,822	15,795,886	1,811,966
Liabilities				
Due to other governments	1,252,030	107,737,766	107,177,830	1,811,966
Total Liabilities	\$ 1,252,030	\$ 107,737,766	\$ 107,177,830	\$ 1,811,966
<i>Cities</i>				
Assets				
Cash in bank and investments	\$ 656,219	\$ 29,590,933	\$ 30,013,022	\$ 234,130
Receivables:				
Taxes delinquent	864,932	1,458,315	864,932	1,458,315
Accounts receivable, (net)	400,827	-	400,827	-
Total Assets	1,921,978	31,049,248	31,278,781	1,692,445
Liabilities				
Due to other governments	1,921,978	174,795,047	175,024,580	1,692,445
Total Liabilities	\$ 1,921,978	\$ 174,795,047	\$ 175,024,580	\$ 1,692,445
<i>Highway Districts</i>				
Assets				
Cash in bank and investments	\$ 118,565	\$ 7,747,431	\$ 7,840,010	\$ 25,986
Receivables:				
Taxes delinquent	286,462	371,732	286,462	371,732
Accounts receivable, (net)	109,440	-	109,440	-
Total Assets	514,467	8,119,163	8,235,912	397,718
Liabilities				
Due to other taxing districts	514,467	48,337,364	48,454,113	397,718
Total Liabilities	\$ 514,467	\$ 48,337,364	\$ 48,454,113	\$ 397,718
<i>School Districts</i>				
Assets				
Cash in bank and investments	\$ 487,675	\$ 23,511,298	\$ 23,895,030	\$ 103,943
Receivables:				
Taxes delinquent	1,325,054	1,300,356	1,325,053	1,300,357
Total Assets	1,812,729	24,811,654	25,220,083	1,404,300
Liabilities				
Due to other taxing districts	1,812,729	272,058,003	272,466,432	1,404,300
Total Liabilities	\$ 1,812,729	\$ 272,058,003	\$ 272,466,432	\$ 1,404,300

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, 2008

	Agency Funds			
	Balance 10/1/07	Additions	Deletions	Balance 9/30/08
<i>Fire Districts</i>				
Assets				
Cash in bank and investments	\$ 196,045	\$ 11,170,324	\$ 11,319,481	\$ 46,888
Receivables:				
Taxes delinquent	346,792	578,131	346,791	578,132
Accounts receivable, (net)	109,223	-	109,223	-
Total Assets	652,060	11,748,455	11,775,495	625,020
Liabilities				
Due to other taxing districts	652,060	62,321,496	62,348,536	625,020
Total Liabilities	\$ 652,060	\$ 62,321,496	\$ 62,348,536	\$ 625,020
<i>Public Library</i>				
Assets				
Cash in bank and investments	\$ 28,129	\$ 1,793,692	\$ 1,815,051	\$ 6,770
Receivables:				
Taxes delinquent	131,100	88,064	131,100	88,064
Accounts receivable, (net)	21,241	-	21,241	-
Total Assets	180,470	1,881,755	1,967,392	94,834
Liabilities				
Due to other taxing districts	180,470	10,534,354	10,619,990	94,834
Total Liabilities	\$ 180,470	\$ 10,534,354	\$ 10,619,990	\$ 94,834
<i>Water & Sewer Districts</i>				
Assets				
Cash in bank and investments	\$ 6,214	\$ 261,517	\$ 264,841	\$ 2,890
Receivables:				
Taxes delinquent	25,054	27,785	25,054	27,785
Accounts receivable, (net)	2,327	-	2,327	-
Total Assets	33,595	289,302	292,222	30,675
Liabilities				
Due to other taxing districts	33,595	1,680,763	1,683,683	30,675
Total Liabilities	\$ 33,595	\$ 1,680,763	\$ 1,683,683	\$ 30,675
<i>North Idaho College</i>				
Assets				
Cash in bank and investments	\$ 155,699	\$ 9,048,001	\$ 9,167,094	\$ 36,605
Receivables:				
Taxes delinquent	356,856	446,109	356,856	446,109
Accounts receivable, (net)	128,741	-	128,741	-
Total Assets	641,296	9,494,110	9,652,692	482,714
Liabilities				
Due to other governments	641,296	49,770,226	49,928,808	482,714
Total Liabilities	\$ 641,296	\$ 49,770,226	\$ 49,928,808	\$ 482,714

See accompanying Independent Auditors' Report

continued

Kootenai County Comprehensive Annual Financial Report - FY 2008

KOOTENAI COUNTY, IDAHO
Statement of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
For the Fiscal Year Ended September 30, 2008

	Agency Funds			
	Balance 10/1/06	Additions	Deletions	Balance 9/30/07
<i>Kootenai County Public Hospital</i>				
Assets				
Receivables:				
Accounts receivable, (net)	\$ 3,144	\$ -	\$ 3,144	\$ -
Total Assets	3,144	\$ -	\$ 3,144	\$ -
Liabilities				
Due to other individuals	3,144	\$ -	\$ 3,144	\$ -
Total Liabilities	\$ 3,144	\$ -	\$ 3,144	\$ -
<i>Urban Renewal Districts</i>				
Assets				
Cash in bank and investments	\$ 8,838	\$ 6,497,046	\$ 6,511,893	\$ (6,009)
Receivables:				
Taxes delinquent	368,319	458,880	368,318	458,881
Total Assets	377,157	\$ 6,955,926	\$ 6,880,211	\$ 452,872
Liabilities				
Due to other taxing districts	377,157	20,261,938	20,186,223	452,872
Total Liabilities	\$ 377,157	20,261,938	20,186,223	452,872

See accompanying Independent Auditors' Report

Statistical Section

May 20th, you just couldn't get to some places.





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	116
<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	119
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.</i>	
Debt Capacity	131
<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.	133
<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	136
<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 Seven Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>Fiscal Year</u>						
	2002	2003	2004	2005	2006	2007	2008
Governmental activities							
Invested in capital assets, net of related debt	\$ 29,841	\$ 31,012	\$ 32,657	\$ 35,833	\$ 44,717	\$ 47,604	\$ 46,749
Restricted	5,057	364	4,475	13,407	7,398	1,562	3,256
Unrestricted	7,601	8,035	10,650	14,879	18,788	22,769	22,242
Total governmental activities net assets	\$ 42,499	\$ 39,411	\$ 47,782	\$ 64,119	\$ 70,903	\$ 71,935	\$ 72,247
Business-type activities							
Invested in capital assets, net of related debt	\$ 1,437	\$ 2,830	\$ 1,883	\$ 3,350	\$ 3,134	\$ 13,296	\$ 22,970
Restricted	2,912	3,249	3,938	3,707	15,955	15,772	8,826
Unrestricted	17,461	18,561	20,702	22,821	13,924	7,820	9,076
Total business-type activities net assets	\$ 21,810	\$ 24,640	\$ 26,523	\$ 29,878	\$ 33,013	\$ 36,888	\$ 40,872
Primary government							
Invested in capital assets, net of related debt	\$ 31,278	\$ 33,842	\$ 34,540	\$ 39,183	\$ 47,851	\$ 60,900	\$ 69,719
Restricted	7,969	3,613	8,413	17,114	23,353	17,334	12,082
Unrestricted	25,062	26,596	31,352	37,700	32,712	30,589	31,318
Total primary government net assets	\$ 64,309	\$ 64,051	\$ 74,305	\$ 93,997	\$ 103,916	\$ 108,823	\$ 113,119

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

	<u>Fiscal Year</u>						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental activities:							
General government	\$ 19,115	\$ 22,652	\$ 22,805	\$ 22,099	\$ 24,302	\$ 25,878	\$ 23,408
Public works	932	1,550	1,759	2,015	2,246	2,292	2,459
Public safety	19,902	18,029	18,421	21,565	23,289	26,488	30,030
Sanitation weed control	282	231	297	333	538	577	324
Health and welfare	2,168	2,095	2,614	2,940	2,912	2,660	3,312
Culture and recreation	214	867	959	966	1,100	1,085	844
Capital projects	131	28	64	73	9	47	38
Interest on long-term debt	793	754	640	519	169	55	37
Total governmental activities expenses	43,537	46,206	47,559	50,510	54,565	59,082	60,452
Business-type activities:							
Solid waste and landfill	6,162	5,076	6,509	5,898	7,377	7,379	7,922
Total business-type activities expenses	6,162	5,076	6,509	5,898	7,377	7,379	7,922
Total primary government expenses	\$ 49,699	\$ 51,282	\$ 54,068	\$ 56,408	\$ 61,942	\$ 66,461	\$ 68,374
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 8,887	\$ 8,627	\$ 9,481	\$ 11,154	\$ 12,247	\$ 12,679	\$ 7,526
Public safety	5,269	6,670	7,946	8,495	9,897	10,491	8,998
Culture and recreation	455	474	518	536	476	656	429
Other activities	47	61	57	62	59	65	46
Operating grants and contributions	1,275	1,841	2,987	2,483	1,842	2,842	3,639
Capital grants and contributions	2,423	2,082	1,829	3,615	4,996	1,144	898
Total governmental activities program revenues	18,356	19,755	22,818	26,345	29,517	27,877	21,536
Business-type activities:							
Charges for services:							
Solid waste and landfill	7,493	7,774	8,363	9,034	9,801	10,300	11,195
Operating grants and contributions	-	6	7	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-
Total business-type activities program revenues	7,493	7,780	8,370	9,034	9,801	10,300	11,195
Total primary government program revenues	\$ 25,849	\$ 27,535	\$ 31,188	\$ 35,379	\$ 39,318	\$ 38,177	\$ 32,731

continued

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

	<u>Fiscal Year</u>						
	2002	2003	2004	2005	2006	2007	2008
Net (expense)/revenue							
Governmental activities	\$ (25,181)	\$ (26,451)	\$ (24,741)	\$ (24,165)	\$ (25,048)	\$ (31,205)	\$ (38,915)
Business-type activities	1,330	2,704	1,860	3,135	2,424	2,921	3,273
Total primary government net (expense)/revenue	\$ (23,851)	\$ (23,747)	\$ (22,881)	\$ (21,030)	\$ (22,624)	\$ (28,284)	\$ (35,642)
General Revenues and other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property taxes, levied for general purposes	\$ 22,443	\$ 23,031	\$ 27,675	\$ 28,541	\$ 26,922	\$ 28,408	\$ 35,421
Sales and use taxes	5,446	14	4,664	10,119	1,879	-	-
Miscellaneous	628	672	1,150	965	1,037	1,392	1,620
Interest and investment earnings	627	417	335	756	1,475	1,917	1,747
Gain (Loss) on sale of assets/property	-	-	-	-	-	-	(116)
Transfers	638	(770)	(712)	519	519	519	556
Total governmental activities	29,782	23,364	33,112	40,900	31,832	32,236	39,228
Business-type activities:							
Interest and investment earnings	497	406	381	587	1,160	1,427	1,073
Miscellaneous	9	138	124	70	70	45	143
Gain (Loss) on sale of assets/property	-	-	-	77	(1)	-	50
Transfers	(399)	(419)	(482)	(519)	(519)	(519)	(556)
Total business-type activities	107	125	23	215	710	953	710
Total primary government	\$ 29,889	\$ 23,489	\$ 33,135	\$ 41,115	\$ 32,542	\$ 33,189	\$ 39,938
Change in Net Assets							
Governmental activities	\$ 4,600	\$ (3,088)	\$ 8,371	\$ 16,735	\$ 6,784	\$ 1,031	\$ 313
Business-type activities	1,437	2,830	1,883	3,350	3,134	3,874	3,983
Total primary government	\$ 6,037	\$ (258)	\$ 10,254	\$ 20,085	\$ 9,918	\$ 4,905	\$ 4,296

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

Fiscal Year	Property Tax	Resort Sales Tax ¹	Total
2002	\$ 22,443	\$ 5,446	\$ 27,889
2003	23,028	14	23,042
2004	27,667	4,664	32,331
2005	28,540	10,119	38,659
2006	26,922	1,878	28,800
2007	28,408	-	28,408
2008	35,421	-	35,421

¹ Kootenai County's Resort Sales Tax has been through many status changes. In fiscal year 2001, County voters approved a sales tax ordinance increasing the sales tax by one-half cent. In fiscal year 2002, State Court orders required decommissioning of the voter-approved tax. Fiscal year 2004 brought the approval of new legislation and the voter-approved resort sales tax was reinstated. Debt service obligations for the jail expansion were satisfied in fiscal year 2006, and the sales tax collection ended.

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

	<u>Fiscal Year</u>									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	\$ -	\$ -	\$ 465	\$ 261	\$ 256	\$ 237	\$ 1,666	\$ 2,382	\$ 3,576	\$ 3,136
Unreserved	5,611	5,096	6,078	7,153	8,004	9,855	13,833	18,443	20,207	21,549
Total general fund	\$ 5,611	\$ 5,096	\$ 6,543	\$ 7,414	\$ 8,260	\$ 10,092	\$ 15,499	\$ 20,825	\$ 23,783	\$ 24,685
All other governmental funds										
Reserved	\$ -	\$ 8,016	\$ 1,731	\$ 4,796	\$ 109	\$ 4,239	\$ 11,741	\$ 4,083	\$ 62	\$ 120
Unreserved, reported in:										
Special revenue funds	610	970	2,154	729	385	1,002	1,239	1,504	2,954	2,716
Capital projects funds	1,549	-	846	(281)	(183)	(208)	(193)	(226)	(224)	(261)
Jail tax payment fund	-	-	-	-	(171)	-	-	-	-	-
Total all other governmental funds	\$ 2,159	\$ 8,986	\$ 4,731	\$ 5,244	\$ 140	\$ 5,033	\$ 12,787	\$ 5,361	\$ 2,792	\$ 2,575

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>									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$ 18,701	\$ 21,651	\$ 27,728	\$ 27,762	\$ 22,926	\$ 32,335	\$ 38,659	\$ 28,786	\$ 28,307	\$ 35,484
Licenses and permits	1,132	1,141	1,144	1,183	1,250	1,323	1,413	1,376	1,433	1,489
Intergovernmental	5,980	7,878	8,660	8,935	9,182	10,916	12,693	14,420	11,485	11,265
Interest	6	19	24	627	417	335	756	1,475	1,917	1,747
Fines and forfeitures	866	973	989	908	1,026	989	1,000	1,057	1,297	1,305
Charges for services	5,534	5,821	6,368	7,331	8,297	9,590	7,112	8,247	8,384	7,360
Miscellaneous	1,589	1,950	2,360	574	583	935	965	1,037	2,026	1,638
Total revenues	33,808	39,433	47,273	47,320	43,681	56,423	62,598	56,398	54,849	60,288
Expenditures										
General government	17,453	20,077	15,011	16,512	21,338	21,878	19,528	21,410	22,511	22,620
Public works	-	-	-	1,215	602	586	612	642	680	711
Public safety	11,865	13,154	17,881	18,627	17,058	17,115	18,877	20,414	22,391	29,073
Sanitation weed control	220	186	216	-	223	291	283	490	550	293
Health & welfare	1,548	1,976	1,921	2,168	2,092	2,609	2,713	2,665	2,598	3,305
Culture and recreation	451	506	836	214	773	880	793	914	893	715
Capital projects	70	37	63	130	28	64	73	9	47	9
Debt Service:										
Principal retirement	832	2,123	3,188	1,412	1,580	1,700	1,747	5,592	596	84
Interest expense	-	-	-	730	690	588	480	160	59	37
Capital Outlay:										
Capital expenditures	1,659	1,532	1,010	6,594	1,595	943	926	2,047	3,688	2,254
Construction in progress	710	3,796	10,513	-	1,305	2,563	4,337	4,681	975	1,068
Total expenditures	34,808	43,387	50,639	47,602	47,284	49,217	50,369	59,024	54,988	60,169
Excess of revenues over (under) expenditures	(1,000)	(3,954)	(3,366)	(282)	(3,603)	7,206	12,229	(2,626)	(139)	119
Other financing sources (uses)										
Proceeds notes payable	2,000	9,500	-	-	-	-	-	-	-	-
Proceeds capital leases	445	499	24	969	21	48	-	-	-	-
Proceeds on asset disposal	-	-	-	54	89	224	-	-	-	-
Proceeds insurance	-	-	-	5	5	8	13	7	9	9
Transfers in	1,679	2,625	5,293	5,227	6,524	4,954	4,930	11,433	9,837	5,114
Transfers out	(1,672)	(2,358)	(4,758)	(4,589)	(7,294)	(5,666)	(4,410)	(10,914)	(9,318)	(4,557)
Total other financing sources (uses)	2,452	10,266	559	1,666	(655)	(432)	533	526	528	566
Net change in fund balances	\$ 1,452	\$ 6,312	\$ (2,807)	\$ 1,384	\$ (4,258)	\$ 6,774	\$ 12,762	\$ (2,100)	\$ 389	\$ 685

Debt service and capital outlay as a percentage of non-capital expenditures
10.1% 20.7% 40.9% 22.5% 12.3% 13.3% 17.5% 26.8% 10.7% 6.1%

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 ¹	Total
1999	\$ 18,701	\$ -	\$ 18,701
2000	21,650	-	21,650
2001	23,622	4,105	27,727
2002	22,443	5,446	27,889
2003	23,031	14	23,045
2004	27,675	4,664	32,339
2005	28,540	10,119	38,659
2006	26,922	1,878	28,800
2007	28,408	-	28,408
2008	35,484	-	35,484

¹ Kootenai County's Resort Sales Tax has been through many status changes. In fiscal year 2001, County voters approved a sales tax ordinance increasing the sales tax by one-half cent. In fiscal year 2002, State Court orders required decommissioning of the voter-approved tax. Fiscal year 2004 brought the approval of new legislation and the voter-approved resort sales tax was reinstated. Debt service obligations for the jail expansion were satisfied in fiscal year 2006, and the sales tax collection ended.

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

Property Tax Year	Assessed Valuation	Homeowner's Exemptions	Net Taxable Value	Valuation Increase		Tax Rate per \$1,000 Value ⁽¹⁾
				Amount	Percentage	
1998	\$ 6,244,894,863	\$ 915,091,429	\$ 5,329,803,434	\$ 22,062,958	0.42%	\$ 3.89
1999	6,444,466,553	968,464,837	5,476,001,716	146,198,282	2.74%	4.04
2000	6,726,402,236	1,022,329,526	5,704,072,710	228,070,994	4.16%	3.58
2001	7,098,457,083	1,069,468,337	6,028,988,746	324,916,036	5.70%	3.58
2002	7,565,515,887	1,122,803,745	6,442,712,142	413,723,396	6.86%	3.47
2003	7,994,404,661	1,168,732,560	6,825,672,101	382,959,959	5.94%	3.98
2004	8,801,547,283	1,269,400,159	7,532,147,124	706,475,023	10.35%	3.65
2005	11,495,796,480	1,439,915,557	10,055,880,923	2,606,277,061	34.99%	2.47
2006	17,151,610,098	2,434,056,230	14,717,553,868	4,661,672,945	46.36%	1.84
2007	19,622,039,622	2,907,974,690	16,714,064,932	1,996,511,064	13.57%	2.21

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.

Notes:

Values based on 2007 December values certified by the State of Idaho.

Property tax year lags one year behind fiscal year.

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

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
County Direct Rates										
County Direct Rate	2.21	1.96	1.84	2.47	3.48	3.65	3.14	3.43	3.92	3.73
City Rates										
Athol	2.40	2.09	2.50	3.07	3.60	3.93	3.62	4.13	3.83	3.78
Coeur d'Alene	4.51	3.99	4.21	5.10	5.56	5.70	5.67	5.62	5.53	5.42
Dalton Gardens	3.53	0.30	0.31	0.43	0.52	0.54	0.53	0.51	0.49	0.54
Fernan	1.00	0.82	0.90	1.11	1.39	1.79	2.08	2.06	2.10	2.10
Harrison	1.77	1.65	2.17	3.26	3.77	3.79	3.72	3.53	4.28	4.32
Hauser Lake	0.34	0.33	0.34	0.48	0.58	0.56	0.45	0.46	0.46	0.49
Hayden	0.82	0.72	0.76	0.93	1.09	1.14	1.15	1.18	1.14	1.17
Hayden Lake	0.39	0.36	0.40	0.57	0.71	0.74	0.79	0.77	0.76	0.70
Huetter	3.36	3.21	4.45	5.34	6.17	5.91	5.91	-	-	-
Post Falls	4.56	3.87	4.05	4.64	5.35	5.47	5.33	5.34	5.28	5.18
Rathdrum	3.68	3.43	3.54	3.84	4.20	4.17	4.01	3.27	4.68	4.71
Spirit Lake	3.49	3.37	3.46	4.73	5.16	5.76	5.62	5.70	5.48	5.39
Worley	2.47	1.95	1.81	2.41	2.90	2.83	2.70	2.81	3.81	3.81
School District Rates^a										
Coeur d'Alene # 271	1.17	1.14	1.12	5.23	6.29	6.51	6.26	6.23	6.39	6.33
Lakeland Joint #272	1.85	1.33	1.60	4.76	5.92	5.66	5.10	5.60	5.66	5.30
Post Falls # 273	2.29	2.08	2.23	5.61	6.28	6.43	6.18	6.08	5.85	5.95
Kootenai # 274	1.09	1.11	1.40	5.03	5.51	5.36	4.01	3.64	3.85	3.83
Kellogg Joint #391	5.08	3.64	4.45	7.48	8.61	7.76	8.18	8.78	8.45	8.04
Plummer-Worley Joint #44	0.06	0.05	0.04	2.67	3.36	3.36	3.25	3.03	3.34	3.55
Highway District Rates										
Post Falls # 1	0.31	0.31	0.36	0.47	0.57	0.58	0.60	0.65	0.66	0.67
Lakes # 2	0.47	0.42	0.45	0.59	0.78	0.84	0.88	0.90	0.91	0.90
Eastside # 3	0.56	0.52	0.33	0.48	0.61	0.63	0.63	0.61	0.61	0.59
Worley # 4	0.68	0.62	0.67	0.95	1.19	1.26	1.31	1.30	1.30	1.24

continued

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

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Fire District Rates										
Athol	-	-	-	-	-	-	-	-	-	1.37
Bayview	-	-	-	-	-	-	-	-	-	1.27
Eastside	0.50	0.56	0.60	0.85	1.22	1.31	1.34	1.32	1.32	1.32
Hauser Lake	0.77	0.72	0.74	0.98	1.22	1.20	0.83	0.82	0.81	0.80
Northern Lakes	0.81	0.71	0.75	0.95	1.18	1.24	1.25	1.26	1.22	1.22
KC Fire & Rescue	1.40	1.27	1.34	1.72	2.06	2.13	1.69	1.67	-	-
Kootenai Fire #1	-	-	-	-	-	-	-	-	1.87	1.87
Mica Kidd Island	0.36	0.33	0.34	0.55	0.72	0.78	0.88	0.91	0.96	-
Post Falls	-	-	-	-	-	-	-	-	1.50	1.21
Rathdrum	-	-	-	-	-	-	-	-	0.95	0.94
Shoshone County #2	1.19	1.20	1.43	2.07	2.39	2.37	2.33	2.10	1.94	1.90
Spirit Lake	0.73	0.72	0.74	0.97	1.18	1.22	1.23	1.23	1.18	0.54
St. Maries	0.68	0.77	0.80	0.95	0.99	0.97	0.96	0.92	0.92	0.93
Timberlake	0.82	0.68	0.81	1.09	1.38	2.16	2.21	1.37	1.38	-
Worley	0.68	0.48	0.52	0.77	0.92	1.00	1.04	1.03	1.04	1.00
Water/Sewer District Rates										
Cataldo Water	0.37	0.38	0.44	0.58	0.69	0.38	0.66	0.59	0.58	0.52
Cleland Bay Sewer	0.25	0.23	0.24	0.43	0.48	0.51	0.54	0.54	0.56	0.56
Hayden Lake Sewer	0.03	0.03	0.03	0.05	0.07	0.07	0.07	0.08	0.08	0.08
Kidd Island Bay Sewer	0.34	0.33	0.35	0.40	0.56	0.65	0.74	0.85	0.86	0.89
Kingston-Cataldo Sewer	0.48	0.46	0.51	0.66	0.79	0.78	0.76	0.70	0.68	0.57
Kootenai Water #1	0.95	0.72	0.78	1.35	1.69	1.80	1.79	1.73	1.79	1.73
Other Special District Rates										
Kootenai										
Consolidated Library	0.17	0.16	0.17	0.23	0.29	0.27	0.28	0.30	0.30	0.60
KCEMSS	0.10	0.10	0.10	0.14	0.16	0.33	0.33	0.15	0.13	0.15
North Idaho College	0.73	0.51	0.53	0.71	0.74	0.77	0.77	0.77	0.94	1.03
Flood Control #17	0.32	0.30	0.35	0.53	0.67	0.45	0.36	0.35	0.35	0.35

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.

^(a) The Idaho Legislature removed the Maintenance and Operation (M&O) portion of the school district budget from property tax funding. It was the largest portion of the budget and would account for the difference in property tax rate from 2005 to 2006.

Kootenai County Comprehensive Annual Financial Report - FY 2008

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
1999	0.003734459	0.037504859	0.003404645	0.033002545	0.014368614	0.004343491	0.073524235
2000	0.003915718	0.037854269	0.003468173	0.003539487	0.015088141	0.004532184	0.229523911
2001	0.003427068	0.035371535	0.003460433	0.033352073	0.012628555	0.004484972	0.238703475
2002	0.003140035	0.041565119	0.003411077	0.032983081	0.013771297	0.004566066	0.201849335
2003	0.003652017	0.042334497	0.003308564	0.035085212	0.014383529	0.004492494	0.363509314
2004	0.003482997	0.041000599	0.003139852	0.035959945	0.013253901	0.004276786	0.125660894
2005	0.002468453	0.035916892	0.002483670	0.030773805	0.010888023	0.003468993	0.105449883
2006	0.001836328	0.028896246	0.001823091	0.010851518	0.008088675	0.002360059	0.104021824
2007	0.001963862	0.026121947	0.001872223	0.009360749	0.007444778	0.002150385	0.092533167
2008	0.002208093	0.029136659	0.002024165	0.011535480	0.008002726	0.002419455	0.100582832

Tax Year 2008	Cities	Highways	Schools	Fire	Water & Sewer	Other
Number of taxing districts	13	4	6	10	6	15
Average tax rate per district	0.002241281	0.000506041	0.001922580	0.000744478	0.000403243	0.006705515
Minimum levy rate	0.000340265	0.000563547	0.000056518	0.000714802	0.000034044	0.000109713
Maximum levy rate	0.003988886	0.000677157	0.005082702	0.001270475	0.000945505	0.011664393

Notes:

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

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

The number of URDs may change from year to year.

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

2008 Levies as of 9/30/08.

Kootenai County Comprehensive Annual Financial Report - FY 2008

KOOTENAI COUNTY, IDAHO
Principal Property Taxpayers, Current Year and Nine Years Ago
September 30, 2008

Taxpayer	2008 ¹			1999		
	Net Taxes Due	Rank	Percentage of Net Taxes Due	Net Taxes Due	Rank	Percentage of Net Taxes Due
Rathdrum Power, LLC	\$ 934,693	1	2.65%	\$ -		-
Hagadone Hospitality Co., Duane B. Hagadone	867,769	2	2.46%	188,947	3	0.92%
Avista Corporation (formerly Washington Water Power)	815,908	3	2.31%	518,807	1	2.54%
Verizon Northwest, Inc. (formerly GTE)	556,008	4	1.57%	322,622	2	1.58%
Kimball International Market Inc., Flexcel Inc.	254,346	5	0.72%	138,762	4	0.68%
Gas Transmission Northwest Co.	237,684	6	0.67%	-		-
Silver Lake Mall, LLC	204,500	7	0.58%	-		-
Stephen F Meyer, ETUX	190,474	8	0.54%	68,918	8	0.34%
North Idaho Surgical Hospital Bldg, LLC	163,801	9	0.46%	-		-
Discovery CDA Investors, LLC	157,928	10	0.45%	-		-
Idaho Forest Group, LLC	151,699	11	0.43%	-		-
Stimson Lumber Company	130,435	1	0.37%	56,017	9	0.27%
Norton Aero, LTD	126,812	13	0.36%	-		-
Costco Wholesale Corporation	117,608	14	0.33%	-		-
Puryear Family LPT	112,577	15	0.32%	-		-
Idaho Forest Industries	-		-	46,296	10	0.23%
PG & E Gas Transmission, NW	-		-	97,178	5	0.48%
Crown Pacific Inland Lumber, Ltd.	-		-	76,871	7	0.38%
Inland Empire Paper Company	-		-	80,567	6	0.39%
CDA Factory Outlets, Ltd Partnership	-		-	44,772	11	0.22%
Harlan D Douglass, ETUX	-		-	40,773	12	0.20%
Imsamet of Idaho, Inc.	-		-	36,584	13	0.18%
Kootenai Cable, Inc.	-		-	36,079	14	0.18%
Hayden Area Regional Sewer Board	-		-	32,208	15	0.16%
Sub Total	5,022,242		14.22%	1,785,402		8.73%
All Other Taxpayers	30,292,920		85.78%	18,664,464		91.27%
Total Net Taxes Due to Kootenai County	\$ 35,315,162		100.00%	\$ 20,449,866		100.00%

Due to the new Tax & Assessment software, the County has changed the format of this report. In prior years the principle taxpayers list has been based upon property assessed valuation.

This year the report is based on net taxes due to Kootenai County. For the historical data, an overall County average property tax percentage was applied.

Notes:

¹ Based on 2008 Net Taxes due as of December 20, 2008.

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
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	25,780,424	98.29%
2006	24,838,197	24,101,083	97.03%	870,773	24,971,856	100.54%
2007	28,253,969	27,301,289	96.63%	190,022	27,491,311	97.30%
2008	33,073,659	33,070,701	99.99%	570,847 ¹	33,641,548	101.72%

¹ Tax collections as of December 20, 2008.

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>
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
2006	13,728,036	258,389	451,986	1,746,046	12,692,365	1.84
2007	15,713,148	406,921	460,205	2,152,291	14,427,983	1.96
2008	17,337,474	197,618	483,733	2,245,773	15,773,052	2.21

Notes:

Operating property values are wholly assigned by the Idaho State Tax Commission.

Property in Kootenai County is revalued on a rotating schedule that affects every property once in five years.

Source: Kootenai County abstracts produced by the Kootenai County Assessor's Office.

KOOTENAI COUNTY, IDAHO
 Schedule of Foregone Amounts
 as of the 2007 Tax Year

<u>District</u>	<u>Foregone Amount</u>
Kootenai County	2,214,781
City of Athol	8,768
City of Coeur d'Alene	1,121,517
City of Dalton Gardens	11
City of Fernan Lake	5,494
City of Hauser Lake	373
City of Hayden	401
City of Hayden Lake	1
City of Hutter	52
City of Post Falls	261,833
City of Rathdrum	41,142
City of Spirit Lake	16,557
Kootenai County Emergency Medical Services System	5,288
East Side Fire	58,660
Kootenai County Fire & Rescue	235
Northern Lakes Fire	5
Shoshone Fire # 2	8,349
Timberlake Fire	668
Worley Fire	593
Flood Control #17	12,687
Post Falls Highway # 1	751,965
Lakes Highway # 2	788,127
Worley Highway # 4	741
North Idaho College	2,454,469
Hayden Lake Rec Water/Sewer	5,161
Kidd Island Bay Sewer	337
Cleland Bay Sewer	117

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 2008

Assessed Valuations:	
Assessed Value	\$ 16,714,064,932
Add Back Homestead Exemptions	2,907,974,690
Total Assessed Value	\$ 19,622,039,622
Legal Debt Margin	
Debt Limitation*: 2% of assessed market value	\$ 392,440,792
Less: Debt applicable to limitation:	
Solid Waste Refunding Bonds, Series 1993 ¹	-
Legal Debt Margin	\$ 392,440,792

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	\$124,897,897	\$128,889,331	\$134,528,045	\$141,124,142	\$151,310,318	\$159,888,093	\$176,030,946	\$229,904,550	\$343,032,202	\$392,440,792
Total net debt applicable to limit	3,160,000	2,425,000	1,655,000	845,000	-	-	-	-	-	-
Legal debt margin	\$121,737,897	\$126,464,331	\$132,873,045	\$140,279,142	\$151,310,318	\$159,888,093	\$176,030,946	\$229,904,550	\$343,032,202	\$392,440,792
Total net debt applicable to the limit as a percentage of debt limit	2.53%	1.88%	1.23%	0.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*Idaho Code: 31-1901;50-1019

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

Kootenai County Comprehensive Annual Financial Report - FY 2008

KOOTENAI COUNTY, IDAHO
 Schedule of Direct and Overlapping Debt
 September 30, 2008

Number of Issues	Jurisdiction	Net Debt Outstanding	Earliest Issue Date (Month/Year)	Oldest Maturity Date (Month/Year)	Applicable to Kootenai County Percentage	Amount
Direct Debt:						
1	Kootenai County	\$ 680,182	Sep/00	May/17	100.00%	\$ 680,182
Direct Debt		680,182			100.00%	680,182
Overlapping Debt:						
4	City of Coeur d'Alene	9,332,915	Dec/00	Sep/25	100.00%	9,332,915
1	City of Harrison	47,960	Jan/77	Jan/17	100.00%	47,960
10	City of Post Falls	14,715,296	May/89	Jun/25	100.00%	14,715,296
2	City of Rathdrum	590,199	Jan/88	Mar/11	100.00%	590,199
3	City of Spirit Lake	851,623	Jan/93	Aug/26	100.00%	851,623
1	Coeur d'Alene SD #271	8,630,237	Oct/97	Aug/12	100.00%	8,630,237
5	Lakeland SD #272	23,215,000	Dec/03	Aug/25	99.91%	23,194,107
3	Post Falls SD #273	21,825,000	Dec/98	Aug/18	100.00%	21,825,000
10	Kootenai Joint SD #274	1,626,805	Dec/02	Aug/12	99.39%	1,616,881
2	Kellogg Joint SD #391	12,360,000	Feb/98	Sep/26	20.01%	2,473,236
19	Kootenai Consolidated Library	3,285,000	Oct/05	Oct/25	97.19%	3,192,692
1	Flood Control District #17	226,613	Feb/05	May/20	100.00%	226,613
1	Kootenai County Fire & Rescue	480,000	Sep/00	Sep/10	100.00%	480,000
1	Bayview Water/Sewer District	1,375,915	Nov/03	Dec/21	100.00%	1,375,915
2	Green Ferry Water/Sewer District	133,247	Jul/77	Jun/18	100.00%	133,247
1	Hayden Lake Recreational Sewer District	215,000	Dec/00	Dec/14	100.00%	215,000
1	Kidd Island Bay Lots Sewer District	215,129	Apr/93	Apr/12	100.00%	215,129
1	Kingston-Cataldo Sewer District	143,861	Dec/79	Dec/19	6.90%	9,926
1	Kootenai County Water District #1	11,414	Feb/91	Feb/11	100.00%	11,414
1	North Kootenai Water District	1,470,000	Aug/99	Aug/18	100.00%	1,470,000
Overlapping Debt		100,751,214			88.47%	89,137,390
Total Overlapping & Underlying Debt		\$101,431,396			88.55%	\$89,817,572

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

* As of 9/30 balances owed on Administration Building and Public Defender Building.

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
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	127,688	4.4%	1,429,096	2.3%
2006	133,000	4.2%	1,466,465	2.6%
2007	134,442	1.1%	1,499,402	2.2%
2008	137,457 ¹	2.2%	1,523,816 ¹	1.6%

Year	Per Capita Personal Income			Personal Income (thousands of dollars)	Annual Average Unemployment Rate ⁵
	Kootenai County	State of Idaho	Kootenai Co. as a % of State of Idaho		
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	25,297	26,877	94.1%	3,097,537	5.4%
2005	27,449	28,301	97.0%	3,444,620	4.5%
2006	29,134	29,920	97.4%	3,808,425	3.8%
2007	30,598	31,804	96.2%	4,114,000	3.0%
2008	N/A ²	N/A ²	N/A	N/A ²	4.8%

Year	School Enrollment ^{(a) 3}	Regular High School Diplomas ^{(a) 4}	Median Age	
			1990 Census	Year
1999	19,550	1,134	1990 Census	35.0
2000	20,022	1,153	1995	35.7
2001	20,315	1,238	2000	36.1
2002	20,351	1,156	2001	36.4
2003	20,667	1,192	2002	36.6
2004	21,153	1,239	2003	36.8
2005	21,707	1,358	2004	37.0
2006	22,260	1,348	2005	36.9
2007	22,783	1,531	2006	37.1
2008	23,381	1,500	2007	37.4

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

^(a) Idaho Department of Education

¹ Population estimate by Idaho Department of Commerce & Labor as of July 1, 2007.

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

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

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

⁵ Unemployment rate is the average monthly rate from January through December of each year.

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

Employer	2008			1999		
	Range of Employees	Rank	Percentage of Total County Employment	Range of Employees	Rank	Percentage of Total County Employment
Kootenai Medical Center	1,800 - 1,899	1	3.14 - 3.31%	1,200 - 1,299	1	2.94 - 3.19%
Coeur d'Alene School District	1,300 - 1,399	2	2.26 - 2.44%	1,100 - 1,199	2	2.70 - 2.94%
Hagadone Hospitality	1,200 - 1,299	3	2.09 - 2.26%	1,000 - 1,099	3	2.70 - 2.94%
Center Partners	1,000 - 1,099	4	1.74 - 1.91%	-	-	-
North Idaho College	900 - 999	5	1.57 - 1.74%	800 - 899	4	1.96 - 2.20%
Coeur d'Alene Tribe	900 - 999	6	1.57 - 1.74%	300 - 399	9	-
Kootenai County	700 - 799	7	1.22 - 1.39%	600 - 699	5	1.47 - 1.71%
Post Falls School District	600 - 699	8	1.04 - 1.22%	500 - 599	7	1.23 - 1.47%
Lakeland School District	500 - 599	9	.87 - 1.04%	400 - 499	8	.98 - 1.22%
Wal-Mart	500 - 599	10	.87 - 1.04%	-	-	-
Kimball International	-	-	-	-	-	-
Flexcel	-	-	-	500 - 599	6	1.23 - 1.47%
Idaho Forest Industries	-	-	-	300 - 399	10	0.73 - .98%
Kootenai County Non-Farm Payroll Employment Total ¹	57,406 ²			40,772		
Average employment size of the 10 largest employers	990			720		

Source for Data: Idaho Department of Commerce & Labor

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

² Estimate

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

Institution Type	Number of Branches	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<i>(1) Data as of June 30th</i>											
Commercial Banks	46	\$ 1,537	\$ 1,611	\$ 1,435	\$ 1,302	\$ 1,271	\$ 1,002	\$ 923	\$ 880	\$ 847	\$ 802
FDIC Savings Banks	2	76	83	137	170	142	127	106	69	60	47
Subtotal FDIC- Insured Institutions	48	1,613	1,694	1,572	1,472	1,413	1,129	1,029	949	907	849
<i>(2) Data as of December 31st</i>											
Credit Unions	1	8	8	9	9	10	23	22	23	20	21
Total	49	\$ 1,621	\$ 1,702	\$ 1,581	\$ 1,481	\$ 1,423	\$ 1,152	\$ 1,051	\$ 972	\$ 927	\$ 870

Kootenai County's total deposit market share for all FDIC-Insured institutions rank at 9.36% 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
County Employees by Function
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Function										
General Government	251.4	227.4	269.3	249.5	270.6	275.6	280	282.4	301.9	296.2
Public Safety										
Sheriff	96	96	100.9	97.9	103.9	99.9	99.9	111.4	112.4	117.3
Jail	73.8	78.3	82.9	92.9	98.9	108.9	113.9	115.9	123.9	123.9
Justice	52	55	58.5	62.7	64.1	64.6	66.6	69.1	67.1	76.4
Public Health	39	32	32	31	34.5	35.5	35.5	36.5	37	36
Building	12	12	12	12.5	12.5	11	12	18	20	20
Public Works										
Airport	6.5	6.5	6.5	7	7	7	7.1	7.6	7.6	7.6
Solid Waste										
Transfer Station	35.5	35.5	36.5	36.6	37	39	44	43	50.5	69
Noxious Weed Control	2.3	2.3	2	3	3	2	2	2.6	2.6	2.6
Health & Welfare										
County Assistance	8	8	8	7	7	7	7	7	7	7
Culture & Recreation										
Snowmobile	0	0	0	0.5	1	1	0	0	0.5	2
Parks & Recreation	3	3	3	1	2.1	3	3	3.5	3.25	3
Waterways	3	3.5	3.5	5	5.5	3.5	3	3.5	3.25	3
Marine Deputy ¹	1.5	1.5	2	2	2	2	0.6	1	1	1
Total	584	561	617.1	608.6	649.1	660	674.6	701.5	738	765

Source: Kootenai County Adopted Budget documents

¹ 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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Physical arrests	5,933	6,369	5,926	5,904	6,727	7,288	7,382	8,032	8,627	9,207
District Court Caseloads										
Felonies	944	790	713	695	825	928	1,003	981	930	1,925
Misdemeanors	8,695	8,278	7,030	7,154	8,370	8,492	7,540	8,770	12,672	12,308
Infractions	14,944	16,447	15,930	16,021	17,726	19,295	16,948	17,674	22,075	21,247
Refuse Collection										
Landfilled refuse ¹	106	105	111	113	119	136	138	140	138	130
Refuse collected ¹	128	130	139	144	150	168	182	195	191	183
Recyclables collected ¹	10.9	11.5	11.1	11.1	12.1	12.9	21.1	22	23	22
Parks and Waterways										
Improved facilities	22	23	23	23	24	24	24	24	24	24
Airport										
Hangars ²	55	59	61	66	68	72	74	82	90	93

Sources: Various County Departments

¹ Amounts shown in thousands of tons.

² 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
2008	217	\$ 70,192,691	46	\$ 20,580,311
2007	327	100,885,223	73	35,171,069
2006	404	98,374,385	52	9,904,072
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

Notes:

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



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

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government:										
Land	\$ 837	\$ 1,476	\$ 1,523	\$ 1,523	\$ 1,894	\$ 1,931	\$ 1,931	\$ 1,931	\$ 2,327	\$ 2,336
Buildings	14,195	14,195	14,195	14,409	14,663	14,454	14,454	14,489	15,365	13,944
Improvements	-	-	-	-	-	3	33	42	41	60
Machinery and equipment	5,877	5,815	6,317	6,813	7,000	7,305	7,585	8,260	8,991	9,771
Public works:										
Land	676	676	676	986	1,819	1,819	1,828	1,828	1,828	1,828
Buildings	-	-	-	256	502	502	562	562	562	562
Improvements	7,944	8,786	11,244	13,396	13,219	13,222	17,440	17,445	20,470	25,239
Machinery and equipment	745	767	1,460	1,624	1,625	1,660	1,707	1,748	1,752	1,817
Public safety:										
Land	65	65	65	65	65	65	65	107	107	107
Buildings	7,144	7,144	9,140	9,090	20,184	20,213	20,213	20,223	20,552	22,718
Improvements	-	-	-	-	13	13	22	37	44	51
Machinery and equipment	5,060	5,366	5,508	5,606	5,954	6,108	6,313	7,112	8,680	8,704
Sanitation:										
Land	735	735	450	450	986	1,275	1,275	1,275	1,294	1,294
Buildings	183	183	183	183	183	572	572	572	572	632
Improvements	16,049	16,049	16,049	18,247	18,720	19,826	20,435	20,644	20,911	20,911
Machinery and equipment	4,973	5,104	5,362	5,447	6,215	6,535	6,855	7,330	8,075	9,179
Health & welfare:										
Machinery and equipment	48	35	35	33	35	35	32	30	31	29
Culture and recreation:										
Land	85	85	85	85	250	249	249	249	249	249
Buildings	2,995	2,995	3,005	3,212 ¹	228	239	239	251	239	272
Improvements	-	-	134	140	136	585	591	611	1,201	1,201
Machinery and equipment	1,284	1,343	1,053	956 ¹	993	1,044	1,029	1,198	477	517
Capital projects:										
Construction in progress	948	5,531	11,210	11,298	1,588	3,684	3,157	7,641	5,789	11,872
Total Capital Assets	\$ 69,843	\$ 76,350	\$ 87,694	\$ 93,819	\$ 96,272	\$ 101,339	\$ 106,587	\$ 113,585	\$ 119,557	\$ 133,293

¹ In 2002 and 2003, \$108 from Machinery and Equipment and \$2,928 from Buildings belonging to North Idaho Fair and Rodeo were removed from Culture and Recreation.

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

In 2007, all Capital Assets belonging to the County Auto Shop cost center were moved from General Government to Public Safety.

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

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public safety:										
Kootenai County Sheriff										
Sheriff Office	1	1	1	1	1	1	1	1	1	1
Patrol Units	56	57	57	57	57	58	58	58	58	56
Public Safety Buildings	1	1	2	2	3	3	3	3	3	3
Sanitation:										
Ramsey Transfer Station										
Trash Rolloff Bins	15	15	15	15	20	34	34	37	36	36
Loaders	3	3	3	3	3	3	3	3	3	5
Tractor Trucks	5	5	5	5	6	6	5	6	6	6
Transfer Trailers	13	13	15	17	18	20	21	25	31	34
Fighting Creek Landfill										
Heavy Machinery & Equipment	5	8	8	8	8	8	9	9	13	17
Culture and Recreation:										
Waterways/ Park & Recreation										
Pumpouts	8	10	10	10	10	10	10	10	10	9
Vault Toilets										
Wood	6	6	7	7	7	7	7	7	7	7
Concrete	0	1	2	2	3	3	3	4	3	3

Sources: Various County Departments

SINGLE AUDIT SECTION

May 23rd, Lake Coeur d'Alene reached the seawall and deposited a lot of debris that needed to be cleaned up.





AUDITOR'S SECTION

Independence Point at Coeur d'Alene Beach, May 23, 2008.





**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, 2008, and have issued our report thereon dated March 30, 2009. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Kootenai County Comprehensive Annual Financial Report - FY 2008

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
March 30, 2009

**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, 2008. 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 Non-Profit 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, 2008.

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.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that

noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses, as identified above.

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
March 30, 2009

KOOTENAI COUNTY, IDAHO

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2008

Section I – Summary of Auditors’ Results

FINANCIAL STATEMENTS:

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es) Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) 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>
20.507	FTA Section 5307 small Urbanized Area Grant
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, 2008**

Section II - Financial Statement Findings

No matters were reported.

KOOTENAI COUNTY, IDAHO

**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2008**

Section III – Federal Award Findings and Questioned Costs

No matters were reported.



Auditees' Section

Historical Crest (in feet) of Lake Coeur d'Alene

1. 2139.05 - 12/25/1933
2. 2137.60 - 05/31/1894
3. 2136.50 - 01/20/1974
4. 2136.30 - 05/20/1997
5. 2136.00 - 01/03/1918
6. 2135.95 - 04/30/1948
7. 2135.90 - 05/17/1917
8. 2135.50 - 04/26/1956
9. 2134.93 - 03/01/1996
- 10. 2134.75 - 05/23/2008**





KOOTENAI COUNTY, IDAHO
 Schedule of Expenditures of Federal Awards
 As of September 30, 2008

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Identifying Number	Pass-Through Award amount	2007-2008 expenditures
U. S. DEPARTMENT of AGRICULTURE				
Passed through Idaho State Superintendent of Public Instruction: School Breakfast - Lunch Program	10.553	RC-28-03	variable	\$ 76,099.67
Passed thru Idaho State Department of Agriculture/Inland Empire Cooperative Weed Management Area Eurasian Watermilfoil Control Program	10.664		464,415.00	29,089.09
				<u>105,188.76</u>
U. S. DEPARTMENT of INTERIOR				
Passed through Bureau of Land Management Wildland Urban Interface Community & Rural Fire Assistance	15.228	DAA010411/DLF040540/DLA070403	60,000.00	45,894.28
Passed through Idaho Department of Lands Wildland Urban Interface Community & Rural Fire Assistance	15.228	LEPC & ID Dept of Lands MOU #NFP- SFA-HFT 2002:05-SFA-04;07SFAP-05	433,000.00	264,539.90
				<u>310,434.18</u>
U.S. DEPARTMENT OF JUSTICE				
Passed through Idaho State Police BJAG Pre Trial Services Project 2007	16.738	16BJAG1K	162,800.00	32,359.55
BJAG Pre Trial Services Project 2007	16.738	16BJAG1K	162,800.00	100,614.67
Passed through Idaho Department of Juvenile Corrections: JAIBG	16.523	05-JA11-03	27,085.00	24,382.00
JAIBG	16.523	06-JA11-03	24,378.00	2,803.38
Passed through Idaho Department of Health and Welfare: Domestic Violence Grant/Victim Grant	16.575	KC225700	14,515.00	10,520.26
Domestic Violence Grant/Victim Grant	16.575	KC233600	15,000.00	3,244.80
				<u>173,924.66</u>
U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES				
Passed through Idaho Department of Health and Welfare: Domestic Violence Grant	93.575	KC225700	10,485.00	8,040.13
Domestic Violence Grant	93.575	KC233600	11,000.00	2,091.99
				<u>10,132.12</u>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
Passed through Idaho Department of Commerce Garwood Water Project	14.228	ICDBG 04-1-23-IM	100,000.00	5,000.00
				<u>5,000.00</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs: Airport Improvement Program	20.106	3-16-0010-24,26,27,&28	5,384,210.00	746,261.11
FTA Section 5307 Small Urbanized Area Grant	20.507	ID-90-X064,ID-90-X080-00&-01	2,005,330.00	1,206,811.96
				<u>1,953,073.07</u>

continued

Kootenai County Comprehensive Annual Financial Report - FY 2008

KOOTENAI COUNTY, IDAHO
 Schedule of Expenditures of Federal Awards
 As of September 30, 2008

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Identifying Number	Pass-Through Award amount	2007-2008 expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through State of Idaho Military Division:				
EMPG	97.067	2005-GE-T5-0044	50,476.33	1,888.95
EMPG	97.042	2006-GE-T6-0020	3,758.21	3,758.21
EMPG	97.042	2008-EM-E8-0035	77,646.11	44,000.00
Homeland Security - Equipment	97.067	2005-GE-T5-0044 ⁽¹⁾	367,392.41	70,859.89
Homeland Security - Planning	97.067	2005-GE-T5-0044	17,212.42	12,605.95
Homeland Security - Citizens Corp	97.067	2005-GE-T5-0044	9,744.62	2,585.11
Homeland Security - Citizens Corp	97.067	2006-GE-T6-0030	17,219.56	8,351.98
Homeland Security - Training	97.067	2005-GE-T5-0044	16,381.18	104.25
Homeland Security - Training	97.067	2006-GE-T5-0030	33,365.84	77.51
Homeland Security - Exercise Personnel Grant	97.067	2005-GE-T5-0044	58,398.01	1,384.79
Homeland Security - Exercise Personnel Grant	97.067	2006-GE-T5-0030	56,407.71	5,569.72
Homeland Security - LETPP	97.067	2005-GE-T5-0044	100,577.88	2,514.45
Homeland Security - NIM/NRP	97.067	2006-GE-T6-0030	29,787.23	3,124.18
Passed through State Department of Parks & Rec				
Clean Vessel Grant Act	15.616	GCV8-1-28-2	25,227.75	25,227.75
Clean Vessel Grant Act	15.616	GCV8-1-28-1	6,263.00	250.00
Boater Safety Financial Assistance	97.012		109,739.00	109,739.00
				292,041.74
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 2,849,794.53

(1) 2005 Homeland Security Grant Program - Equipment Award is a pass through from the State of Idaho Military Division. Total Grant Award for Equipment Total - \$367,392.41. Only \$216,607.89 was budgeted for Kootenai County entities the remaining amounts were awarded to fire districts and cities.

See accompanying Independent Auditors' Report

KOOTENAI COUNTY, IDAHO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2008

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
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2008

Findings from the Year Ended September 30, 2007

Finding 07-01 — Cash Account Reconciliation

During our audit we concluded the cash reconciliation is still not being completed on a timely basis but the County has implemented steps to complete the reconciliation in a more efficient manner.

KOOTENAI COUNTY, IDAHO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2008

Findings from the Year Ended September 30, 2006, and Prior

All matters have been resolved.